

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

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Program ID/Title: AGS 871/Campaign Spending Commission

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I. Goals

- A. Goal - To simplify and clarify campaign finance laws in order to improve implementation and compliance.
- B. Goal - To increase public education, awareness and access.
- C. Goal - Increase the technological capacity to improve access, reduce paperwork, and increase compliance.
- D. Goal - Upgrade the training for and ability of the committees to comply with campaign finance laws.
- E. Goal - Encourage compliance.
- F. Goal - Increase and stabilize the Commission's institutional capacity to carry out its mission.

II. Objectives and Policies

- A. Goal - To simplify and clarify campaign finance laws in order to improve implementation and compliance.
  - o Propose legislation, where needed, to simplify and clarify campaign finance laws in order to improve implementation and compliance.
  - o Draft and submit administrative rules, where needed, to simplify and clarify campaign finance laws to improve implementation and compliance.
- B. Goal - To increase public education, awareness and access.
  - o Direct the public to the Commission's website and continue to improve web-based information.
  - o Disseminate to the public information on contributions, expenditures, and other pertinent topics of interest.

- Plan, organize, participate, and host trainings to inform and educate on campaign finance laws and rules.
  - Explore and implement social and other media applications to inform and educate on campaign finance laws and rules.
  - To raise public awareness and increase visibility of the Commission's work, hold at least one Commission meeting in a neighbor island county each year.
- C. Goal - Increase the technological capacity to improve access, reduce paperwork, and increase compliance.
- Increase the Commission's analytical capability.
  - Maintain awareness of newer technology, including electronic filing systems and hardware/software or applications, for consideration of integration and/or implementation.
  - Maintain awareness of the implications of technological changes on all aspects of campaign finance including political contributions.
- D. Goal - Upgrade the training for and ability of the committees to comply with campaign finance laws.
- Explore new methods for training and disseminating information.
  - Offer training to committees to improve compliance with campaign finance laws and rules.
  - Publish guidebooks, manuals, and e-learning videos on how to comply with campaign finance laws and rules as well as how to use the electronic filing systems.
- E. Goal - Encourage compliance.
- Develop escalating penalties for repeat and gross violations, and disseminate information about the penalties.
  - Simplify and expedite disposition of campaign finance violations.
  - Seek enforcement of the campaign finance laws and rules against violators.
  - Evaluate the effectiveness of training modules and revise them as needed.

- Evaluate the effectiveness of communication efforts and revise them as needed.
  - Encourage committees to call the Commission, visit the Commission's office, and/or go to the Commission's website for information to comply with campaign finance laws and rules.
- F. Goal - Increase and stabilize the Commission's institutional capacity to carry out its mission.
- Develop proposals to stabilize funding.
  - Plan for potential staff transitions and ensure position descriptions are current.
  - Continue Commissioner development through trainings and conferences as well as issuing a Commissioner handbook and orientation of new Commissioners.

### III. Action Plan with Timetable

#### A. **Goal - To simplify and clarify campaign finance laws in order to improve implementation and compliance.**

##### ○ **Past Year Accomplishments**

Propose legislation. For the 2015 Legislative Session, the Commission's bill was S.B. 452, and its companion bill H.B. 175, which sought to amend Hawaii Revised Statutes ("HRS") §11-334(a)(4) to require candidate committees to file supplemental reports on January 31<sup>st</sup> regardless of whether it is an election year. This conforms with present practice as well as the reporting requirements of noncandidate committees. This is the fourth year that the Commission has unsuccessfully attempted to amend this statute.

Bills that were approved into law were as follows:

Act 79, SLH 2015 (S.B. 508) – Effective July 1, 2015, HRS §11-336(a) was amended to require noncandidate committees to file an additional preliminary report on October 1 of the year of a general election.

Act 78, SLH 2015 (S.B. 654) – Effective January 1, 2016, HRS §11-353(d), relating to the prohibition of anonymous contributions, was amended to reduce the threshold amount on the calabash bowl exception from less than \$500 to less than \$100 from 10 or more persons at the same political function.

