

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: 9Q Equip Maintenance/Software licenses
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

Funding for the costs of software license and assurance contracts are essential to ensuring reliability and security of PDC's website and electronic filing applications

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	27,750	11,950	39,700
Total Cost	27,750	11,950	39,700

Package Description:

This investment package will fund ongoing software assurance and support on systems that are critical to PDC's operations as they are essential to ensuring reliability and security of PDC's website and necessary to support the agency's mission to provide timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

These licenses and assurance agreements are critical to PDC's operations as they are necessary to support the continued functionality of our IT systems, which directly support the agency's mission to provide timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates.

In order to protect our existing investment in IT systems and applications, the agency depends on commercially available software. Software license and assurance agreements provide the latest in security patches, technical support, and access to newer versions and minor upgrades and fixes, and other support necessary to continue using the products that allow PDC's electronic filing applications and other IT systems to function. It is incumbent on the Commission to take the steps necessary to protect the state's investment in its information technology infrastructure in order to continue to meet legislative mandates required by Chapter 42.17A RCW. In order to

sustain our current performance measures and prevent unauthorized access to the Commission's IT infrastructure, it is vitally important to maintain our inventory of commercial software.

To accomplish this, an on-going investment is required to renew the annual and periodic maintenance and assurance agreements for our production infrastructure's most critical components.

Funding this package will allow the agency to meet its requirement for compliance with OCIO security standards (policy 141.10, Section 5.5(9)) and the PDC agency security program.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This package supports two strategic plan goals adopted by the Commission: (1) Restoring capacity to meet core functions; and (2) Achieving a public disclosure system that meets our customer's expectations. For Goal 1, the Commission has identified the strategy of obtaining a maintenance-level budget appropriation for currently unfunded IT maintenance expenses (e.g., expired and expiring software licensing/support agreements). For Goal 2, the on-going ability to maintain and support existing applications is a necessary prerequisite to achieving a system that meets customer expectations in terms of availability and reliability.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this investment allows the PDC to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. Maintenance of PDC's software license and assurance agreements would support all three of Goal 5's topics: Customer Satisfaction and Confidence, Resource Stewardship, and Transparency and Accountability.

Customer satisfaction and confidence at the PDC is directly related to how well our website and online filing applications work which are, in turn, dependent upon the continued functionality of the commercial software we rely on to operate those systems. Maintaining basic support of existing commercial software is a modest and necessary investment to preserve and protect the integrity of the taxpayers' investments in the PDC's IT infrastructure. The PDC's core mission is to provide transparency and accountability to citizens regarding the financing of elections, lobbyist activities, and the financial affairs of public officials and candidates in order-this mission is foundational to ensuring public confidence in the political process and government.

What are the other important connections or impacts related to this proposal?

The legislature funded a small portion (\$9,141) of the costs associated with continuing commercial software maintenance and assurance agreements in the 2014 supplemental budget, but did not fund the costs associated with restoring expired software licensing agreements or the ongoing costs to maintain software assurance agreements. PDC has used fiscal year end savings (from vacant staff positions) to pay the one time re-instatement fees for some of the expired software products but continues to need additional funding to pay the ongoing costs of maintaining the agreements.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to "rebase" 15% of the agency's budget and selected this alternative as among the most critical investments to make, in terms of avoiding serious negative impact on customers/services.

What are the consequences of adopting or not adopting this package?

Without funding to continue commercial software maintenance and assurance agreements, the agency loses access to the upgraded versions of those products, making PDC's aging systems increasingly vulnerable to risks and incompatible with the evolving technologies used by PDC's customers. The time required to create "work arounds" and other fixes prevents PDC staff from working

on new advances. It also increases PDC's customer support requirements and decreases customer satisfaction by those attempting to utilize our website and electronic filing applications. Replacement costs also become much higher, and the reinstatement charges increase for every year the agreements remain expired.

Allowing commercial software to operate on the state network and particularly on public facing applications creates security vulnerabilities that will increase the potential for unauthorized access to PDC systems or data corruption, which may result in significant downtime to restore services/data and serious negative reputational impacts and/or cyber liability. Doing so will also make it impossible for the PDC to comply with its requirement to meet state IT security standards.

The PDC will eventually need to update these softwares or discontinue the services that are being provided. Not funding the ongoing maintenance for a single biennium will provide a one time savings but due to the nature of software support and maintenance contracts, the eventual renewal will cost more than the amount saved because the PDC will need to pay the support on all years lapsed plus an additional reinstatement fee. This practice with software support and assurance is a common industry practice. The only alternative is an outright repurchase which equates to five times the cost of a single year software assurance and support.

Microsoft will discontinue support and security fixes for the version of MS SQL Server the PDC systems rely on in April 2016. This is the equivalent of the Windows XP event that left government and business scrambling to update. This software is core to PDC business and sufficient lead time is required to purchase and implement without impacting the public.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Continued maintenance on EMC ApplicationXtender is \$14,000 per year for each year of the biennium. The PDC reinstated this maintenance contract through salary savings so there will be no one time cost of reinstatement so long as the contract is continued.

Prevalent Quillix is a component of the EMC ApplicationXtender solution purchased separately. It is currently on maintenance so there will be no one-time cost.

Microsoft SQL Server will have a one time cost of \$15,800 which will include the FY 2015 software assurance and an ongoing cost beginning in FY 2016 of \$3,300

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

One-time, \$15,800 - MS SQL 2014 Std

Ongoing beginning FY 2016, \$4,100 - MS SQL 2014 Std SA

Ongoing beginning FY 2015, \$14,000 - EMC ApplicationXtender

Ongoing beginning FY 2015, \$1,700 - Prevalent Quillix

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	27,750	11,950	39,700

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: A0 15-17 Reduce Goods & Services
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Further reduce postage, paper, printing & office supplies, which will require changes in PDC business practices including no longer providing individuals with paper copies of the PDC complaints filed against them, and limiting staff's ability to print necessary documents for detailed review.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(1,000)	(1,000)	(2,000)
Total Cost	(1,000)	(1,000)	(2,000)

Package Description:

Further reduce postage, paper, printing & office supplies, which will require changes in PDC business practices including no longer providing individuals with paper copies of the PDC complaints filed against them, and limiting staff's ability to print necessary documents for detailed review.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

While the agency's total biennial budget for printing and office supplies & materials is approximately \$8,300, we have continued to look for greater efficiencies in our use of resources. PDC will discontinue providing to Respondents printed copies of the complaints filed against them. Copies will be provided electronically via email attachments instead. To meet targeted goods & services savings, PDC would also need to further reduce postage, paper, printing & office supply costs where little/no impacts on customers are anticipated (e.g., default double-sided copies, fewer color copies, replace more correspondence with email in lieu of US mail, retire older desktop printers, etc.).

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No, and by reducing this funding, PDC will need to change its current business practices.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

No

What are the other important connections or impacts related to this proposal?

This will shift costs from the state to Respondents who have been accused of violating PDC laws and rules. If/when Respondents (candidates, lobbyists, public officials) need to review in detail the material provided by Complainants in support of the allegations against them, Respondents will need to print those materials themselves from electronic copies provided by PDC.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to reduce the agency's budget by 15% and selected this alternative as among the least worst options in terms of negative impact on customers/services.

All other alternative expenditure cuts were determined to have greater negative impacts on PDC customers and services.

What are the consequences of adopting or not adopting this package?

If this package is not funded the PDC can continue to provide Respondents printed copies of the complaints filed against them and no business processes would need to be changed but the agency would look at changing the processes for efficiencies in the future.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Reduce:

E - \$2,000

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

On-going

Object Detail

FY 2016

FY 2017

Total

E	Goods\Other Services	(1,000)	(1,000)	(2,000)
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Agency: 082 Public Disclosure Commission
Decision Package Code/Title: A1 15-17 Reduce Commission Meetings
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Reduce the frequency of regular Commission meetings from eleven to six per year (from monthly to bi-monthly), delaying the Commission's consideration of important policy, rulemaking, advisory, and enforcement matters related to oversight of the state's campaign finance/disclosure regime, and the disclosure of information about the financial activities of lobbyists and public officials.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(4,000)	(4,000)	(8,000)
Total Cost	(4,000)	(4,000)	(8,000)

Package Description:

Reduce the frequency of regular Commission meetings from eleven to six per year (from monthly to bi-monthly), delaying the Commission's consideration of important policy, rulemaking, advisory, and enforcement matters related to oversight of the state's campaign finance/disclosure regime, and the disclosure of information about the financial activities of lobbyists and public officials.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The Commission conducts the business it was created and empowered by Initiative of the People to perform through its regularly scheduled monthly meetings. This cut would hurt the Commission's performance of its fundamental mission to provide timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates; and to ensure compliance with and equitable enforcement of Washington's disclosure and campaign finance laws. The Commission's consideration of and responses to emerging and time-sensitive policy, rulemaking, advisory and enforcement matters will be delayed if the Commission reduces its regularly scheduled meetings from the mandated eleven per year to six (once every other month). It will become more likely that citizen action lawsuits may be filed in Superior Court (private right of action to enforce PDC laws under RCW 42.17A.765(4)) if the Commission is not able to meet and take action on 45-day letter complaints within the allotted time.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No, this cut would impair PDC's ability to ensure/enhance public confidence in the political process and government and to implement its strategic plan goals. Specifically, reducing the frequency of Commission meetings would delay adoption of a long-term sustainable plan to deliver and maintain a state-of-the-art system that meets our customers' needs and stay current with their evolving expectations (PDC Strategic Plan Goal 2) and would negatively affect the Commission's ability to improve the efficiency and effectiveness of enforcement efforts (PDC Strategic Plan Goal 4).

