

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

January 2022

Program ID/Title: AGS 871/Campaign Spending Commission

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I. Goals

- A. Goal - To improve campaign finance laws and rules to increase transparency, compliance, and ensure the integrity of the campaign finance process.
- B. Goal - To provide training, education, and access to committees for purposes of compliance with, and increasing awareness of, campaign finance laws and rules.
- C. Goal – To increase education, awareness, and access for the public.
- D. Goal – To explore, examine, and implement technological advances and capacities to improve access, reduce paperwork, and increase compliance.
- E. Goal – To obtain compliance with campaign finance laws and rules through enforcement actions.
- F. Goal – To ensure organizational and institutional sustainability.

II. Objectives and Policies

- A. Goal - To improve campaign finance laws and rules to increase transparency, compliance, and ensure the integrity of the campaign finance process.
  - Review existing laws as well as propose and submit legislation as needed.
  - Review existing rules and procedures as well as propose administrative rules as needed.
- B. Goal - To provide training, education, and access to committees for purposes of compliance with, and increasing awareness of, campaign finance laws and rules.
  - Offer and provide training on campaign finance laws and rules.
  - Provide educational and informational materials on how to comply with campaign finance laws and rules.
  - Evaluate the effectiveness of and explore (and implement as needed) new methods of training, education, and communication of information.

- Direct the committees to the Commission's website and continue to improve web-based information as well as other social media applications.
  - Encourage the committees to contact the Commission and/or visit the Commission's office to assist in compliance with campaign finance laws and rules.
  - Issue advisory opinions as requested.
- C. Goal – To increase education, awareness, and access for the public.
- Inform and educate the public about campaign finance laws and rules.
  - Explore and implement improvements to the Commission's online presence and other media applications to provide the public with campaign finance committee data and information.
- D. Goal – To explore, examine, and implement technological advances and capacities to improve access, reduce paperwork, and increase compliance.
- Increase the Commission's capability to process and analyze reported data.
  - 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.
- E. Goal – To obtain compliance with campaign finance laws and rules through enforcement actions.
- Develop escalating penalties for repeat and gross violations and disseminate information about the penalties.
  - Seek enforcement of the campaign finance laws and rules against violators.
- F. Goal – To ensure organizational and institutional sustainability.
- Monitor funding and develop proposals to stabilize funding as needed.
  - Provide Commissioner and staff development.
  - Develop and implement plans for continuity of operations.

- Monitor compliance with the strategic plan and annually report to the Commission, committees, and the public.

III. Action Plan with Timetable

**A. Goal - To improve campaign finance laws and rules to increase transparency, compliance, and ensure the integrity of the campaign finance process.**

- **Past Year Accomplishments**

Review existing laws as well as propose and submit legislation as needed. For the 2021 Legislative Session, the Commission submitted eight (8) bills to the President of the Senate and the Speaker of the House for introduction of which three (3) were signed into law. They are as follow:

Act 204 (S.B. No. 400, SD1, HD1, CD1), Relating to Campaign Finance Reports. Amends HRS §11-340 to clarify that the higher minimum fine of \$300 per day applies to the preliminary reports due ten (10) calendar days before an election (i.e., 2<sup>nd</sup> Preliminary Primary Report and 2<sup>nd</sup> Preliminary General Report).

Act 205 (S.B. No. 402, HD1, CD1), Relating to Reimbursements for Expenditures by Committees. Amends HRS §11-333 and §11-335 to provide that, in addition to candidates, candidate committees may reimburse other individuals for costs advanced for expenditures and requires that these reimbursements be itemized in disclosure reports. The law also removes the ability of noncandidate committees to reimburse candidates for costs advanced since noncandidate committees are prohibited from receiving loans.

Act 207 (S.B. No. 405, SD1, HD1, CD1), Relating to Campaign Contributions. Amends HRS §11-364 to require candidate committees to return excess nonresident contribution(s) to the contributor(s) within thirty (30) days of the end of the election period. If not, the excess nonresident contribution(s) will escheat to the Hawaii Election Campaign Fund.

The Commission has been trying for many legislative sessions to amend the electioneering communications law in consideration of practical application without sacrificing transparency. We introduced a bill which was dramatically changed, vetoed by the Governor, and then overridden by the Legislature in a special session.