Act 209, SLH 2015 (H.B. 1491) – Effective January 1, 2016, HRS §§11-323(a), 11-335(b), and 11-338(b) were amended to require additional reporting by noncandidate committees solely making independent expenditures (i.e., Super

PACs) for contributions aggregating more than \$10,000 on their disclosure reports and greater than \$5,000 on their late contribution reports from contributing entities that are not individuals, for-profit business entities, or labor unions. This law requires independent expenditure committees to report: (1) the internet address where a contributing entity's disclosure report can be publicly accessed; (2) the name, address, occupation, and employer of each funding source of \$100 or more to the contributing entity; or (3) an acknowledgment that the contributing entity is not subject to any state or federal disclosure reporting requirements regarding the source of the contributing entity's funds.

Other legislation of significance that the Commission provided written/oral testimony and tracked included S.B. 577 and its companion bill H.B. 884. This bill was submitted by Common Cause – Hawaii to address the Commission's funding concerns. It proposed to have the general fund pay for the Commission's operating expenses including staff salaries and fringe benefits, to have fines deposited into the trust fund, and to authorize the Commission to use trust fund moneys for investigative expenses. This bill remains in conference committee.

Draft and submit administrative rules. This Commission drafted proposed amendments to Chapter 3-160 (Election Campaign Contributions and Expenditures) and Chapter 3-161 (Administrative Practice and Procedures Before the Commission) of the Hawaii Administrative Rules which were approved by the Commissioners at their October 9, 2013 meeting. The proposed amendments updated obsolete references to the HRS and made technical and grammatical corrections. It also proposed a new section that implemented section 2 of Act 112, SLH 2013, which requires SuperPacs to identify their top contributors in their advertisements. The proposed rules were given to Governor Abercrombie for consideration, but because they were never approved, we intend to resubmit a new draft with additional amendments for Governor Ige's consideration in FY 2016.

Advisory Opinions. During this period, Advisory Opinion No. 15-01 was issued which discussed sources of member funding that the General Contractors Association of Hawaii ("GCA") could use to make political contributions. This was an area of concern since the GCA has members who are government contractors who are barred from making contributions under HRS §11-355.

- **One Year** – Continue to research, draft, and submit legislation seeking further technical revisions to the campaign finance laws for purposes of clarity, consistency, and style as well as to seek substantive changes as needed. Proceed to public hearing with the proposed revisions to the Commission's administrative rules. Continue to render advisory opinions as required.
- **Two Year/Five Year** - Continue to update the law and administrative rules as well as issue advisory opinions as needed.

**B. Goal - To increase public education, awareness and access.**

○ **Past Year Accomplishments**

Direct the public to the Commission’s website and continue to improve web-based information. The Commission has an ongoing partnership with the State of Hawaii’s Information & Communication Services Division (“ICSD”) to improve the Commission’s website which contains two statutorily required electronic filing systems for candidate committees and noncandidate committees. For purposes of transparency, much of the Commission’s operations, business, and finances are posted online including Commissioners’ biographies, meeting agendas and minutes, newsletters, advisory opinions, Hawaii Election Campaign Fund (“HECF”) information, annual reports, campaign finance statistics, and the Strategic Plan. Information of current interest is constantly identified and posted on the Commission’s website including statute and rule changes, legislation, reporting deadlines, enforcement issues, and new informational and technological tools. There are also links for viewing reports, filing reports, seeking guidance including cyber-learning presentations, forms, guidebooks, and qualifying for public funding. Based on the results of our annual online survey, we understand that our website continues to be our strongest resource in providing stakeholders and interested parties with campaign finance information. As such, we continue to fine-tune our website with a focus in building more efficient and user friendly navigation tools which includes a searchable database of all the campaign finance data filed by committees. We have also included a section on our home page for our latest tweets and highlighted the candidate and noncandidate committee data visualization apps. These updates are done at zero cost to the Commission. During this fiscal period, we had 127,766 “hits” to our website.

Disseminate to the public information on contributions, expenditures, and other pertinent topics of interest. In August 2014, working with ICSD, the Office of Information Management and Technology (“OIMT”), and Socrata, a second data visualization application was launched on the Commission’s website which permits viewers to see noncandidate committee reports in a more visually attractive, user friendly, and dynamic way for a particular election period. Similar to the candidate committee application which was released in November 2013, this app permits anyone to see pie charts, geo-maps, and bar charts from data derived from the noncandidate committees’ reports filed electronically with the Commission from the last 7 ½ years. Highlights of the new app include:

- Percentage of how contributions are funded (by individuals, candidate committees, noncandidate committees, vendor/business)
- Percentage of contributions received from in-state versus out-of-state including geo-maps
- Percentage of contributions by states as well as zip codes
- Fundraising activity
- Contributions to candidates categorized by office
- Contributions to candidates categorized by party
- Percentage of expenditures by category
- Percentage of expenditures versus independent expenditures

- Percentage of independent expenditures in support or in opposition to candidates
- Percentage of in-state versus out-of-state expenditures

This application was conceived to provide greater transparency and accountability in government and to enable the public to follow the money of noncandidate committees' participation in Hawaii elections.