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

No, this cut would impair PDC's ability to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The cut would reduce support for four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability, and will negatively impact the following Results WA outcome measures and/or leading indicators: 1.1 (increase/maintain customer satisfaction with accuracy, timeliness, respectfulness); 1.2.d (increase percentage of state employees who believe we are increasing customer value) 1.3 (increase/maintain timely delivery for state services); 3.1 (increase amount of data available in downloadable format and searchable format); 3.1.b (increase access to information on major projects [such as high profile enforcement actions]).

What are the other important connections or impacts related to this proposal?

Estimated savings from holding fewer regular Commission meetings may be offset by:

- (1) Increased lodging & meal reimbursements that may need to be paid to Commissioners for attending longer regular meetings (full day plus lodging and travel, rather than half day where an overnight is not typically required)
- (2) More frequent "special meetings" to address unpredictable, time-sensitive matters, such as 45-day citizen action letters, declaratory order petitions, or litigation.

PDC's ability to realize the full amount of the estimated savings associated with reducing in-person meetings is conditioned, to a degree, on obtaining videoconferencing capability it currently does not have so that at least some special meetings could be conducted via videoconference rather than in person.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered conducting some of its regular meetings via telephone to reduce travel and per diem expenses, but rejected this alternative because of the importance for in-person interaction when conducting contested enforcement matters and/or considering complex issues. PDC does not currently have video conferencing capability.

What are the consequences of adopting or not adopting this package?

The commission can continue to meet monthly and provide needed input in response to emerging and time-sensitive policy, rulemaking, advisory and enforcement matters.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

The Commission would be out of compliance with WAC 390-12-010 (meeting schedule) and would need to amend this rule.

Additional statutory changes would assist in reducing the amount of time needed at Commission meetings for the Commission to fulfill its statutory duties:

- 1) Changing RCW 42.17A.120 to extend the duration of personal financial affairs reporting modification orders (see SB 5257/HB 1377 [2014] and new agency-request legislation for 2015). This would result in significantly fewer reporting modification requests each year that must be heard and decided by the full Commission at hearings held during regular Commission meetings.
- 2) Categorically exempting judges, prosecutors and sheriffs from the requirement in RCW 42.17A.710 to list residential addresses on F-1 forms (see agency-request legislation). This would reduce by approximately half the number of reporting modification requests heard by the Commission each year.

Expenditure and revenue calculations and assumptions

Reduce Salaries by \$8,000 for the biennium. Travel costs increase slightly and salaries decrease.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Estimated savings would be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(3,170)	(3,170)	(6,340)
B Employee Benefits	(930)	(930)	(1,860)
G Travel	100	100	200
Total Objects	(4,000)	(4,000)	(8,000)

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: A2 15-17 Reduce Sqr Footage of Lease
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Reduce facility lease costs by vacating PDC customer training room and IT staff work area in existing leased facility, and discontinuing in-person training for candidates, campaign treasurers, lobbyists, and others. Reduction in lease services will have upfront costs for move and lease buyout.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(14,000)	(14,000)	(28,000)
Total Cost	(14,000)	(14,000)	(28,000)

Package Description:

Reduce facility lease costs by vacating PDC customer training room and IT staff work area in existing leased facility, and discontinuing in-person training for candidates, campaign treasurers, lobbyists, and others. After up-front costs to buy-out remainder of existing lease, and remodel remaining space to accommodate move of IT staff, PDC could realize some on-going savings from lower monthly lease costs.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

PDC staff currently conducts 25-30 in-house, hands-on training classes each year, instructing more than 250 candidates, campaign treasurers, and lobbyists in how to use PDC's electronic filing applications, and how to comply with applicable campaign finance/disclosure, lobbying, and personal financial affairs reporting requirements. Without a training room (that contains computers pre-loaded with PDC filing software applications), PDC will need to discontinue providing these in-person trainings to filers who want or need hands-on assistance.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No, this cut would be contrary to the PDC's efforts to achieve its strategic goal of improving the effectiveness of its educational and compliance efforts (PDC Strategic Plan Goal 3).

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

No, this cut would impair PDC's ability to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The loss of PDC's customer training room would reduce support for four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability, and would negatively impact the following Results WA outcome measures and/or leading indicators: 1.3 (increase/maintain timely delivery for state services); 3.1 (increase amount of data available in downloadable format and searchable format).

Filers who cannot receive the in-person training they want or need are more likely to file their required PDC disclosure reports on paper rather than using PDC's electronic filing alternatives. Paper-filed reports provide less timely access by the public and less transparency of the campaign finance and lobbying data contained in the reports.

What are the other important connections or impacts related to this proposal?

This cut would require renegotiation and buyout of PDC's existing lease (buyout cost TBD + \$117/hour paid to DES to renegotiate lease for PDC). Additional one-time costs would be required to remodel the remaining space to accommodate IT staff (DES architectural services + tenant improvement costs + moving costs TBD).

Timing would depend on when money would be available to make the up-front expenditures (in FY 15 or FY 16) needed to implement this cut. PDC does not have money in its current appropriation to pay these costs.

PDC could replace in-person training with live, remote video conferencing training, but the agency currently does not have videoconferencing capabilities (see buy back/reinvestment item N7)

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered a complete relocation to a smaller leased facility, but rejected that idea as too expensive and disruptive given the relatively small amount of potential savings (since lease costs in current building are below market rates).

What are the consequences of adopting or not adopting this package?

Loss of in-person training opportunities would reduce customer satisfaction, as there are still many candidates, volunteer campaign treasurers, and lobbyists who need hands-on instruction to electronically disclose campaign contribution and expenditure and lobbyist information.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This cut will require renegotiation and buyout of remaining term of PDC's existing lease.

Expenditure and revenue calculations and assumptions

\$20,000 savings to object E in each fiscal year. (first year would have additional costs for the moving costs and lease buyout costs early estimate of \$12,000).

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Buyout costs, DES fees, and tenant improvement costs would be one-time. Estimated savings of \$20,000 per year from reduced annual lease costs would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	(14,000)	(14,000)	(28,000)

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: A3 15-17 Red Costs Assc w/ Gen Counsel
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Suspend in-house general counsel functions, eliminating the most cost-effective means of providing commission staff and the commission with necessary legal and risk management advice and litigation support in collaboration with the attorney general's office. This will require an increase in allotment to AG services.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(90,000)	(90,000)	(180,000)
Total Cost	(90,000)	(90,000)	(180,000)

Package Description:

Reduce salary & benefits costs associated with general counsel position by suspending in-house general counsel functions, thereby eliminating the most cost-effective means of providing commission staff and the commission with necessary legal and risk management advice and litigation support in collaboration with the attorney general's office.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Suspending general counsel functions would eliminate the most cost-efficient approach to defending current PDC laws and rules which are regularly subject to legal challenge by opponents of campaign contribution limits and/or disclosure requirements. Litigation defense efforts, which since 2007 have been jointly shared between appropriations for the PDC's in-house general counsel position and the agency's AGO legal services allotment, would be shifted entirely to the AGO. The PDC's current allotment from the legal services revolving fund is not sufficient to replace these in-house general counsel functions through increased utilization of the AGO.

See attachment for more detail on the relationship between PDC's general counsel functions and legal services provided by the AGO, and the related cost analysis.

Suspending general counsel functions would also reduce the quality and timeliness of responses to complex advisory matters and

declaratory order requests, thereby increasing the risk of new litigation. And it would reduce the quality and timeliness of the agency's responses to relevant court decisions and proposed legislation, both of which are essential legal risk management functions that help reduce the likelihood of the state facing legal challenges.

Finally, suspending general counsel functions would negatively impact the agency's ability to perform, directly or through contracts without outside counsel, independent investigation or enforcement of matters where the Attorney General has a conflict of interest, such as when the Attorney General (or one of his/her opponents) is accused of campaign-related violations (See RCW 42.17A.130).

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No, this cut would impair PDC's ability to meet its core mission/vision of building confidence in the political process and government.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

No, this cut would impair PDC's ability to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The loss of in-house counsel functions would reduce support for four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability.

What are the other important connections or impacts related to this proposal?

Estimated savings would be offset to the extent PDC must increase its utilization of AGO services to address litigation risks or respond to additional lawsuits. While it is difficult to estimate at this time, the agency expects this cut would eventually result in the need to increase PDC's allotment from the AGO legal services revolving fund.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to reduce the agency's budget by 15% and selected this alternative as among the least worst options in terms of negative impact on customers/services.

Because 21% of the agency's budget consists of fixed central service, infrastructure and utility, and attorney general services that are not available to the agency for proposed reductions, and staff salaries and benefits comprise 76% of the agency's budget, PDC has no choice but to propose additional staff cuts beyond the 25% reductions already taken since the start of the recession. Staff cuts proposed for this budget exercise are distributed through every division of the agency.

What are the consequences of adopting or not adopting this package?