Act 3 (S.B. No. 404, HD2, CD1) (2021 Special Session on 07/06/2021, Veto Override), Relating to Electioneering Communications. Amends Hawaii Revised Statutes (“HRS”) §11-341 by excluding candidates from the requirement of filing statements of information for electioneering communication (“statements”). The law also lowers the threshold for

noncandidate committees and other persons for the filing requirement to kick in (from \$2,000 to \$1,000) and reduces the filing requirement to just the initial spending that reached the threshold, and nothing further. Thus, beginning with the 2022 elections, if a noncandidate committee (which includes Super PACs) or other person spends more than \$1,000 in the aggregate for electioneering communications in the primary election, it will have to file a statement of information. However, if the noncandidate committee or other person goes on to spend more money on political advertisements in the same calendar year, no further statements will need to be filed, no matter how much more money is spent. The law also amends the definition of “electioneering communication” so that the disclosure requirement will apply to all political advertisements sent by mail and not just those sent at a bulk rate.

In its original form, this bill did not exempt candidate committees from filing statements, recommended changing “disclosure date” to when the electioneering communication is publicly distributed rather than when the contract for the electioneering communication is executed, and increased the \$2,000 expenditure aggregate amount to \$5,000 before the filing of statements of information are required.

The following non-Commission sponsored bill was also passed this session.

Act 195 (S.B. No. 200, HD2, CD1), Relating to Elections. Amends HRS §11-338 by providing that contributions aggregating more than \$500 that are made to candidates within the period of fourteen (14) calendar days through four (4) calendar days before an election, must be reported in a late contribution report only if they are on the ballot in that election.

The four (4) remaining Commission bills that were not approved which the Commission will consider for reintroduction in the next legislative session are:

S.B. 399 / H.B. 139 – This bill amends HRS §11-410 by (1) amending subsection (b) to provide that a person waives the right to a contested case hearing if the person fails to request a contested case hearing within twenty (20) days of receipt of the Commission’s preliminary determination, and (2) amending subsection (d) to provide that a final order of the Commission may be filed in the First Circuit Court for confirmation as a civil judgment, enforceable and collectible as any other judgment issued in the circuit courts.

S.B. 401 / H.B. 141 – This bill has been introduced past sessions but has not passed. It amends HRS §11-410 by raising the amount of fine that can be assessed against a Super PAC (that has received at least one contribution of more than \$10,000 or spent more than \$10,000 in aggregate in an election period) from \$1,000 to \$5,000 and to permit the fine to be up to three times the amount of the unlawful contribution or expenditure. Also, it allows the Commission to order that the payment of

the fine assessed against a noncandidate committee, or any portion, be paid from the personal funds of an officer of the noncandidate committee.

S.B. 403 / H.B. 143 – This bill provides that candidates do not need to file preliminary general reports if they are unsuccessful or are elected in the primary election. It also amends subsections (b) and (c) of HRS §11-339 to make them consistent with subsection (a) by aggregating contributions and expenditures in determining whether a committee need only file the final election period report.

S.B. 406 / H.B. 146 – This bill clarifies that Commission personnel includes staff, and that staff may initiate complaints on behalf of the Commission.

There were eighteen (18) Senate bills and twelve (12) House bills introduced by other parties which also did not get signed into law concerning additional reporting, political advertising, increasing fines and penalties including criminal prosecution, concerns over foreign influences, permitting use of campaign funds for childcare, campaign finance training, and public funding. Of particular concern was a bill (S.B. 1350, S.B. 1351, and H.B. 1341) that would have had the Commission, an executive branch agency, fall under a newly established legislative branch office called the Office of Public Accountability. This new office would assume oversight and administrative responsibility over the Commission as well as the Office of the Auditor, Office of the Ombudsman, Office of Information Practices, Hawaii State Ethics Commission, and the Legislative Reference Bureau. These bills did not proceed; however, the Commission was prepared to offer testimony in opposition as the consolidation of these diverse offices, each with different authority and missions, may ultimately result in higher costs, increased corruption, and weakened watchdog agencies, as was the experience in at least two other states.

Review existing rules and procedures as well as propose administrative rules as needed. There were no changes to the Commission's administrative rules and procedures during this fiscal year.

- **One Year** – Draft and submit legislation seeking technical revisions to the campaign finance laws for purposes of clarity, consistency, and style as well as to seek substantive changes as needed.
- **Two Year/Five Year** – Continue to update the law and monitor whether changes to the Commission's rules and procedures are needed.