Other mechanisms to disseminate to the public information concerning campaign finance include regular posts of anything new/interesting on our website under "What's New," biannual newsletters, e-blasts, Facebook posts, and tweets. New candidates, new noncandidate committees (including Super PACs), new corporations, notice of fundraisers, notice of Commission meetings, new guidebooks or manuals, new legislation, updates to the electronic filing systems, requests to take/submit our annual online survey, registering for training classes, electioneering communication statements of information, etc., are tweeted.

At the end of the 2014 general election, the Commission posted on its website a summary of the data that all candidates who ran in the election filed with the Commission as well as the data that all registered noncandidate committees (including Super PACs and ballot issue committees) filed with the Commission for that election. With respect to the 298 candidates who ran for 102 (out of 128) seats in the State of Hawaii, a total of \$21 million was raised and a total of \$19.8 million was spent. The Commission posted on its website statistics including breakdowns, top 10 lists, and cost per vote information. With respect to the 29 Super PACs registered with the Commission, they raised a total of \$7.9 million and spent a total of \$7.3 million. Of the moneys spent, \$1.9 million was for positive advertising (i.e., in support of a candidate) and \$3.3 million was for negative advertising (i.e., in opposition of a candidate). With respect to the 13 ballot issue committees registered with the Commission, there were 12 ballot issues of which only 3 had campaign finance activity. These committees raised a total of \$13.5 million and spent a total of \$12.5 million. The most money raised and spent was for the Maui County question relating to genetically engineered organisms (i.e., \$11.1 million raised and \$10.2 million spent).

Plan, organize, participate, and host trainings to inform and educate on campaign finance laws and rules. Community presentations to candidate and noncandidate committees, corporations, legislators, community groups, contractors, certified public accountants, political parties, etc., on various areas of campaign finance laws are regularly delivered when requested. In anticipation of the 2014 election, campaign finance presentations to candidates and committees were planned and delivered on Kauai (6/24/14), Honolulu (6/25/14), and Maui (7/2/14). Due to a lack of registrations, we cancelled our presentation on the Big Island. Other informational meetings provided during this period included speaking at the Digital Government Summit and providing training to the Investigations Division of the Attorney General's Office. At the Council on Governmental Ethics Laws' ("COGEL") Annual Conference in December 2014, Executive Director Izumi-Nitao served on the Program Committee to help plan the conference as well as

organized, facilitated, and participated on two panels at the conference – “Onboarding New Employees” and “Sitting on a Data Mine.” At this conference, Executive Director Izumi-Nitao was also elected to become a member of the COGEL Steering Committee for a 4-year term. In April 2015, she attended a meeting in Boston, MA, in this capacity and was asked to chair the COGEL Nominating Committee. Additionally, requests to respond to media inquiries are accepted where practicable.

Explore and implement social and other media applications to inform and educate on campaign finance laws and rules. The Commission regularly uses e-blasts as well as Facebook and Twitter accounts to inform and educate committees, interested parties, subscribers, and the public on campaign finance. We have found the e-blasts to be especially effective in sending out time sensitive information such as reporting deadline reminders and changes in the law. It also permits us to notify interested parties about registering for training classes, publication of new educational tools, and other campaign finance information. Efforts to not overuse the email system and reserve it for distribution of important announcements is always a consideration. During this period, the CSC email system was employed 76 times and we have 942 total subscribers. Notably, subscribers are separated into four groups – candidates (319 subscribers), noncandidate committees (241 subscribers), corporations (177 subscribers), and the public (205 subscribers), thereby permitting us to target relevant audiences with the e-blast.

Since July 2011, we have been employing social media tools such as Facebook and Twitter to leverage our capabilities to increase, enhance, and supplement our communication efforts to inform the public of important and time sensitive campaign finance information. During this fiscal year, we issued 516 tweets.

