



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908
(360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

MINUTES – Regular Meeting

Evergreen Plaza Building, Room 206
711 Capitol Way South
Olympia, Washington

9:30 a.m.

January 28, 2016

COMMISSION MEMBERS PRESENT

Katrina Asay, Chair
Anne Levinson, Vice Chair
Grant Degginger, Member
John Bridges, Member

STAFF PRESENT

Evelyn Fielding Lopez, Executive Director
Lori Anderson, Communication and Training Officer
James Gutholm, Chief Information Officer
Penny Allen, Assistant Attorney General
Jana Greer, Executive Assistant

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Asay at 9:31 a.m. in the Evergreen Plaza Building, Room 206 Olympia, Washington.

Opening Comments

Commissioner Asay called the meeting to order at 9:31 a.m.

Citizens Comments/Concerns

No comments or concerns were expressed.

Commissioner Comments/Concerns

No comments or concerns were expressed.

Meeting Minutes

December 3, 2015 Regular Meeting

Motion 16-1

Moved by Commissioner Levinson, seconded by Commissioner Bridges that:

The Commission approve the December 3, 2015 regular meeting minutes as discussed.

The motion passed unanimously.

December 21, 2015 Special Meeting

Motion 16-2

Moved by Commissioner Degginger, seconded by Commissioner Bridges that:

The Commission approve the December 21, 2015 special meeting minutes.

The motion passed unanimously.

Rule Making**Public Hearing and Possible Adoption of:**

- WAC 390-05-400 Changes in Dollar Amounts
- WAC 390-16-050 Forms for Contributions and Expenditures of Out of State Political Committees
- WAC 390-12-200 Public disclosure Commission – Executive Director
- WAC 390-17-400 Time limit to solicit or accept contributions

Commission Chair Asay opened the public hearing at 9:33 a.m., no member of the public signed-up to comment.

Lori Anderson reviewed the proposed rulemaking amendments for the Commission's consideration.

Ms. Anderson reviewed the proposed changes to WAC 390-05-400. Ms. Anderson noted that this review will address adjusting contribution limits and other dollar amounts which were enacted in Initiative 134. The Commission must review and adjust these dollar amounts at the beginning of every even-numbered year. The following is an overview of proposed adjustments:

- The definition of an independent expenditure would increase from \$950 to \$1,000.
- The candidate loan reimbursement amount would increase from \$5,500 to \$6,000.
- For those entities required to file reports in accordance with RCW 42.17A.630(1), the threshold for large contributions would increase from \$19,000 to \$20,000, and the threshold for independent expenditures would increase from \$950 to \$1,000.
- The contribution limits for candidates for state legislative office, county office, city council office, mayoral office, school board office, and hospital districts would increase from \$950 to \$1,000.
- The contribution limits that apply to candidates for state elected offices (other than state legislature), judicial offices, and select port districts would increase from \$1,900 to \$2,000.
- For calculating how much money a bona fide party can contribute to a candidate, state and caucus committee limits would change from \$0.95/voter to \$1.00/voter, and county and legislative district limits would change from \$.45/ voter to \$.50/voter.
- For annual limits on contributions to political parties and caucus committees, the amount that can be given to a caucus committee increases from \$950 to \$1,000, and the amount that can be given to a political party increases from \$5,000 to \$5,500.
- The limit on how much currency can be given in a single contribution would change from \$95 to \$100.

Commissioner Levinson asked PDC staff to clarify whether

any pending legislation would potentially affect the proposed amendments. Ms. Anderson noted that there is a piece of pending legislation that would be affected and that staff have been in touch with the committee to coordinate references to contribution limits.

Evelyn Fielding Lopez explained that a bill proposed by county auditor and elections offices would allow the officials to not put a race on the ballot for the primary if there is only one candidate. The candidate would be placed on the general election ballot only. This bill provides that the candidate would still be able to receive the maximum contributions even if there was not a primary election.

Commissioner Levinson noted that this too relates to clarifying use of funds for primary and general elections. She asked PDC staff to determine how to categorize the races that have no primary, and to make sure that the PDC is integrating its thinking.

Ms. Anderson reviewed the proposed changes to WAC 390-16-050, the form for an out of state committee to use when reporting contributions.

Committees disclose large contributions that meet a certain threshold. The Commission has a statutory requirement to annually adjust the threshold for inflation. This proposed amendment would change the threshold from \$2,245 to \$2,680.