**B. Goal - To provide training, education, and access to committees for purposes of compliance with, and increasing awareness of, campaign finance laws and rules.**

○ **Past Year Accomplishments**

Offer and provide training on campaign finance laws and rules. Onsite training to candidate and noncandidate committees is typically planned and offered in anticipation of an election (i.e., last fiscal year). Notably, due to the government shut down and travel restrictions as a result of COVID-19 last fiscal year, the Commission pivoted and recorded our trainings which were then posted on the Commission's website for 24-hour remote access.

Provide educational and informational materials on how to comply with campaign finance laws and rules. In preparation for the 2020 election, the Commission reviewed and revised its training modules which are all available on the Commission's website (i.e., guidebooks, manuals, cyber-learning videos, and PowerPoint presentations). We also developed a flow chart to illustrate when noncandidate committees and other persons need to file the Statement of Information for Electioneering Communications as it remained to be an area of much confusion. We also reviewed our commonly asked FAQs to accommodate for election year and non-election year questions.

Evaluate the effectiveness and explore (and implement as needed) new methods of training, education, and communication of information. Current efforts to communicate with committees 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 or if appropriate.

The Commission continues to work with the Office of Elections and county clerks in providing informational packets to give to candidates who file their nomination papers. When candidates file their nomination papers, Office of Elections has included on their Candidate Profile worksheet a section that the candidate initials acknowledging that he/she understands that they need to register with the Commission and file reports. This has been very beneficial. Prior to each election, the Commission meets with Office of Elections and county clerks to address any new concerns/issues as well as to ensure that the process of certifying candidates' compliance with campaign finance laws is operating properly so that the winning candidates are able to be sworn into office.

Direct the committees to the Commission's website and continue to improve web-based information as well as other social media applications. For purposes of transparency, much of the Commission's operations, business, and finances are posted on the Commission's website including Commissioners' biographies, meeting agendas and minutes, newsletters, advisory opinions, Hawaii Election Campaign Fund ("HECF") trust fund information, annual reports, campaign finance statistics, and the Strategic Plan. We continue to evaluate our website and update it to include new links for First Time Candidates, commonly asked FAQs (election and non-election year), a payment link to pay fines, and election summaries. 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 on 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 period, we had 200,954 “hits” to our website.

The Commission regularly uses e-blasts as well as Facebook and Twitter posts to inform and educate committees and the public on campaign finance topics. 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 145 times and we have 979 total subscribers. Notably, subscribers are separated into three groups – candidates (392 subscribers), noncandidate committees (250 subscribers), and the public (337 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 255 tweets with a total tally of over 77,807 impressions or times a tweet has been seen.

Furthermore, the Commission has an ongoing partnership with the State of Hawaii’s Office of Enterprise Technology Services (“ETS”) to improve the Commission’s two statutorily required electronic filing systems for candidate committees and noncandidate committees which provides us with the campaign spending data that we use to provide transparency in elections to the public.

The candidate committee dashboard app was launched at the end of fiscal year 2018 which consolidated campaign spending data filed by candidates and provided for better comparative analyses of the data by office, party, and reporting period, continues to be very helpful and was viewed 35,472 times during this period. Its success helped the Commission to seek funding to build the noncandidate committee dashboard counterpart which we launched on March 18, 2020 and was viewed 1,087 times during this period. This dashboard app is a powerful addition to the candidate dashboard app which consolidates campaign spending data filed by noncandidate committees including Super PACs and provides for better analyses of the data. This particular app replaced the

Commission's Noncandidate Committee Data Visualization app, which was in use since 2014, and will permit the public to see in a more visually engaging and interactive way how noncandidate committees are stacking up against one another in the area of contributions received, contributions made to candidates, expenditures and independent expenditures made.

Encourage the committees to contact the Commission and/or visit the Commission's office to assist in compliance with campaign finance laws and rules. This position has always been emphasized. The Commission handles numerous phone calls, walk-ins, and inquiries daily. A computer is located in our office for committees to file their reports and to seek our assistance. With the COVID-19 government shut-down, staff members commenced teleworking, but had phones rerouted to cell phones. Internal and external communications were issued informing committees and the public that although the Commission had to physically close its office in March 2020, Commission staff was working continuously and remotely to service the 700+ committees and that the Commission was committed to maintaining the integrity and transparency of the 2020 election.

Issue advisory opinions as requested. There were no advisory opinions requested during this period.

- **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. Issue advisory opinions as requested.
- **Two Year/Five Year** – Plan, organize, and host trainings in election years. Continue to identify mechanisms to increase education, awareness, and access to the committees.