Every year, we attend the PCATT IT Summit / Conference to identify and learn new ways to improve and educate committees and the general public in campaign finance. This year, this conference highlighted cybersecurity.

Raise public awareness and increase visibility of the Commission’s work, hold at least one Commission meeting in a neighbor island county each year. This action item will hopefully be addressed in fiscal year 2016, but raising public awareness and increasing visibility of the Commission’s work are always considerations when the Commission communicates with the public.

- **One Year** - Continue to drive the public to our website and utilize social media applications as well as employ our email system to inform and educate. Revise and update guidebooks, manuals, and cyber learning videos. Arrange a Commission meeting in a neighbor island county.
- **Two Year/Five Year** – Plan, organize, and host trainings in election years. Continue to identify mechanisms to increase public education, awareness and access. In an economic upswing, consider holding a National Campaign Finance Law Forum in Hawaii.

**C. Goal - Increase the technological capacity to improve access, reduce paperwork, and increase compliance.**

○ **Past Year Accomplishments**

Increase the Commission's analytical capability. During this period, there were changes to the Commission's electronic filing systems as a result of legislative enactments to improve transparency and disclosure.

As a result of Act 79, SLH 2015 (S.B. 508), effective July 1, 2015, the noncandidate committee filing system was modified to allow noncandidate committees to file an additional preliminary general report on October 1 in a general election year pursuant to HRS §11-336(a).

As a result of Act 209, SLH 2015 (H.B. 1491), effective January 1, 2016, the noncandidate committee filing system will be modified to allow additional reporting by noncandidate committees solely making independent expenditures (i.e., Super PACs) for contributions aggregating more than \$10,000 on their disclosure reports and greater than \$5,000 on their late contribution reports from contributing entities that are not individuals, for-profit business entities, or labor unions. The filing system will require qualifying Super PACs to report: (1) the internet address where a contributing entity's disclosure report can be publicly accessed; (2) the name, address, occupation, and employer of each funding source of \$100 or more to the contributing entity; or (3) an acknowledgment that the contributing entity is not subject to any state or federal disclosure reporting requirements regarding the source of the contributing entity's funds. The first report that this information will be included is the preliminary primary report that Super PACs must file by August 3, 2016 for activity covering January 1, 2016 through July 29, 2016.

The Commission continues to rely on its searchable database to run queries on various campaign finance issues.

Maintain awareness of newer technology, including electronic filing systems and hardware/software or applications, for consideration of integration and/or implementation. The Commission works closely with ICSD and OIMT and as a result has benefitted from their expertise and assistance in consolidating and maximizing our hardware/software applications.

The annual COGEL conference is another source from which we learn about other campaign finance systems and technology. During this period, however, there were no plans nor funding to alter our electronic filing systems.

Maintain awareness of the implications of technological changes on all aspects of campaign finance including political contributions. The annual COGEL conference has been a great venue for the Commission to learn about



technological changes or advances employed by other campaign finance offices. During this fiscal year, there were no technological changes that the Commission deemed viable for employment in Hawaii; however, we remain receptive to all new ideas.

- **One Year** - Continue to work and meet with ICSD and OIMT to identify areas and ways to further this goal including developing visualizations and graphics to our data and examining other applications to increase, supplement, and enhance communication with candidates, committees, and the public. Evaluate current systems, hardware, and software to determine whether upgrades are needed. Update all systems to conform with new laws.
- **Two Year/Five Year** - As ICSD is able to complete our work orders with respect to our electronic filing systems, we will continue to collaboratively identify analyses capability of contributions and expenditures data. In recognition that technology plays a critical role in communicating, it is important to remain abreast of newer applications and social media which will enable us to more effectively improve access, increase compliance, and meaningfully engage stakeholders and interested parties.

**D. Goal - Upgrade the training for and ability of the committees to comply with campaign finance laws.**

- **Past Year Accomplishments**

Explore new methods for training and disseminating information. In October 2014, we attended a presentation from Adobe to consider their programs for training and disseminating information. Unfortunately, it was cost prohibitive.

The Commission continues to work with the Office of Elections and county clerks in providing informational packets to be given to candidates who file their nomination papers. We also worked closely with them with respect to certifying compliance that campaign finance reports were filed and payments of fines were paid so that the winning 2014 candidates were able to be sworn into office.