The PDC would be able to retain funding to fill the General Counsel position when an able bodied employee is found to fill the position. The PDC would be able to retain their in house counsel and not rely on the AG to fulfill any needs they may have.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

No FTE reduction

Biennial Reductions:

Salaries - 145,000

Benefits - 35,000

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Savings would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(72,500)	(72,500)	(145,000)
B Employee Benefits	(17,500)	(17,500)	(35,000)
Total Objects	(90,000)	(90,000)	(180,000)

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: A4 15-17 Reduce Data Entry Positions
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Eliminate certain campaign and lobbyist-related data entry/data quality functions, reducing by 25% (1 of 4) PDC's data entry/data/quality team that supports the agency's collection and disclosure of detailed campaign finance and lobbyist activity information.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(47,000)	(47,000)	(94,000)
Total Cost	(47,000)	(47,000)	(94,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-1.0	-1.0	-1.0

Package Description:

Eliminate certain campaign and lobbyist-related data entry/data quality functions, thereby reducing by 25% (1 of 4) PDC's data entry/data/quality team that supports all aspects of the agency's core mission of collecting and disclosing campaign finance, lobbying, and personal financial affairs data and fairly and equitably enforcing the related reporting requirements.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

PDC currently receives and processes data from candidates, political committees, lobbyists, and public officials through both paper forms and electronically submitted reports. In FY 13, PDC's small data entry team scanned and manually entered selected data from more than 40,000 pages of paper-filed reports so that the public could view the reports and search through PDC's databases to "follow the money" in connection with political campaigns and lobbying activity, and to review the financial affairs of public officials and candidates. In addition, PDC's data entry staff processed more than 180,000 pages of electronically filed reports, making them available to the public within a day of receipt and manually transferring selected data into databases where automated transfers are not available due to technical limitations of outdated systems.

Collectively, these reports disclosed the financial activity of nearly 1,300 candidates and political committees that spent more than \$173 million to influence Washington voters during the 2012 elections. They also disclose the financial activity of approximately 900

lobbyists and their 1,200 employers who earn and spend more than \$35 million a year to influence the legislature and executive branch agencies, as well as the personal financial interests of approximately 6,000 public officials and candidates for state and local offices.

PDC's four data entry staff perform a wide variety of data entry and data quality assurance functions in support of PDC's statutory responsibility to ensure ease of access by the public to the reports (RCW 42.17A.065, 42.17A.105), and to publish statistics that will promote the transparency and accountability objectives of the people's Initiative that created the Commission (RCW 42.17A.110).

Reducing or eliminating certain data entry/data quality assurance functions would reduce the scope and quality of the campaign and lobbying-related data currently available to the public, specifically this cut would require PDC to:

1. Stop compiling aggregate totals and details of the itemized political contributions made by lobbyists and reported on lobbyist's monthly L-2 reports;
2. Stop compiling aggregate totals of entertainment expenses reported by lobbyists on their monthly L-2 reports;
3. Stop publishing the biennial election "fact book" and eliminate the manual compilation and reconciliation of the data that is needed to prepare the fact book;
4. Reduce the redundancy of data quality control efforts (double-checking entries), thereby increasing the risk of errors and decreasing the reliability of the data.

Cuts in the campaign finance and lobbying-related data entry functions are also expected to delay how quickly the reports and data are available to the public, which may affect PDC's ability to meet statutory access goals in RCW 42.17A.061 and will degrade PDC's performance measure results directed by the legislature in RCW 42.17A.065.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No, this cut would impair PDC's ability to meet its core mission/vision of building confidence in the political process and government by providing timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

No, this cut would impair PDC's ability to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The loss of data entry/data quality functions would reduce support for four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability and would negatively impact the following Results WA outcome measures and/or leading indicators: 1.1 (increase/maintain customer satisfaction with accuracy, timeliness, respectfulness); 1.3 (increase/maintain timely delivery for state services); 3.1 (increase amount of data available in downloadable format and searchable format); 3.1.b (increase access to information on major projects [such as election campaigns]).

What are the other important connections or impacts related to this proposal?

It is difficult to quantify the negative reputational impacts that can reasonably be expected if PDC provides less timely, less reliable, less accessible, and just plain less data about increasingly expensive political campaigns and lobbying activity. At a certain point, though, the public will rightly question whether the public interest-as expressed by an overwhelming majority of voters that enacted the public disclosure Initiative in 1972-is being served.

PDC continues to explore ways to increase automation and reduce the need for manual data entry tasks. Most of these efforts would

either require new investments in information technology (such as upgrading and/or replacing outdated filing applications, purchasing optical character recognition software, etc.), which the PDC currently does not have the resources to do, or they would require statutory or rule changes to require filers to use electronic filing applications instead of paper filings. PDC staff has been reluctant to recommend mandatory electronic filing given the current state of our technology, and the Commission has historically deferred to the legislature in determining whether or when to make electronic filing mandatory for certain filing groups. PDC continues to encourage voluntary electronic filing whenever possible, and has made that a strategic plan action item (PDC Strategic Plan Action Item 5.6).

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to reduce the agency's budget by 15% and selected this alternative as among the least worst options in terms of negative impact on customers/services.

Because 21% of the agency's budget consists of fixed central service, infrastructure and utility, and attorney general charges that are not available to the agency for proposed reductions, and staff salaries and benefits comprise 76% of the agency's budget, PDC has no choice but to propose additional staff cuts beyond the 25% reductions already taken since the start of the recession. Staff cuts proposed for this budget exercise are distributed through every division of the agency.

What are the consequences of adopting or not adopting this package?

The PDC would be able to retain the same level of data management and data entry they have had in the past.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Reduce equivalent to 1 FTE and:

Biennial Reduction:

Salaries - \$66,000

Benefits - \$28,000

Reduce 1 FTE for Office Assistant

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Savings are on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(33,000)	(33,000)	(66,000)
B Employee Benefits	(14,000)	(14,000)	(28,000)
Total Objects	(47,000)	(47,000)	(94,000)

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: A5 15-17 Red Outreach and Cust Assist
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Eliminate certain outreach, training, filer assistance, and customer service functions, reducing by 20% (1 of 5 FTE) PDC's outreach and customer service team that supports all aspects of the agency's core mission by concentrating on helping candidates, campaign treasurers, lobbyists and public officials meet their obligations under the law and assisting the public in accessing PDC data about the financing of political campaigns.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(63,000)	(63,000)	(126,000)
Total Cost	(63,000)	(63,000)	(126,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-1.0	-1.0	-1.0

Package Description:

Eliminate certain outreach, training, filer assistance, and customer service functions, reducing by 20% (1 of 5 FTE) PDC's outreach and customer service team that supports all aspects of the agency's core mission by concentrating on helping candidates, campaign treasurers, lobbyists and public officials meet their obligations under the law and assisting the public in accessing PDC data about the financing of political campaigns.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

PDC staff perform a wide variety of outreach, training, filer assistance, and customer service functions that directly support PDC's mission of providing timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates, and ensuring compliance with and equitable enforcement of Washington's disclosure and campaign finance laws.

The majority of the nearly 34,000 PDC compliance and filer assistance inquiries PDC received in FY 2013 were answered by two staff members, who were also responsible for conducting most of the 36 training sessions held for more than 650 individuals that year. Other customer service requests, including public records requests, requests for copies of personal financial affairs statements (F-1

reports), media inquiries, and general questions, collectively number in the thousands each year and are handled primarily by two more of our outreach and customer assistance team.

Specifically this cut would require PDC to reduce service levels in the following ways:

1. Eliminate in-person training for candidates, campaign treasurers, lobbyists, and others seeking to understand their filing requirements and learn how to use PDC's electronic filing applications;
2. Longer wait times for customers to get responses to telephone and email compliance and customer service inquiries, including responses to public records requests;
3. Less frequent and detailed customer service/filer assistance and outreach efforts such as filing "reminders" and individualized service;
4. Less frequent and detailed updates to written guidance materials such as manuals, brochures, FAQs;
5. Increased reliance on an automated phone tree in lieu of live reception;
6. Less time and effort in promoting PDC data through social media and other "new" media outlets.

These additional staff cuts would negatively impact the agency's ability to maintain the currently high rate of voluntary compliance with filing and disclosure requirements by candidates, political committees, lobbyists, and public officials (consistently higher than 98% for those filing groups that have been part of the group enforcement process). While it is impossible to quantify a direct affect on compliance levels, it is reasonable to expect:

- 1) Increased non-compliance by filers who seek help but give up or do not get the detailed assistance they seek in a timely manner; and
- 2) More filers (or others) "blaming" PDC for their non-compliance due to their inability to get the information or assistance they sought in a timely manner.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No, this cut would impair PDC's ability to meet its core mission/vision of building confidence in the political process and government by ensuring compliance with and equitable enforcement of Washington's disclosure and campaign finance laws. It also works counter to the agency's goal of increasing the effectiveness of educational and compliance efforts (PDC Strategic Plan Goal 3) and expanding the size of the audience that is aware of PDC's mission and that accesses PDC data and information (PDC Strategic Plan Goal 6).

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

No, this cut would impair PDC's ability to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The further reduction of PDC outreach, training, filer assistance, and customer service functions will reduce support for four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability, and would negatively impact the following Results WA outcome measures and/or leading indicators: 1.1 (increase/maintain customer satisfaction with accuracy, timeliness, respectfulness); 1.2.d (increase percentage of state employees who believe we are increasing customer value); 1.3 (increase/maintain timely delivery for state services); 3.1 (increase amount of data available in downloadable format and searchable format); 3.1.b (increase access to information on major projects [such as election campaigns]).

What are the other important connections or impacts related to this proposal?