**C. Goal – To increase education, awareness, and access for the public.**

○ **Past Year Accomplishments**

Inform and educate the public about campaign finance laws and rules. The Commission disseminates to the public information concerning campaign finance by posting anything new/interesting on our website under “What’s New,” publishing biannual newsletters, and e-blasting, tweeting, and posting on Facebook. New laws, legislation, guidance, updates to the guidebooks and manuals, updates to the electronic filing systems, and new forms are examples of what the Commission e-blasts, tweets, and posts.

Explore and implement improvements to the Commission's online presence and other media applications to provide the public with campaign finance committee data and information. The Commission continues to promote its searchable database, data visualization applications, candidate committee dashboard, and noncandidate committee dashboard which are available to



anyone on the Commission's website. The candidate committee and noncandidate committee data visualization applications permit viewers to see the data reported by over 700 committees in a more visually attractive, user-friendly, and dynamic way for a particular election period. These applications were conceived to provide greater transparency and accountability in political campaigns to enable the public to follow the money of candidate committees' and noncandidate committees' participation in Hawaii elections. The candidate and noncandidate committee dashboards further help the public (and committees) to see contributions and expenditures from candidates and/or noncandidate committees (including Super PACs) in a comparative format. For candidates, the format is arranged by office, party, and reporting period. For noncandidate committees, the format is arranged by noncandidate committee type (standard, ballot issue, independent expenditure, political party) and the area, scope, or jurisdiction of a noncandidate committee.

Further, at the close of each election, election data is compiled, sorted, analyzed, and summarized in charts, top 10 lists, and cost per vote. These election summaries are all available and posted on the Commission's website under a designated link.

- **One Year** - Continue to work and meet with ETS 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 ETS 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 – To explore, examine, and implement technological advances and capacities to improve access, reduce paperwork, and increase compliance.**

- **Past Year Accomplishments**

Increase the Commission's capability to process and analyze reported data. During this period, the Commission continued its work with ETS on a rewrite of the Commission's electronic filing systems using a new code generator software called ScriptCase which is a replacement to CodeCharge currently being used by ETS. This new software allows ETS to rewrite the filing systems in the most current version of the PHP language and enhance some of the system's features such as creating a single data entry point for entering transactions into our schedules, auto filling names when data is entered, and allowing Commission

staff to add reporting deadlines to reporting schedules based on a candidate or noncandidate committee's reporting track.

During this fiscal year, the Commission worked towards completing the rewrite of the candidate filing system and scheduling the rewrite of the noncandidate committee system. The target date for the rewrite of these two systems to be completed is in the next fiscal year in preparation for the 2022 election.

Also, during this period, there were changes to the Commission's existing electronic filing systems to support the data visualization capabilities of the dashboards and to ensure that the correct reports were being filed by candidate and noncandidate committees by providing the Commission with the capability to assign applicable reports to their reporting schedules. This change was made as a result of legislative enactments to improve transparency and disclosure by requiring more reports to be filed by candidate and noncandidate committees.

The Commission continues to rely on its searchable database to run queries on various campaign finance issues. Providing a searchable database to the public is a statutory mandate so to comply with this, the Commission has posted its candidate and noncandidate committee datasets on the State's open data platform provided by Socrata since 2012. However, as a result of the State phasing out the Socrata contract in August 2020 and switching to OpenGov which is the new provider of the State's open data platform, it became necessary for the Commission to add its candidate and noncandidate committee datasets (searchable database) to this new site which it did with the launch of the OpenGov site on May 13, 2020.

The Commission continues to work with Socrata under its own contract to host its datasets on the Commission's designated open data site which provides data to its dashboards through the 2020 election and has completed the redevelopment of these dashboards on the OpenGov platform during this fiscal year as a contingency for the future of our dashboards.

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 ETS and as a result has benefitted from their expertise and assistance in scaling and maximizing our hardware/software applications.

The Commission continues its employment of eSign forms for committees to use as an additional and alternative way to submit forms. The tool was made available through ETS' commitment to employ new technology to improve government efficiency, services, and communication. The success of eSign is tremendous especially given the COVID-19 pandemic. During the reporting period, we have received and processed 2,453 eSign documents.