Offer training to committees to improve compliance with campaign finance laws and rules. In an effort to prepare candidates of the numerous reporting requirements and laws regarding campaign finance, training classes were offered across the State. There were classes offered on Kauai, Maui, Hilo (but not enough registrations), and Honolulu in June and July 2014 with 95 registrants who attended presentations on candidate committees, noncandidate committees, and public financing. In consideration of new case law and entering into an election year, powerpoint training presentations were revised.

As early as 2007, certified public accountants were attending these trainings because they were often employed or asked to assist with treasurer duties of candidate and noncandidate committees. Accordingly, with the assistance of former Chair/Commissioner Paul Kuramoto, we were approved to provide

Continuing Professional Education credits by the Board of Accountancy to certified public accountants. Eight (8) CPAS received credit from our trainings this fiscal year. Our instructor certification must be annually renewed and our current certification will expire in December 2015.

Publish guidebooks, manuals, and e-learning videos on how to comply with campaign finance laws and rules as well as how to use the electronic filing systems. Guidebooks, manuals, and e-learning videos have always been available on the Commission's website. In anticipation of the 2014 election, the Commission took a look at these materials and revised them. As such, there are new cyber learning videos, new guidebooks, and new manuals on the Commission website. The cyber learning videos were created as a companion to the Candidate Filing System ("CFS") Manual and Noncandidate Committee Filing System ("NCFS") Manual to help viewers learn how to use their respective filing systems. The videos therefore cross-reference the table of contents in the CFS Manual and NCFS Manual (which are available on the Commission's website) and can be used simultaneously with the manual (or by themselves). We believe that viewing short (i.e., 5-minutes or less in length) videos by specific subject matter will speed up the viewer's learning by giving them a visual of how certain tasks are completed in the electronic filing systems.

- **One Year** - Update guidebooks, manuals, and cyber learning videos. We will continue to work closely with the Office of Elections concerning certification of elected officials if they have been delinquent with their reports and paying fines. Renew our instructor certification with Board of Accountancy.
- **Two Year/Five Year** – Explore other avenues for training and disseminating information.

**E. Goal - Encourage compliance.**

- **Past Year Accomplishments**

Develop escalating penalties for repeat and gross violations, and disseminate information about the penalties. The Commission continues to find that there are some candidate and noncandidate committees who do not file their reports timely or at all. In consideration of staff resources in getting these committees to file their reports, the Commission decided to consider other approaches to encourage compliance including filing complaints against violators, and if no compliance was obtained, filing a First Circuit Court application seeking judicial enforcement of Commission orders. For those committees that failed to file the report, the Commission would file a complaint and invoke an administrative fine pursuant to HRS §11-410(a) and (h). This action represents a way of invoking a higher fine and a stronger punitive stance to those committees who completely failed to file the report by the statutory deadline.

During this fiscal year, 125 inquiries and investigations were opened which resulted in:

- 74 filed complaints which yielded a preliminary determination of a campaign finance violation resulting in \$38,359.58 in fines
- 31 of the aforementioned complaints, however, due to noncompliance, are being referred to the Attorney General's Office to seek judicial enforcement pursuant to HRS §11-410(d)
- 17 filed complaints which were dismissed or withdrawn due to compliance and payment of fines which totaled \$5,646.86
- 8 filed complaints were referred for criminal prosecution

The balance of the remaining inquiries and investigations did not yield a complaint or were withdrawn.

Simplify and expedite disposition of campaign finance violations. Representative of this strategy are conciliation agreements which are essentially settlement agreements negotiated by the staff and approved by the Commissioners in a publicly noticed meeting. In this fiscal year, there were 67 conciliation agreements which were approved resulting in a total of \$12,745.07 in administrative fines.