Ms. Anderson stated that the PDC has an agency request bill working its way through the Senate that would eliminate a special report for an out-of-state committee and bring out-of-state committees in alignment with in-state committees.

Motion 16-3

Moved by Commissioner Bridges, seconded by Commissioner Degginger that:

The Commission approve the amendments to WAC 390-16-050.

The motion passed unanimously.

Ms. Anderson reviewed the proposed changes to WAC 390-12-200. She reminded the Commission that staff was asked to update the rule to clarify the duties of the Executive Director.

Motion 16-4

Moved by Commissioner Levinson, seconded by Commissioner Degginger that:

The Commission approve the amendments to WAC 390-12-200 as discussed.

The motion passed unanimously.

Commissioner Degginger asked for clarification of subsection (7), delegation authority to subordinates. Ms. Anderson stated that the proposed amendments would give the Executive Director the authority to delegate authority to any staff member.

Commissioner Degginger asked if there is expenditure limits in place. Ms. Lopez stated that the delegation of authority is on a list of items to update, replacing the past Executive Director with the current Executive Director.

Commissioner Levinson suggested an amendment to the language to say, "Delegation consistent with the agency protocols as adopted by the Commission."

Commissioner Levinson ask staff to provide the agency delegation of authority to the Commission for review and add this item to an annual list of items for review.

Motion 16-5

Moved by Commissioner Degginger, seconded by Commissioner Levinson that:

The Commission approve the amendment to WAC 390-12-200(7) to read "the Executive Director may delegate authority to subordinates to act for him or her as needed and appropriate, consistent with the agency delegation of authority protocols as adopted by the Commission".

The motion passed unanimously.

Ms. Anderson reviewed the proposed changes to WAC 390-17-400, time limit to solicit or accept contributions.

This amendment captures the Commission's interpretation regarding session freeze and the ability of elected officials who are subject to the freeze to participate in fundraising events held by other candidates. The amendment clarifies that the official's attendance at the event may be used in advertising for the event, and the official may receive complementary admission to the event. A candidate subject to a session freeze cannot fundraise for his/herself or other candidates during this time.

Commissioner Degginger stated that the purpose of the rule is to make it clear that if you are not fundraising you can attend.

Motion 16-6

Moved by Commissioner Degginger, seconded by Commissioner Bridges that:

The Commission approve the amendments to WAC 390-

17- 400.

The motion passed unanimously.

Commissioner Levinson noted a change needed to the meeting agenda. WAC 390-15-050, Forms for Contributions and Expenditures of Out of State Political Committees should be corrected to WAC 390-16-050.

Motion 16-7

Moved by Commissioner Bridges, seconded by Commissioner Levinson that:

The Commission amend the 1.28.16 regular meeting agenda to reflect the correct WAC number. Under the rule making section of the agenda change WAC 390-15-060 to WAC 390-16-050.

The motion passed unanimously.

Preliminary Discussion

Converting to rules

- Interpretations related to local government and election campaign activity
- Applying limits to contributions made to affiliated committees and necessary updates to 1994 policy statement

Regarding the interpretations related to local government and school districts and election activity, there was a discussion about whether the interpretations were easy to find on the agency website, and whether there was an explanation about the authority or impact of interpretations. There was consensus that the interpretations should be easier to find on the website, and there should be an explanation of the purpose of interpretations.

Regarding the question of whether the current interpretations on election activity should be turned into a rule, or should be reorganized, the Commissioners indicated a preference for maintaining the information in the form of an interpretation so that they would continue to be guidelines that could be changed to meet evolving needs. The Commissioners also indicated that they would be in favor of combining the various interpretations into one interpretation on use of facilities and election activity. Ms. Anderson noted that the PDC had received an inquiry about incorporating social media use into the election activity guidelines so it would make sense to come up with a single interpretation that covers use of facilities and incorporate the social media issues as well.

Commissioner Levinson asked about the difference between interpretations, guidelines, guidance, and policy. Ms. Anderson explained that agency interpretive statements are defined by the Administrative Procedures Act and go into the State Register. The PDC calls these guidelines for outside entities, but they are all interpretations. The PDC does have one policy, the policy on contribution limits, but it should be

an interpretation.