Effective January 2018, the Commission extended an alternative payment method for those committees fined to achieve a higher level of compliance and offer

better convenience to the committees. Specifically, committees who were assessed an administrative fine were informed that they would have the option to pay their fine not only by check, money order, or cash, but with a credit card online via PayPal using their PayPal account or a guest account. The committees were informed that there would be no fee to use this alternative option and that the Commission opted to absorb the fee of 2.9% of the total payment plus \$0.30. The Commission however noted that if at any point in time the Commission was unable to afford these fees or the fees were approaching the state procurement threshold, it would notify the committees that it would have to stop accepting online payments. During this fiscal year, the Commission received 248 payments via PayPal totaling \$75,957, which included payments for administrative fines and escheats.

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. 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** – Update guidebooks, manuals, and cyber learning videos. Continue to work closely with the Office of Elections concerning certification of elected officials. Renew our instructor certification with Board of Accountancy.
- **Two Year/Five Year** – Explore other avenues for training and disseminating information.

**E. Goal – To obtain compliance with campaign finance laws and rules through enforcement actions.**

- **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. As such, the Commission has been invoking administrative fines pursuant to HRS §11-410(a) as a means to take a stronger punitive stance to those committees who completely fail to file reports by the statutory deadline or violate campaign finance laws. The Commission further finds that there are some candidate and noncandidate committees who do not comply with Commission orders when a campaign finance violation has been determined. To this extent, the Attorney General's Office – Civil Recoveries Division has been assisting the Commission

to obtain judicial enforcement of Commission orders. Fifteen (15) matters were referred to this office in this fiscal year for collections and enforcement.

As for complaints in this fiscal year, which was an election year, there were 55 which resulted in a total of \$3,208.33 in assessed administrative fines.

- o 37 complaints yielded a preliminary determination of a campaign finance violation resulting in \$3,208.33 in assessed administrative fines;
- o 1 complaint was referred for criminal prosecution (and is pending);
- o 5 complaints were deferred and later dismissed due to eligibility and approval of a conciliation agreement;
- o 6 complaints were withdrawn or dismissed due to compliance in paying the administrative fine;
- o 1 complaint was not acted upon because it was not notarized; and
- o 4 complaints were dismissed due to insufficient evidence or no violation.

Pursuant to Hawaii Administrative Rules (“HAR”) §3-160-73(d), this annual report is the means in which the Commission reports the amount of fines paid by persons thereby furthering the dissemination of information concerning the penalties. This rule also requires that the Commission adopt a Schedule of Fines for violations which is posted on the Commission’s website and is referred to in all fine letters to the committees.

Seek enforcement of the campaign finance laws and rules against violators.

During this fiscal year, a total of \$37,413.04 was assessed in administrative fines and \$115,371.42 was escheated to the HECF due to campaign finance violations. There were 132 conciliation agreements resulting in reduced fines totaling \$34,222.71. The majority of the conciliation agreements concerned the late filing and/or failure to file reports (61) as well as the late filing and/or failure to file the Statements of Information of Electioneering Communications (56) followed by excess contribution violations (11) and advertisement disclaimer violation (1). Three (3) agreements were recalled due to respondents opting out of a conciliation agreement. Further, seven (7) of these agreements resulted in a complaint due to respondents failing to comply with the terms of the conciliation agreement.

Most of the campaign finance violations were a result of late or unfiled reports. Specifically, there were 223 late or unfiled reports of which 125 did not involve a conciliation agreement or complaint for a total of \$40,381.37 in assessed administrative fines. There was a total of 77 candidate committees who failed to timely file 85 reports and 36 noncandidate committees who failed to timely file 40 reports.

Other campaign finance violations that occurred during this period include:

- o 78 failures to file or late filing of the Statement of Information for Electioneering Communications resulting in \$23,000 in fines;

- o 32 insufficient advertisement disclaimers resulting in \$1,075 in fines;
  - o 23 failures to timely deposit contributions resulting in \$575 in fines;
  - o 15 failures to report contributions resulting in \$3,750 in fines;
  - o 10 excess contributors resulting in \$4,950 in fines;
  - o 6 prohibited expenditures resulting in \$1,760.05 in fines;
  - o 5 late fundraiser notices resulting in \$300 in fines;
  - o 2 failures to report expenditures resulting in \$500 in fines;
  - o 2 excess nonresident contributions resulting in \$1,500 in fines; and
  - o 2 failure to amend the Organizational Report resulting in \$100 in fines.
- o **One Year** – Continue to pursue enforcement actions to encourage compliance as well as offer conciliation agreements (where appropriate) to expedite campaign finance violators.
  - o **Two Year/Five Year** – Identifying other strategies to increase and encourage compliance.