Seek enforcement of the campaign finance laws and rules against violators. Most of the Commission's enforcement actions have focused on the late or unfiled reports. However, other campaign finance violations occurring during this period include:

- 103 failures to file or late filing of disclosure reports resulting in \$19,786.94 in fines
- 16 excess contributions to candidate or noncandidate committees resulting in a total of \$9,890.83 escheat to the HECF and \$2,600 in administrative fines
- 4 committees with a surplus resulting in \$5,598.46 escheat to the HECF
- 10 anonymous contributions resulting in \$2,495.74 escheat to the HECF
- 7 failures to file the Late Contributions Report resulting in \$5,000 in fines
- 1 untimely filing of the Public Fund Report resulting in a \$100 fine
- 9 late fundraiser notices resulting in \$300 in fines
- 5 failures to timely file/amend the organizational report resulting in \$400 in fines
- 22 expenditures made in a prohibited period resulting in \$4,293.75 in fines
- 19 prohibited expenditures resulting in \$2,659.51 in fines
- 4 failures to have an ad disclaimer resulting in \$125 in fines
- 2 untimely deposit of contributions resulting in \$50 in fines
- 1 filing of a false report resulting in a \$500 fine
- 1 exceeding the expenditure limit resulting in a \$500 fine
- 1 exceeding the loan limit resulting in a \$100 fine
- 3 failures to report contributions and expenditures in spite of having fundraisers resulting in referrals for prosecution

As for our federal lawsuit, Yamada v. Snipes, et. al., Civil No. CV10-0497 (formerly, Yamada v. Kuramoto, et. al. and Yamada v. Weaver, et. al.), on May 20, 2015, the Ninth Circuit Court of Appeals affirmed the U.S. District Court for the District of Hawaii's decision, which had mostly rejected a comprehensive challenge to Hawaii's campaign finance law. The lower court had ruled that (1) the definitions of "noncandidate committee," "expenditure," and "advertisement" are not unconstitutionally vague or overbroad, (2) the noncandidate committee disclosure requirements are constitutional under the First Amendment, (3) the noncandidate committee disclosure requirements may be applied to organizations that do not have political activity as their primary or only purpose, (4) the disclaimer requirement for advertisements is constitutional, (5) the electrical contractor plaintiff did not have standing to challenge the electioneering communication's registration requirements because by administrative rule, the contractor, as a noncandidate committee, was not required to comply with the requirements, and (6) the ban on government contractors' contribution contained in HRS §11-355 is constitutionally permissible. The state also prevailed on the attorneys' fee award issue on appeal.

Evaluate the effectiveness of training modules and revise them as needed. The Commission revised all of its training modules (i.e., guidebooks, manuals, e-learning videos, powerpoint presentations) in preparation for the 2014 election during this period.

Evaluate the effectiveness of communication efforts and revise them as needed. Current efforts to communicate have been successful – especially, our website, e-blasts, and tweets. We have noticed that oftentimes our tweets get retweeted. The Commission will continue to identify other mechanisms to communicate with multi-generational audiences and employ such tools as needed.

Encourage compliance to call the Commission, visit the Commission's office, and/or go to the Commission's website for information to comply with campaign finance laws and rules. The Commission handles numerous phone calls, walk-ins, and inquiries daily. There are computers located in our office for committees to file their reports and to seek our assistance.

- **One Year** – Continue to pursue enforcement actions to encourage compliance as well as offer conciliation agreements (where appropriate) to expedite campaign finance violators.
- **Two Year/Five Year** – Identifying other strategies to increase and encourage compliance.

**F. Goal - Increase and stabilize the Commission's institutional capacity to carry out its mission.**

- **Past Year Accomplishments**

Develop proposals to stabilize funding. The Commission's operating expenses and public financing programs are funded by the HECF which is a trust fund within the state treasury. See, HRS §11-421. In fiscal year 2015, a total of \$212,342.48 in revenue was realized and a total of \$870,753.07 in expenditures/encumbrances was incurred, thereby closing fiscal year 2015 with a balance of \$1,882,145.59.

For the past nine fiscal years (FY 2007 - FY 2015), the Commission has been operating at a net deficit and the fund has not been generating enough revenue to sustain operations.

Primary revenue sources for the HECF are generated from the \$3 state income tax check-off, the interest generated from the principal, and any funds that escheat to the HECF pursuant to campaign finance laws. This year, the \$3 tax check-off generated \$162,138 (which is \$28,054 less than last year), the interest yielded \$9,913.55, and the escheats/false name/surplus/anonymous contributions totaled \$17,985.03. Although we regularly remind people about the \$3 tax check-off through newsletters, public appearances, informational and educational materials, as well as request the Comptroller to approve paystub messages to government employees, the revenue from the tax check-offs is inadequate. Towards the end of this fiscal year, with the assistance of Common Cause – Hawaii, new efforts to increase the \$3 tax check-off were identified including approaching Department of Taxation to change instructional language on the HECF and contacting tax preparers to inform tax filers about the HECF.