It is difficult to quantify the negative reputational impacts of further reducing PDC's outreach and customer service, but PDC's high quality customer service is widely recognized as one of its greatest assets. Loss of this goodwill could seriously jeopardize support for the agency.

PDC continues to explore ways to increase efficiencies such as using a central call center, automated listserv management and customer engagement services, etc, but these require new investments in digital communications solutions such as a modern telephone system, which the PDC currently does not have the resources to do.

Negative impacts of this cut could be mitigated somewhat by statutory and rule changes that would allow greater efficiency (by reducing demand for filer/customer assistance and reducing processing time) in the following areas:

1. Modifying filers' signature, certification, and authorization requirements (RCW 42.17A.615, .645, and several WACs); and
2. Extending the duration of reporting modifications granted under RCW 42.17A.120.
See agency-request legislation

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to reduce the agency's budget by 15% and selected this alternative as among the least worst options in terms of negative impact on customers/services.

Because 21% of the agency's budget consists of fixed central service, infrastructure and utility, and attorney general services that are not available to the agency for proposed reductions, and staff salaries and benefits comprise 76% of the agency's budget, PDC has no choice but to propose additional staff cuts beyond the 25% reductions already taken since the start of the recession. Staff cuts proposed for this budget exercise are distributed through every division of the agency.

What are the consequences of adopting or not adopting this package?

If the PDC was not cut it would:

1. Continue in-person training for candidates, campaign treasurers, lobbyists, and others seeking to understand their filing requirements and learn how to use PDC's electronic filing applications;
2. Small wait times for customers to get responses to telephone and email compliance and customer service inquiries, including responses to public records requests;
3. Continue detailed customer service/filer assistance and outreach efforts such as filing "reminders" and individualized service;
4. Continue detailed updates to written guidance materials such as manuals, brochures, FAQs;

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Reducing 1 FTE and Salaries and Benefits

Biennial Reduction:

Salaries - \$94,000
Benefits - \$32,000

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Savings would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(47,000)	(47,000)	(94,000)
B Employee Benefits	(16,000)	(16,000)	(32,000)
Total Objects	(63,000)	(63,000)	(126,000)

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: A6 15-17 Red Data Entry/Qual Functions
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Eliminate compliance/enforcement-related data entry/data quality functions, reducing by 25% (1 of 4 FTE) PDC's data entry/data quality team that supports agency outreach, compliance, and group enforcement activities.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(57,500)	(57,500)	(115,000)
Total Cost	(57,500)	(57,500)	(115,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-1.0	-1.0	-1.0

Package Description:

Eliminate compliance/enforcement-related data entry/data quality functions, thereby reducing by 25% (1 of 4 FTE) PDC's data entry/data quality team that supports all aspects of the agency's core mission of collecting and disclosing campaign finance, lobbying, and personal financial affairs data, including outreach, compliance, and group enforcement activities.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

PDC's small data entry team performs a wide variety of data entry and data quality assurance functions that support PDC's mission to ensure compliance with and equitable enforcement of Washington's disclosure and campaign finance laws, and the Commission's statutory duties to conduct audits and enforce Chapter 42.17A (RCW 42.17A.105, 42.17A.110).

Reducing or eliminating certain data entry/data quality assurance functions would negatively impact the agency's ability to provide proactive outreach and filer assistance, to conduct electronic audits, and to encourage voluntary compliance with filing requirements through the group enforcement process. Specifically, this cut would require PDC to:

1. Stop labor-intensive efforts to collect lists of annual officials from local jurisdictions that are used to identify individuals with F-1 filing requirements, create "placeholder" accounts in advance of the filing deadline, and support outreach and group enforcement

efforts to encourage filers to voluntarily comply with filing requirements;

2. Reduce or discontinue data quality checking and e-audit reports that are used to minimize errors in the group enforcement process.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No, this cut would impair PDC's ability to meet its core mission/vision of building confidence in the political process and government by ensuring compliance with and equitable enforcement of Washington's disclosure and campaign finance laws. It would also work against the agency's efforts to meet its strategic plan goal of improving the efficiency and effectiveness of enforcement efforts (PDC Strategic Plan Goal 4).

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

No, this cut would impair PDC's ability to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The loss of these data entry/data quality functions would reduce support for four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability.

What are the other important connections or impacts related to this proposal?

It is difficult to quantify the negative reputational impacts of more filers erroneously receiving enforcement hearing notices, but this will qualitatively erode confidence in PDC.

PDC continues to explore ways to increase automation and reduce the need for manual data entry tasks. Most of these initiatives would require new investments in information technology (such as upgrading and/or replacing outdated filing applications, purchasing optical character recognition software, etc.), which the PDC currently does not have the resources to do, or they would require statutory or rule changes to reduce the need for manual data entry tasks.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to reduce the agency's budget by 15% and selected this alternative as among the least worst options in terms of negative impact on customers/services.

Because 21% of the agency's budget consists of fixed central service, infrastructure and utility, and attorney general charges that are not available to the agency for proposed reductions, and staff salaries and benefits comprise 76% of the agency's budget, PDC has no choice but to propose additional staff cuts beyond the 25% reductions already taken since the start of the recession. Staff cuts proposed for this budget exercise are distributed through every division of the agency.

What are the consequences of adopting or not adopting this package?

The PDC would be able to continue the data entry and data quality and provide uninterrupted services to its customers.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Negative impacts could be mitigated to a small degree by a statutory change that requires local jurisdictions with more than 1,000 registered voters to provide lists of their elected officials to PDC annually, by a certain date. This could reduce the amount of time and effort PDC spends in trying to collect the information from local jurisdictions.

Expenditure and revenue calculations and assumptions

Reduction of one FTE and salaries and benefits associated
(.7 FTE for OA and .3 FTE for ITS5)

Biennial Reduction:

Salaries - \$84,000

Benefits - \$31,000

Reduce 0.8 FTE for Office Assistant
0.2 FTE for ITS 5

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Savings would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(42,000)	(42,000)	(84,000)
B Employee Benefits	(15,500)	(15,500)	(31,000)
Total Objects	(57,500)	(57,500)	(115,000)

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: A7 15-17 Red Compliance/Enfor Efforts
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Eliminate certain compliance and enforcement functions, reducing by 12.5% (0.5 of 4 FTE) of PDC's compliance and enforcement team that supports all aspects of the agency's core mission of ensuring fair and equitable enforcement of Washington's disclosure and campaign finance laws, including the Commission's efforts to assist people in voluntarily meeting their obligations under the law without having to resort to formal enforcement actions resulting in embarrassment and monetary penalties.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(39,000)	(39,000)	(78,000)
Total Cost	(39,000)	(39,000)	(78,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-.5	-.5	-.5

Revenue		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
<u>Fund</u>	<u>Source</u>			
001 General Fund	9999 Estimated All Other	(5,000)	(5,000)	(10,000)
Total Revenue		(5,000)	(5,000)	(10,000)

Package Description:

Eliminate certain compliance and enforcement functions, reducing by 12.5% (0.5 of 4 FTE) of PDC's compliance and enforcement team that supports all aspects of the agency's core mission of ensuring fair and equitable enforcement of Washington's disclosure and campaign finance laws, including the Commission's efforts to assist people in voluntarily meeting their obligations under the law without having to resort to formal enforcement actions resulting in embarrassment and monetary penalties.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The PDC Compliance Division is committed to providing timely and impartial investigations of complaints about violations of Washington's campaign finance and disclosure laws and rules. These laws and rules extend PDC's jurisdiction statewide to the approximately 1,300 candidates and political committees that, in 2012, spent more than \$173 million to influence Washington voters. PDC's Compliance Division also oversees the laws related to disclosure of the financial activity of approximately 900 lobbyists and their 1,200 employers who spend more than \$36 million a year seeking to influence the legislature and executive branch agencies.

PDC's compliance work also includes responsibilities for ensuring the annual reporting of personal financial interests by approximately 6,000 public officials and candidates for state and local offices, and oversight of the prohibitions against using public resources for campaign purposes.

PDC's four compliance/enforcement staff perform a wide variety of functions in support of PDC's statutory duties to investigate complaints, conduct audits, and enforce RCW Chapter 42.17A (RCW 42.17A.105). Their activities directly support the PDC's mission and vision to ensure compliance with and equitable enforcement of Washington's disclosure and campaign finance requirements, and to enhance public confidence in the political process and government.

As a result of previous rounds of budget cuts, PDC no longer conducts traditional field or desk audits, and most compliance/enforcement activity is complaint driven rather than proactive. PDC's backlog of complaints and investigations continues to grow, and the agency struggles to strike an appropriate balance between proactive compliance efforts related to current campaigns and retrospective investigative/enforcement activity related to past campaigns.

The last remaining vestiges of PDC's audit functions is the agency's group enforcement process, in which considerable effort is spent identifying those candidates, lobbyists, lobbyist employers, and public officials who are at risk of missing statutory filing deadlines and encouraging them to voluntarily comply in lieu of enforcement action.

Further compliance staff cuts would result in the elimination of this last remaining audit function, which in turn would cause a decrease in the rate of voluntary compliance with basic requirements to file annual or monthly reports. Proactive group enforcement efforts related to those audit functions would be curtailed or eliminated in the following order as necessary to meet the staff reductions, meaning that all remaining PDC enforcement efforts would eventually be solely complaint driven:

1. Lobbyist employers' annual (L-3) reports;
2. Annual personal financial affairs (F-1) reports except for statewide and legislative office holders;
3. Annual personal financial affairs (F-1) reports for statewide and legislative office holders;
4. Lobbyists' monthly expenditure (L-2) reports;
5. New candidate campaign committee registration (C-1) and personal financial affairs (F-1) reports except for statewide and legislative offices;
6. New candidate campaign committee registration (C-1) and personal financial affairs (F-1) reports for statewide and legislative offices.