**F. Goal – To ensure organizational and institutional sustainability.**

- o **Past Year Accomplishments**

Monitor funding and develop proposals to stabilize funding as needed. The Commission's beginning balance at the close of fiscal year 2020 was \$1,226,089.81. In fiscal year 2021, a total of \$252,800.87 in revenue was realized (i.e., \$128,538 in tax check-offs; \$114,116.99 in escheats of excess, false name, surplus, and anonymous contributions; and \$10,145.88 in other revenue) and a total of \$85,526.42 in expenditures/encumbrances was incurred (i.e., \$85,361.97 in public funding and \$164.45 in PayPal fees for escheat payments), thereby closing fiscal year 2021 with a balance of \$1,393,364.26.

Notably, this was the fourth fiscal year that the Commission's operating expenses including salaries and administrative expenses were general funded. It is expected that this will permit HECF trust funds to replenish and provide a healthier base to pay for public funding for qualified candidates in the upcoming elections. That said, it was a challenging year for the Commission when the Governor restricted spending for all departments and agencies. However, the Commission was able to successfully seek an exemption from the budgetary restrictions thereby permitting it to use most of the funds allocated for this fiscal year. Moving forward, budgets are likely to be severely restricted and reduced as a result of the impact COVID-19 continues to have on the State of Hawaii.

Provide Commissioner and staff development. Commissioners are regularly updated on any new or developing issues and provided information from annual COGEL conferences. This year's COGEL conference in December 2020 was supposed to be held in Atlanta, Georgia. Due to COVID-19, the conference was conducted remotely thereby permitting the Commissioners and staff the opportunity to attend.

In January 2021, Associate Director Baldomero and General Counsel Kam received certifications as investigators by completing an intensive 2-week National Certified Investigator & Inspector Training (“NCIT”) program. This program provided sessions on investigatory processes, guidance, and developments to assist staff’s investigatory work on campaign finance law violations. The training covered professional conduct, principles of administrative law, principles of evidence, evidence collection, tagging and storage, investigator safety, overview of inspections, investigative process, interviewing techniques, report writing, and testifying in administrative and criminal proceedings.

Develop and implement plans for continuity of operations. The Commission is composed of five volunteers representing the general public who are appointed by the governor from a list of at least ten nominees submitted by the judicial council. In late November 2020, Victor “Vic” Bonfiglio was selected to serve on the Commission. Commissioner Bonfiglio’s term expires on June 30, 2024. And, on June 30, 2021, Commissioner Maryellen Markley’s term expired; however, in July 2021, Governor Ige reappointed her to serve her second and final 4-year term to expire on June 30, 2025. The Commission continues its efforts to have Boards and Commissions more timely work with the Governor to fill Commission positions.

At the end of May 2021, the Commission’s Elections Assistant left the Commission for another job. Fortunately, we were able to obtain permission from the governor to hire another assistant who started with the office on July 16, 2021.

The transition from trust fund to general funds operations continue to go smoothly.

Monitor compliance with the strategic plan and annually report to the Commission, committees, and the public. Records are organized and kept to satisfy this requirement internally. The annual report is typically prepared and presented in a public Sunshine meeting in the fall to the Commissioners for their consideration and approval. Once approved, the annual report is posted on the Commission’s website. Notably, at the June 23, 2021 Commission public meeting, the Commission reviewed the strategic plan to see whether it required any adjustments. The Commission voted to approve it without any changes.

- **One Year** – Monitor trust fund monies. Continue to add processes and procedures to each position binder to provide smoother transitions in the future.
- **Two Year/Five Year** – Monitor Commission operations to assess whether there are sufficient general funds to cover operating costs as well as trust funds to cover public funding. Implement, oversee, and annually report on the Commission’s strategic plan.

- A. Customer Satisfaction measure – For the past 9 years, in September/October, the Commission invites candidates, committees, email subscribers, and the public to participate in an online survey to help the Commission evaluate and improve the effectiveness of operations and communications. The survey is divided into the following 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; (6) questions related to the HECF, Super PACs and independent expenditures; and (7) COVID-19 closure issues, as well as a general comment question. The results of the survey are assembled and shared with the Commission at a public meeting. Once presented, the survey is then posted on the Commission’s website.
  
- 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 and innovative ways to work more efficiently and implement changes accordingly.