This legislative session, Common Cause – Hawaii, also submitted S.B. 577 and its companion bill H.B. 884 to address the Commission's funding concerns. It proposed to have the general fund pay for the Commission's operating expenses including staff salaries and fringe benefits, to have fines deposited into the trust fund, and to authorize the Commission to use trust fund moneys for investigative expenses. It did not get out of conference committee.

As for public funding, the Commission had insufficient funds to run the last year of the pilot Hawaii County Council Comprehensive Public Funding program. The Commission continues to emphasize in legislative testimony and in meetings with legislators that, unlike Hawaii, the Arizona, Maine, and Connecticut clean election programs all have substantial revenue for their programs coming primarily from sources other than the state tax check-off. However, the Commission did run the partial public funding program in 2014 which has been in existence since the 1980 election and disbursed \$234,864.92 to 24 candidates. Notably, winning gubernatorial candidate David Ige received \$105,164.73 in public funds for the 2014 general election.

In consideration of the HECF's declining balance, the Commission must continue to develop strategies to address the depletion of its funds.

Plan for potential staff transitions and ensure position descriptions are current.

All Commission staff position descriptions were revised and approved by DAGS in July 2013. The revised position descriptions more accurately describe job duties and responsibilities and were instructive in conducting staff evaluations in late 2013. Commission staff continue to build binders to document their duties and responsibilities as well as the steps necessary to carry out their duties and responsibilities. It is expected that as processes and procedures are added, revised, or eliminated, that the binders will be amended accordingly. We continue to receive strong support from the Department of the Attorney General's Office.

Continue Commissioner development through trainings and conferences as well as issuing a Commissioner handbook and orientation of new Commissioners.

Commissioners are regularly updated on any new or developing issues (e.g., court cases, public financing concerns, tax laws, etc.) and provided information from annual COGEL conferences. This year's COGEL conference was held in Pittsburgh, PA, in December 2014 and was unfortunately not attended by any Commissioners due to scheduling conflicts. At the end of this fiscal year, Governor Ige appointed two new Commissioners to each serve a 4-year term starting July 1, 2015 through June 30, 2019. Bryan Luke was sworn into office on July 21, 2015. The other appointment was unable to serve, and thus, we await Governor Ige's next selection. These two appointments were replacements for G. William Snipes and Tina Pedro Gomes whose appointments expired on June 30, 2015.

- **One Year** – Seek general funding of Commission operations including staff salaries and fringe benefits. Evaluate options for the Commission to address fiscal situation as well as examine other revenue streams to sustain Commission operations and programs. Continue to add processes and procedures to each position binder to provide smoother transitions in the future.
- **Two Year/Five Year** – Absent significant revenue coming into the HECF and/or Commission operations being absorbed by general funds, we anticipate the HECF to be close to (or near) depletion during this time frame. Pursuant to HRS §11-422, if the funds are near depletion, the Commission shall be under no obligation to provide public funding.

#### IV. Performance Measures

- A. Customer Satisfaction measure – In October 2015, the Commission invited registered candidates, committees, corporations, and email subscribers to participate in an online survey to help the Commission evaluate and improve the effectiveness of operations and communications. The survey was divided into five areas: 1) general background information of the survey taker; 2) communication with or access to the Commission; 3) education and training provided by the Commission; 4) compliance and enforcement; 5) public funding; and 6) questions related to the Hawaii Election Campaign Fund, Super PACs and independent expenditures, as well as a general comment question. The deadline to complete

this survey is November 1, 2015 so the Commission is unable to report any findings at this time. Notably, this is the fourth year of this survey and past findings have been helpful to the Commission.

- B. Program Standard measure – The number of serious campaign spending law violations should decline as compliance increases as a result of the Commission’s widely-publicized investigations, as training sessions increase, as enforcement remains proactive and stable, as public use of the Commission’s website increases including employment of more user friendly tools such as graphics of the data contained in our electronic filing systems.
- C. Cost Effectiveness measure – We believe we can be cost effective if we can continue to carry out our duties and responsibilities without increasing costs significantly. We continually look for new ways to work more efficiently and implement changes accordingly.