Additional reductions in the level of service provided by compliance staff would also include:

1. Discontinuing ballot proposition "fact sheet" reviews and other detailed guidance to local jurisdictions (such as school districts, fire districts, cities and counties) concerning the prohibition against the use of public facilities in election campaigns;
2. Replacing individualized guidance with general information for candidates seeking to switch from mini to full campaign reporting (if they are going to raise/spend more than \$5,000);
3. Longer wait times and less detailed responses to telephone & email complex compliance inquiries; and
4. Less time devoted to assisting people understand and meet their obligations under the law.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No, this cut would work counter to PDC's goal to restore lost capacity in compliance and enforcement resources (PDC Strategic Plan Critical Goal 1). It would also negatively impact PDC's ability to meet its strategic goal of improving the effectiveness of enforcement efforts (PDC Strategic Plan Goal 4) and increasing the effectiveness of educational and compliance efforts (PDC Strategic Plan Goal 3).

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

No, this cut would impair PDC's ability to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The loss of additional compliance/enforcement functions would reduce support for four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability and would negatively impact the following Results WA outcome measures and/or leading indicators: 1.1 (increase/maintain customer satisfaction with accuracy, timeliness, respectfulness); 1.3 (increase/maintain timely delivery for state services); 3.1 (increase amount of data available in downloadable format and searchable format); 3.1.b (increase access to information on major projects [such as election campaigns]).

What are the other important connections or impacts related to this proposal?

While it is difficult to quantify the negative impacts associated with further reducing compliance-related service levels, it is reasonable to expect:

-Reduction in the amount of penalties imposed and collected (which are returned to GF-S) as a result of the group enforcement process, estimated at \$2,500 - \$10,000 per year.

-Increased non-compliance by public agencies and others who seek guidance but give up or don't get detailed assistance in a timely manner;

-Less enforcement against violations that do not rise to the level of "gross negligence" or "evasions" of the act [per WAC 390-12-050(8)], leaving the public increasingly frustrated that minor and moderately serious violations go unaddressed; and

-Greater risk of filers "blaming" PDC for non-compliance due to inability to get requested help.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to reduce the agency's budget by 15% and selected this alternative as among the least worst options in terms of negative impact on customers/services.

Because 21% of the agency's budget consists of fixed central service, infrastructure and utility, and attorney general services that are not available to the agency for proposed reductions, and staff salaries and benefits comprise 76% of the agency's budget, PDC has no choice but to propose additional staff cuts beyond the 25% reductions already taken since the start of the recession. Staff cuts proposed for this budget exercise are distributed through every division of the agency.

What are the consequences of adopting or not adopting this package?

The PDC would be able to continue their current level of services and provide compliance and enforcement functions as they have with no drop in the level of services. This will also allow for the collection of the \$2,500 - \$10,000 of revenue from the compliance and enforcement areas.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

PDC would be out of compliance with RCW 42.17A.105(6) (audits), which would need to be repealed or amended.

Expenditure and revenue calculations and assumptions

0.5 of FTE and salaries and benefits

Biennial Savings-
Salaries - \$60,000
Benefits - \$18,000

Reduced Revenue in the amount of \$5,000 - \$20,000 per biennium

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Expenditure savings and revenue reductions would both be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(30,000)	(30,000)	(60,000)
B Employee Benefits	(9,000)	(9,000)	(18,000)
Total Objects	(39,000)	(39,000)	(78,000)

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N0 15-17 Restore Comp/Enforce Efforts
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Preserve/Restore certain PDC's compliance and enforcement functions (Buyback of A7 cut)

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	39,000	39,000	78,000
Total Cost	39,000	39,000	78,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	.5	.5	.5

Revenue		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
<u>Fund</u>	<u>Source</u>			
001 General Fund	9999 Estimated All Other	5,000	5,000	10,000
Total Revenue		5,000	5,000	10,000

Package Description:

Preserve/Restore certain group enforcement and compliance assistance activities (Buyback of A7 cut)

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The PDC Compliance Division is committed to providing timely and impartial investigations of complaints about violations of Washington's campaign finance and disclosure laws and rules. These laws and rules extend PDC's jurisdiction statewide to the approximately 1300 candidates and political committees that, in 2012, spent more than \$173 million to influence Washington voters. PDC's Compliance Division also oversees the laws related to disclosure of the financial activity of approximately 900 lobbyists and their 1,200 employers who spend more than \$36 million a year seeking to influence the legislature and executive branch agencies. PDC's compliance work also includes responsibilities for ensuring the annual reporting of personal financial interests by approximately 6,000 public officials and candidates for state and local offices, and oversight of the prohibitions against using public resources for campaign purposes.

PDC's four compliance/enforcement staff perform a wide variety of functions in support of PDC's statutory duties to investigate complaints, conduct audits, and enforce RCW Chapter 42.17A (RCW 42.17A.105). Their activities directly support the PDC's mission and vision to ensure compliance with and equitable enforcement of Washington's disclosure and campaign finance requirements, and to enhance public confidence in the political process and government.

As a result of previous rounds of budget cuts, PDC no longer conducts traditional field or desk audits, and most compliance/enforcement activity is complaint driven rather than proactive. PDC's backlog of complaints and investigations continues to grow, and the agency struggles to strike an acceptable balance between proactive compliance efforts related to current campaigns and retrospective investigative/enforcement activity related to past campaigns (e.g., as of 9/1/14, approximately 25 complaints and investigations from the 2012 election remain in the backlog, in addition to the 75+ remaining from 2013 and the 50+ new complaints received concerning the 2014 election as of 9/1/14).

The last remaining vestige of PDC's audit functions is the agency's group enforcement process, in which considerable effort is spent identifying those candidates, lobbyists, lobbyist employers, and public officials who are at risk of missing statutory filing deadlines and encouraging them to voluntarily comply in lieu of being the subject of enforcement action. This is in keeping with the Commission's compliance philosophy, in which "staff concentrates on assisting people in meeting their obligations under the law in hopes of fulfilling the purpose of the act without having to resort to enforcement actions resulting in embarrassment and monetary penalties." WAC 390-12-050(8).

Preserving/Restoring this last remaining audit function would, in turn, preserve the very high rate of voluntary compliance with basic requirements to file annual or monthly reports. Proactive group enforcement efforts related to those audit functions would be restored in the following order as resources allow:

1. New candidate campaign committee registration (C-1) and personal financial affairs (F-1) reports for statewide and legislative offices;
2. New candidate campaign committee registration (C-1) and personal financial affairs (F-1) reports except for statewide and legislative offices;
3. Lobbyists' monthly expenditure (L-2) reports;
4. Annual personal financial affairs (F-1) reports for statewide and legislative office holders;
5. Annual personal financial affairs (F-1) reports except for statewide and legislative office holders;
6. Lobbyist employers' annual (L-3) reports;

This buyback decision package would also preserve/restore the following functions in support of the Commission's compliance efforts:

1. Fact sheet reviews requested by local jurisdictions (such as school districts, hospital districts, and utility districts) seeking guidance in complying with the prohibitions against using public facilities to support ballot measures (such as bonds and levies);
2. Individualized guidance in lieu of general information for candidates seeking to switch from mini to full campaign reporting (if they are going to raise/spend more than \$5,000);
3. Maintain status quo with respect to wait times and detail provided in response to telephone & email complex compliance inquiries; and
4. Maintain status quo regarding assistance to people seeking to understand and meet their obligations under the law.

Performance Measure Detail

Activity:

Incremental Changes

September 10, 2014

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, this buyback DP supports PDC's goal to restore lost capacity in compliance and enforcement resources (PDC Strategic Plan Critical Goal 1). Although it does not advance PDC's ability to meet its strategic goal of improving the effectiveness of enforcement efforts (PDC Strategic Plan Goal 4) and increasing the effectiveness of educational and compliance efforts (PDC Strategic Plan Goal 3), it would at least maintain the status quo in these areas.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this buyback DP provides essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. Maintaining the specified compliance/enforcement functions would support four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability and would positively impact the following Results WA outcome measures and/or leading indicators: 1.1 (increase/maintain customer satisfaction with accuracy, timeliness, respectfulness); 1.3 (increase/maintain timely delivery for state services); 3.1 (increase amount of data available in downloadable format and searchable format); 3.1.b (increase access to information on major projects [such as election campaigns]).

What are the other important connections or impacts related to this proposal?

While it is difficult to quantify the positive impacts associated with maintaining existing compliance-related service levels, it is reasonable to expect the agency would:

-Maintain the current amount of penalties imposed and collected (which are returned to GF-S) as a result of the group enforcement process, estimated at \$2,500 - \$10,000 per year.

-Maintain current compliance levels by public agencies and others who seek guidance and get detailed assistance in timely manner;

-Maintain current level of enforcement regarding minor and moderately serious violations; and

-Experience no change in the risk of filers "blaming" PDC for their non-compliance due to inability to get requested help.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to "rebase" 15% of the agency's budget and selected this alternative as among the most critical functions to buyback, in terms of avoiding serious negative impact on customers/services.

There are no other feasible alternatives to ensure compliance with PDC laws and rules other than to have staff that can provide compliance assistance and/or take enforcement action as necessary.