Regarding the policy on contribution limits, Ms. Anderson stated that if the commission chooses to continue with this interpretation, it will need to be updated. It currently only addresses certain candidates that have contribution limits and does not incorporate the decision about ballot measure committees not having limits.

This is the third time that this policy has come up for discussion with the Commission, but previously there were litigation issues that caused any change or other action to be put on hold. Right now there does not appear to be any conflict or concern about changing this policy into a Commission interpretation or rule, so staff would like to know the Commission's preference.

Staff recommended rule making instead of an interpretation for the contribution limit issues. Commissioner Levinson concurred with staff's suggestion and asked for it to be placed on the 2016 rule making agenda. Commissioner Levinson noted by doing rule making this will allow the stakeholders to be involved in the process. Commissioner Degginger agreed that some of the language in the policy is difficult to understand and some provisions may have become suspect due to court decisions. Commissioner Asay agreed that it was a good idea to change this stand-alone policy into a rule.

Review January – June Rules Development Agenda

Lori Anderson reviewed the proposed rulemaking agenda for 2016 for the Commission to review. Every 6 months the Commission is required to develop a rule making agenda that staff then file with the State Registrar to allow the public to have an idea of what rule making the PDC has coming up for consideration or review.

The Commission agreed that the current items listed should move forward, and that the rule making agenda should also include any items that may come from the strategic planning retreat.

Staff Reports

Executive Director

Evelyn Fielding Lopez reported on the legislative session. She has been engaged with legislators regarding the PDC agency request legislation. She stated that she has testified on Representative Moeller's bill regarding electronic filing of lobbyist reports. She also testified on Senator Billig's introduction of the PDC's legislation; making out-of-state committees follow the same rules as in-state committees.

Representative Hunt agreed to sponsor all of the PDC

agency request legislation and has since rolled them all into an omnibus bill 2697 which has been heard in the state government committee and is now moved to the rules committee.

Ms. Lopez also noted that she had made a presentation at the General Government and Information Technology Committee, a meeting for commissions to come and provide an agency overview.

She continues to meet with individual lawmakers.

Ms. Lopez stated that she had taped a 10 minute segment of the PDC for the Washington Coalition For Open Government (WaCOG). The clip is available on the WaCOG website. WaCOG is asking open government entities to provide explanations about what their mission is and what the agency offers. Commissioner Degginger asked if the video would be placed on the PDC website too.

Ms. Lopez reported on the status of the agency process improvements: The compliance staff have been meeting regularly; staff is up to date on the new FreshDesk application which houses complaint and case information. The investigative team is starting to work on aspects of what an investigative plan needs to look like, and how it will work best for the PDC.

Customer Service continues to meet; they have recently changed the data entry process to eliminate the backlog that was occurring. She stated that staff does not expect to have a back log going forward. The process improvement has created automated checking eliminating manual steps in the process.

Ms. Lopez noted that PDC staff have received one of the three lists of staff, required to file F-1 reports, from the Senate, House, and Governor's Office. No action is needed by the Commission. Staff will follow-up on the lists that have not yet been submitted.

Chief Information Officer

James Gutholm stated that staff is making great progress on the lobbyist application. The high level of collaboration and commitment from PDC customers has been fantastic, allowing staff to see the application in a different light.

PDC IT staff will be presenting at an Olympia DRUPAL developer group. They will be presenting the work that they have completed to date on the lobbyist application.

Mr. Gutholm discussed the recent staff development/on-line typology test. Staff discussed the attributes of this test with each other learning ways to process information differently

and become a better communicator.

Mr. Gutholm collaborated with Ms. Anderson to discuss the current status of the website redesign and reviewed the mock-up of a home page. The Commissioners had some concerns about the mock up, and expressed their ideas about the need for clearer direction for people who want to file documents or take other action on the site and do not want to wade through menus. Staff took notes and will come back in February with a more detailed presentation on the website.

Executive Session

The Commission went into Executive Session at 11:45 a.m. to discuss pending and potential litigation with legal counsel. Possible action regarding pending litigation following the executive session.

Executive session ended at 12:05 p.m. and the Commission went to a working lunch to discuss budget issues and litigation expenses.

The Commission returned to the meeting at 1:29 p.m.

Adjourn

The meeting adjourned at 1:30 p.m.

Strategic Plan Retreat/Work Session

Work session started at 1:31 p.m. and adjourned at 5:00 p.m.

Approved

February 25, 2016