What are the consequences of adopting or not adopting this package?

PDC's four compliance/enforcement staff perform a wide variety of functions in support of PDC's statutory duties to investigate complaints, conduct audits, and enforce RCW Chapter 42.17A (RCW 42.17A.105). Their activities directly support the PDC's mission and vision to ensure compliance with and equitable enforcement of Washington's disclosure and campaign finance requirements, and to enhance public confidence in the political process and government.

As a result of previous rounds of budget cuts, PDC no longer conducts traditional field or desk audits, and most compliance/enforcement activity is complaint driven rather than proactive. PDC's backlog of complaints and investigations continues to grow, and the agency struggles to strike an appropriate balance between proactive compliance efforts related to current campaigns and retrospective investigative/enforcement activity related to past campaigns.

The last remaining vestiges of PDC's audit functions is the agency's group enforcement process, in which considerable effort is spent identifying those candidates, lobbyists, lobbyist employers, and public officials who are at risk of missing statutory filing deadlines and encouraging them to voluntarily comply in lieu of enforcement action.

Further compliance staff cuts would result in the elimination of this last remaining audit function, which in turn would cause a decrease in the rate of voluntary compliance with basic requirements to file annual or monthly reports. Proactive group enforcement efforts

related to those audit functions would be curtailed or eliminated in the following order as necessary to meet the staff reductions, meaning that all remaining PDC enforcement efforts would eventually be solely complaint driven:

1. Lobbyist employers' annual (L 3) reports;
2. Annual personal financial affairs (F 1) reports except for statewide and legislative office holders;
3. Annual personal financial affairs (F 1) reports for statewide and legislative office holders;
4. Lobbyists' monthly expenditure (L 2) reports;
5. New candidate campaign committee registration (C 1) and personal financial affairs (F 1) reports except for statewide and legislative offices;
6. New candidate campaign committee registration (C 1) and personal financial affairs (F 1) reports for statewide and legislative offices.

Additional reductions in the level of service provided by compliance staff would also include:

1. Discontinuing ballot proposition "fact sheet" reviews and other detailed guidance to local jurisdictions (such as school districts, fire districts, cities and counties) concerning the prohibition against the use of public facilities in election campaigns;
2. Replacing individualized guidance with general information for candidates seeking to switch from mini to full campaign reporting (if they are going to raise/spend more than \$5,000);
3. Longer wait times and less detailed responses to telephone & email complex compliance inquiries; and
4. Less time devoted to assisting people understand and meet their obligations under the law.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Increase by .5 of an FTE and

Biennial Request:

Salaries -

Benefits -

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Functions and related staffing costs would both be on-going.

Object Detail

FY 2016

FY 2017

Total

A	Salaries And Wages	30,000	30,000	60,000
B	Employee Benefits	9,000	9,000	18,000
Total Objects		39,000	39,000	78,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N1 15-17 Microsoft Office 365 Software
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Purchase Microsoft Office 365, fully hosted software as a service productivity and communications suite.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	4,600	4,600	9,200
Total Cost	4,600	4,600	9,200

Package Description:

This investment would fund the ongoing cost for the PDC to utilize Microsoft's Office 365 productivity and communications suite which is offered as a fully hosted online solution. The PDC currently owns and manages its own email system and purchases licenses for Microsoft productivity software packages such as Office Professional. Office 365 will ensure that the PDC always has the latest versions of the full Office productivity suite available and updated to meet security requirements. It also provides online access to those applications for any time anywhere availability. The Email component provides capacity in excess of what the PDC can provide itself or obtain through WA CTS. The additional features of Sharepoint, Onedrive and electronic messaging will enable the PDC to improve communications and efficiency within the office environment as well as with our customers who increasingly rely on email and online file exchanges.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Elimination of the PDC email system and supporting infrastructure. Elimination of cyclical one-time funding requests for software licenses, servers and supporting infrastructure. Anytime, anywhere access to email as well as shared files and resources. Productivity software that is supported and updated in compliance with security standards and practices.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, this package supports Goal 1 of the agency strategic plan to restore capacity in IT functions. By shifting to a service based model, this package alleviates the need to fund capital investments in hardware and software. This is in alignment with the OCIO strategy of seeking software as a solution options first.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this investment allows the PDC to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. A key strategy for the PDC to become more effective and efficient is to divest itself of operations that are not central to supporting the agency mission. Specifically, the PDC must focus on areas where the domain expertise unique to the PDC allows staff to deliver exceptional customer value and to shift commodity operations to lower cost, off the shelf solutions. Additionally, this package will allow the PDC to meet customer expectations through the use of technology that will evolve over time, in tune with the broader public expectations.

What are the other important connections or impacts related to this proposal?

None

What alternatives were explored by the agency, and why was this alternative chosen?

The PDC considered the shared email and Sharepoint services offered through WA CTS. The CTS services offer significantly less functionality and capacity than the Office 365 solution. The total annual cost for the CTS solution would be higher.

What are the consequences of adopting or not adopting this package?

The PDC will need to continue to run its own email services, will have unsupported versions of Microsoft Office and eventually Exchange Email, in violation of OCIO security standards and continue to operate supporting infrastructure. Operating servers and infrastructure is not central to the PDC mission and diverts resources from providing more efficient and effective service to our customers.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Annual cost for 25 user subscriptions to Microsoft Office 365 Plan G3 on DES master contract.

\$4,600

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs and functions would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	4,600	4,600	9,200

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N2 15-17 Discontinue Purch Desk Comp
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

This investment will discontinue the practice of purchasing personal computers. All agency personal computers will be leased from WA DES.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	10,000	10,000	20,000
Total Cost	10,000	10,000	20,000

Package Description:

Historically, the PDC has not had the operating flexibility to absorb the large cyclical expense associated with updating PCs and has had to run them well past their useful lifetime. Some PDC PCs are no longer adequate to perform the function for which they were purchased. Keeping and trying to maintain PCs well beyond their useful life reduces security and consumes staff time trying to workaround issues and repairing failing systems. Funding this investment will provide for a consistent replacement cycle which then reduces the support and maintenance expenses associated with trying to maintain multiple generations of systems. It will also allow the PDC to keep systems updated to current versions of software and security patches which is a requirement of the OCIO security standards (141.10) and the PDC agency security program.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Converting from owned to leased PCs will bring more predictability to PDC on several levels, including both performance and budgeting predictability.

The PDC will maintain all PCs in compliance with OCIO security standards regarding security patching. Leasing will also bring PDC into compliance with OCIO policy for PC procurement practices; create more predictable budgeting by handling PCs as on-going operating expenses rather than periodic capital expenditures; and will allow IT staff to focus on more

customer-facing work instead of devoting time to PC maintenance.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This package supports the agency's strategic plan goals adopted by the Commission for: (1) Restoring capacity to meet core functions (PDC Strategic Plan Critical Goal 1) and (2) Adopting a long-term, sustainable plan to deliver and maintain a state-of-the-art disclosure system (PDC Strategic Plan Critical Goal 2). By creating efficiency, this investment offsets the need to restore staffing capacity. In particular, the needs of office technical support staff will be greatly reduced. All leased PCs are covered by manufacturer warranties, completely eliminating the need to PC repair skills and staff. Additionally, this package improves the sustainability of the agency's budget by avoiding the cyclical costs associated with a capital approach to PCs replacements.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this investment allows the PDC to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. Specifically, this investment fully supports all aspects of OCIO policy 201 that address cost consideration for effective and efficient operation over the useful lifecycle as well as procurement processes addressing efficiency and accountability.

What are the other important connections or impacts related to this proposal?

This investment fully supports all aspects of OCIO policy 201 (PC procurement policy), including the directive to include the costs for systematic PC replacement and acquisition in the agency base operating budget to avoid large variations in expenses and the need to make special legislative budget requests. Converting from owned to leased PCs will allow PDC to make the transition from past practice that did not include PC refresh/replacement costs in the agency's base operating budget and left the agency vulnerable to unpredictable refresh/replacement cycles.

What alternatives were explored by the agency, and why was this alternative chosen?

The only real alternative is to maintain the status quo of requesting one time funds every budgeting cycle to replace PCs as funds are available and operating equipment inefficiently, insecurely and beyond its reasonable lifetime.

What are the consequences of adopting or not adopting this package?

If this package is not funded, the PDC will need to continue to expend time and effort required to maintain aging computers until they no longer function at which point the PDC will not be able to conduct in-person training and will no longer have portable computers available for the commission during meetings. The PDC will also need to terminate the existing PC lease and revert to using computers that are already eight years old. Those computers are only licensed for Windows XP and the PDC will need to purchase licenses in order to meet state security requirements.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Assumes 8 portable computers, 22 workstations and 8 public use computers with a 4 year replacement/amortization schedule.

Annual cost \$10,000

If the DP "Reduce facility lease costs by vacating PDC customer training room and IT staff work area in existing leased facility" is adopted, the PDC will no longer have a requirement for the 8 public use computers and the total annual cost will be \$8,000.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs and functions would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	10,000	10,000	20,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N3 15-17 Data Center Elimination
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Funding to move all PDC data center operations and system/platform support to third party cloud services.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	66,000	56,000	122,000
Total Cost	66,000	56,000	122,000

Package Description:

This investment package will fund the elimination of the PDC data center, shifting all infrastructure to WA Consolidated Technology Services managed virtual machines or a cloud based infrastructure as a service (IaaS) provider to host existing infrastructure and all new development on software/platform as a service (SaaS/PaaS) solutions fully hosted in the cloud. Central to the SaaS/PaaS strategy is moving the PDC website to a hosted CTS and rebuilding PDC applications on a fully hosted PaaS framework such as Drupal, offloading all software and platform support to a third party. Over the biennium the operating expenditures funded in this initiative will shift from IaaS to SaaS/PaaS.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The agency expects to totally eliminate the on-premises datacenter located in the agency facility. All IT services will be run from third party cloud providers and any systems that cannot be run on a cloud system will be provided by WA CTS managed virtual servers in the state datacenter.

All staff resources necessary to operate the on-premises datacenter will be refocused on delivering public facing customer value in support of the PDC mission.

The PDC will leverage the enhanced technology, features and security to deliver more robust, user friendly, mobile capable applications, increase operating flexibility and reduce time to delivery for enhancements and new development.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This package supports the agency's strategic plan goals adopted by the Commission: (1.1) Restoring capacity to meet core functions; (1.3) Eliminates the need for remote disaster recovery services; (2.1) Eliminates the need to invest in servers and datacenter infrastructure; (5.1) Provides modern CTS for the PDC website with improved usability and accessible from mobile devices and (5.4) Make online applications easier to use and available on more platforms. Each of these goals is served by moving to a modern platform that alleviates the need to manage infrastructure and provides the agility necessary to quickly deliver content and applications that meet customer expectations in terms of availability, usability and reliability.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this investment allows the PDC to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government.

Customer satisfaction and confidence at the PDC is directly related to how well our website and online filing applications work. This package supports the goal of cost effective government by eliminating the need to purchase and maintain IT infrastructure and makes costs more predictable and based on the level of service that is being provided rather than loading a large upfront equipment cost for infrastructure that may never be fully utilized. It also facilitates improved customer satisfaction and confidence as well as cost effective government by focusing staff efforts on delivering customer focused value rather than paying staff to manage infrastructure and equipment.

The PDC's core mission is to provide transparency and accountability to citizens regarding the financing of elections, lobbyist activities, and the financial affairs of public officials and candidates in order-this mission is foundational to ensuring public confidence in the political process and government.

What are the other important connections or impacts related to this proposal?

This package provides a creative and forward thinking alternative to addressing the PDC strategic goal of restoring staff capacity by creating an environment where existing staff can be more effective in delivering on the core mission of the PDC.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to "rebase" 15% of the agency's budget and selected this alternative as among the most critical investments to improve the reliability, security, and cost-effective operation of PDC's infrastructure.

What are the consequences of adopting or not adopting this package?

In 2016 all of the PDC datacenter hardware will reach end of support and require replacing or renewal of maintenance contracts. The PDC simply does not have the staffing levels necessary to operate the complex, continuously evolving platforms, systems and infrastructure necessary to meet even the current expectations of our customers. Any continued delay will severely erode customer confidence and the ability of the PDC to serve its mission. Any partial plan quickly erodes the benefit of eliminating the costs of maintaining the equipment and expertise necessary to operate it.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

The costs assume that initially all PDC infrastructure would be offloaded to a third party IaaS provider and then as new systems are developed and deployed, they would be deployed on SaaS/PaaS solutions and costs would shift from IaaS to SaaS/PaaS but would not change substantially. The total cost is based on an estimate from WA CTS as the IaaS provider. This includes backups but not CTS technical support. CTS's estimate did not include one-time, set-up fees, which would be determined at the time PDC enters into an agreement. For purposes of this decision package, PDC estimates the one-time start up costs to be approximately \$10,000. The monthly recurring charges are estimated by CTS to be:

- \$2688 - Virtual Infrastructure
- \$560 - Additional CPU
- \$112 - Additional RAM
- \$739 - Storage
- \$2250 - Monitoring
- \$3000 - Backups (based on 3TB stored)
- \$10,000 - One time Fees

Total annual ongoing \$112,118

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs and functions would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	66,000	56,000	122,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N4 15-17 Technology Intern Program
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Funding to develop and pilot a technology student internship program as an alternative to seeking an FTE to fill unmet IT needs while providing an opportunity for higher education students to gain real world expertise in a production IT environment.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	17,500	17,500	35,000
Total Cost	17,500	17,500	35,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	.8	.8	.8

Package Description:

The PDC has, like many organizations, been faced with significant cuts in technology support. In an environment of ever tightening budgets, the PDC is seeking this investment as an alternative to seeking an FTE to fill an unmet need while providing an opportunity for students to gain real world expertise in a production IT environment. The open and highly collaborative IT environment at the PDC is a great place to foster learning while providing a chance to make a real contribution to the overall success of the agency. Within the geographic area near Olympia, several two and four-year higher education institutions produce a substantial number of students who gain the necessary experience through work study, part time employment and academic programs focused on information technology.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Development of an internship program completed September 2015. The hire of two interns in October 2015 to serve a maximum of two academic quarters each. Interns will provide a positive contribution to the overall success of the PDC IT organization and the agency mission. The intern supervisors will complete internship evaluations to be provided to faculty sponsors and included in the interns' academic portfolio.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This package supports the agency's two critical strategic plan goals of adopted by the Commission: (1) Restoring capacity to meet core functions; and (2) Achieving a public disclosure system that meets our customer's expectations. This package provides for an alternative approach to restoring capacity in a cost-effective manner while providing an educational opportunity through internship. It helps to deliver a system that meets customer expectations by providing the capacity for professional IT staff to focus work on complex tasks and customer-facing systems.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this investment allows the PDC to provide essential support to several of the Governor's Results Washington priorities, including Goals 1 (World-Class Education); 2 (Prosperous Economy); and 5 (Efficient, Effective, and Accountable Government). More specifically, this internship program provides a cost effective alternative to restoring much needed technology support at PDC, which in turn allows PDC to provide better customer service. It also supports Results Washington Goal 1 of World Class Education by providing an educational opportunity for students to gain real world experience in a production technology environment. It also supports Goal 2: Prosperous Economy by expanding the skilled workforce. A major challenge of college graduates is making that first transition from the academic world into skilled employment due to a lack of on the job experience. Program participants will gain that extra experience to help students make the transition into skilled professional employment after graduation.

What are the other important connections or impacts related to this proposal?

The PDC CIO is an Evergreen graduate and 15 year veteran in IT management at Evergreen with close ties to the college both in academics and IT. He has also been an internship supervisor and Faculty internship sponsor and knows and understands the requirements to have a successful and productive internship program.

What alternatives were explored by the agency, and why was this alternative chosen?

This package represents an alternative approach to recover the systems administration / support capacity lost through previous budget reductions (requested in PDC's supplemental budget for FY 2014 but not funded). This alternative to hiring regular staff would be less costly and would have the additional benefit of supporting the education and job skills of students.

What are the consequences of adopting or not adopting this package?

The PDC will continue to be understaffed and highly skilled IT professionals will devote time on work that could be better handled by less skilled support staff. The PDC and the students this program could serve will miss out on a valuable opportunity to improve service to the public while educating the next round of IT professionals.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Costs assume that funding would be provided for two interns working a total of 35 hours a week combined and the program would run

all year.

Annual cost for hourly labor and employment costs would be \$35,000 based on paying a wage of \$16 per hour.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This proposal is for the 2015-2017 biennium. Based on the demonstrated success of the program, this proposal will be requested as a permanent allocation in the following biennium.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	15,000	15,000	30,000
B Employee Benefits	2,500	2,500	5,000
Total Objects	17,500	17,500	35,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N5 15-17 Restore General Counsel
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Maintain/Restore in-house general counsel functions (Buyback of A3 cut)

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	90,000	90,000	180,000
Total Cost	90,000	90,000	180,000

Package Description:

Maintain adequate funding to support in-house general counsel functions. (Buyback of A3 cut)

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Maintaining general counsel functions would ensure the most cost-efficient approach to defending current PDC laws and rules, which are regularly subject to legal challenge by opponents of campaign contribution limits and/or disclosure requirements. Litigation defense efforts, since 2007, have been jointly shared between appropriations for the PDC's in-house general counsel position and the agency's AGO legal services allotment. The PDC's current allotment from the legal services revolving fund is not sufficient to replace these in-house general counsel functions through increased utilization of the AGO.

Maintaining general counsel functions would also maintain the quality and timeliness of responses to complex advisory matters and declaratory order requests, thereby decreasing the risk of new litigation. And it would maintain the quality and timeliness of the agency's responses to relevant court decisions and proposed legislation, both of which are essential legal risk management functions that help reduce the likelihood of the state facing litigation.

Finally, maintaining general counsel functions support the agency's ability to perform, directly or through contracts with outside counsel, independent investigation or enforcement of matters where the Attorney General has a conflict of interest, such as when the Attorney General (or one of his/her opponents) is accused of campaign-related violations (See RCW 42.17A.130).

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, this buyback is essential to the PDC's ability to meet its core mission/vision of building confidence in the political process and government.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this buyback maintains the PDC's ability to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. Maintenance of PDC's in-house counsel functions would support five of Goal 5's six subtopics: customer satisfaction, customer confidence, cost-effective government, transparency, and accountability.

What are the other important connections or impacts related to this proposal?

While it is difficult to predict with certainty (because litigation is inherently unpredictable), the agency expects this buyback would minimize the need to increase PDC's allotment from the AGO legal services revolving fund to address litigation risks or respond to additional lawsuits.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to "rebase" 15% of the agency's budget and selected this alternative as among the most critical functions to buyback, in terms of avoiding serious negative impact on customers/services.

Replacing the in-house general counsel functions with additional legal services from the AGO was considered but rejected as an alternative. Shifting more of the agency's legal work to the AGO is less cost-effective (See attachment for more detail on the relationship between PDC's general counsel functions and legal services provided by the AGO, and the related cost analysis.) Also, that alternative does not address the need for having independent counsel when the Attorney General has a conflict of interest, such as when the Attorney General (or one of his/her opponents) is accused of campaign-related violations.

What are the consequences of adopting or not adopting this package?

If this package is not funded it will instate the cuts identified in package A-3 which is a reduction to in-house attorney services and would most likely provide an increase to AG charges to the PDC.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

No FTE request

Biennial restoration:

Salaries 145,000

Benefits 35,000

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs and functions would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	72,500	72,500	145,000
B Employee Benefits	17,500	17,500	35,000
Total Objects	90,000	90,000	180,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N6 15-17 Customer Serv/Case Mgmt Syst
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Investment to fund the cost of a fully hosted, cloud-based customer service and case management system to consolidate and integrate PDC's existing disparate manual and electronic systems used to track and manage compliance inquiries and complaints, case investigations, external customer/filer help desk requests, public records requests, and internal IT help desk requests.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	4,000	4,000	8,000
Total Cost	4,000	4,000	8,000

Package Description:

The PDC currently uses three different electronic systems and several manual processes to manage a wide array of customer interactions, from public records requests, customer help desk requests, compliance complaints, case investigations, to internal IT help desk requests. As a small agency with limited resources, the PDC recognizes that a fully customized customer relationship management system is beyond the scope and needs of the agency but the inefficiency of using a cobbled together collection of in-house systems and manual processes is detrimental to providing excellent customer service and efficiency. The market for fully hosted, cloud-based systems has matured to the degree that there are numerous offerings targeted at small to medium organizations that need out-of-the box functionality and minimal configuration to become fully functional. This investment will fund the ongoing cost of service for a system to consolidate all of these identified PDC functions into a single shared system.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Improved customer satisfaction because interactions can be tracked more efficiently (including across different divisions who may be independently helping the same customer on different but related issues, or working with different customers on the same or similar issues). Interactions can also be updated to provide improved customer transparency and confidence. Greater staff efficiency through the use of a single common toolset and set of practices.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This package supports several of the agency's strategic plan goals: (1) Restore Commission and staff capacity to meet core functions. This package will substantially reduce the time spent by IT staff in maintain in-house customer support systems and enable that capacity for customer facing projects. Additionally, improvements in staff efficiency in handling customer interactions will increase adding additional capacity. (2) Adopt a long-term, sustainable plan to deliver and maintain a state-of-the art system that meets our customers' needs and stays current with their evolving expectations. By consolidating this system on a hosted, cloud based service, the cost of operation becomes a predictable operating cost rather than a large one-time cost of development/implementation. The PDC will be able to incrementally realize greater value as the marketplace and service evolves to meet changing customer expectations. (3) Improve the efficiency of enforcement efforts. Replacing the agency's manual complaint tracking system, and integrating it with the existing case management system, offers enormous potential to improve the efficiency of the agency's compliance efforts.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this investment allows the PDC to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. This investment will allow the PDC to be more efficient and effective in all of its customer interactions and the consistency and timeliness of interactions will improve customer confidence in the PDC. This system will also provide customer insight into the process providing for greater transparency and accountability in government.

What are the other important connections or impacts related to this proposal?

None

What alternatives were explored by the agency, and why was this alternative chosen?

There are numerous fully customizable, customer relationship management systems available as a service. They are all substantially more expensive than this proposal and would have large up-front implementation costs and timeframes.

PDC has previously attempted in-house development of a new complaint tracking system, but does not currently have the staff resources to complete the project. Even if it did, using a fully hosted, cloud-based system that integrates with other customer service management functionality is the more efficient alternative for PDC.

What are the consequences of adopting or not adopting this package?

The PDC will either continue to use the existing tools and processes or divert valuable staff time and operating funds to developing or procuring an on-premises system that will be less functional and ultimately cost more to operate.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Based on a survey of the existing marketplace and the desired capabilities, this service will have an annual cost of \$4,000 for 18 customer service agent accounts which will cover all PDC staff with direct customer service roles.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs and functions would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	4,000	4,000	8,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N7 15-17 Cloud Based Communication Ser
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Funding for the ongoing service of a cloud base, fully hosted communications service and elimination of the PDC on-premises telephone system.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	5,000	5,000	10,000
Total Cost	5,000	5,000	10,000

Package Description:

The PDC currently owns and operates a private branch exchange (PBX) telephone system that is aging, unsupported, unreliable and does not meet the basic needs of the PDC. It is outside the core mission of the agency to operate a telephone system and doing so requires maintaining a level of in-house expertise to perform even basic functions. This package would totally eliminate the traditional on-premises phone system and the PDC would purchase communications services from a cloud based provider. The PDC would not own any equipment, data closets or infrastructure. All support would be handled by the service provider. Cloud hosted communication systems offer many additional capabilities beyond the current agency PBX or services offered by CTS. Video conferencing and video meetings will provide new channels for the PDC to engage with its customers and help to offset the impacts created by budget reductions that have reduced one-on-one and in person interactions.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

A reliable telephone system that meets the current needs for the PDC and our customers. Expanded capabilities for video conferencing and shared video meetings. Flexible and user friendly configuration that enables staff to find creative solutions for engaging our customers. The capability of anytime, anywhere presence as the system is not tied to a location. Improved customer satisfaction.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This package supports the agency's strategic plan goals adopted by the Commission. (1) Restoring capacity to meet core functions. This package would restore lost capacity by opening new and more efficient mechanisms for the agency to meet customer needs and offset losses in staff positions. (2) Adopt a long-term, sustainable plan to deliver and maintain a state-of-the art system that meets our customers' needs and stays current with their evolving expectations. As an entirely standards based service, the agency will never need to request one-time funding for costly upgrades or replacements and the capabilities will evolve as the market and customer expectations evolve. Additionally, by not being tied to a particular hardware or technology platform, the PDC will be able to select the service that offers the best value and will not be tied to a particular service provider. (3) Increase effectiveness of educational and compliance efforts. Enhanced capabilities such as video conferencing and shared meetings improve communications and open possibilities for more efficient training.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this investment allows the PDC to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The PDC's core mission is to provide transparency and accountability to citizens regarding the financing of elections, lobbyist activities, and the financial affairs of public officials and candidates in order-this mission is foundational to ensuring public confidence in the political process and government. Communicating with the public is a vital aspect of that mission. The capability to utilize technology such as video conferencing and online shared meetings improves efficiency and encourages public engagement as well as demonstrating the commitment of the PDC to be effective and efficient in serving the public. For example, being able to conduct training via online meetings rather than requiring the public to drive to the PDC office in Olympia or have PDC staff travel to eastern Washington to conduct training.

What are the other important connections or impacts related to this proposal?

The PDC's capacity to deliver its mission has been severely hampered by reductions and this investment will open opportunities to more efficiently communicate with our customers and offset some of those losses. Additionally, it will help the agency achieve its strategic goal of staying current with evolving customer expectation.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to "rebase" 15% of the agency's budget and selected this alternative as among the most critical investments to make, in terms of avoiding serious negative impact on customers/services.

What are the consequences of adopting or not adopting this package?

The existing telephone system does not meet agency needs in terms of reliability/quality and functionality. For example, the existing system frequently drops calls, delays delivery of voice messages, and suffers from poor call quality, especially audio conferencing which is critical for public participation in Commission meetings and customer focus groups. The system's current configuration also lacks functionality to successfully implement resource pooling and staffing such as a call center approach to filer/customer/compliance assistance inquiries, and would require additional investment in a legacy system to achieve the desired improvements. When the system eventually fails, it will require a costly hardware replacement and leave the agency without service, cutting us off from the public we serve.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

September 10, 2014

None

Expenditure and revenue calculations and assumptions

This assumes 21 lines including handsets so the PDC would not own any equipment. The service level for each line can be adjusted based on needs so we only pay for what we use.

Monthly service total \$825.

Annual cost \$9,900

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs and functions would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	5,000	5,000	10,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N8 15-17 Next Generation Outreach Func
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Restore and refocus PDC outreach efforts to include online community engagement, content marketing, usability, web publishing, content development for electronic communications, human-technology design and social media outreach.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	80,000	80,000	160,000
Total Cost	80,000	80,000	160,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	1.0	1.0	1.0

Package Description:

Technology has changed the way people share information, exchange ideas and their expectation on how others will communicate with them. This is not just a change in the media used to deliver the content, the content needs to be tailored to the media to be effective in reaching and engaging the target audience. This has become more important as communication continues to shift to mobile devices. The PDC recognizes the value that outreach and communications plays in fulfilling the organization's mission, not only through dissemination of information, but by also actively engaging our customers with assistance regarding filing requirements. These efforts reduce the time spent on compliance and improve the experience of our customers. This investment is an important part of keeping up with shift to always on, always available information tailored to the consumer.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

PDC staff perform a wide variety of outreach, training, filer assistance, and customer service functions that directly support PDC's mission of providing timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates, and ensuring compliance with and equitable enforcement of Washington's disclosure and campaign finance laws.

This "buyback/reinvestment" decision package would allow PDC to maintain critical outreach, training, filer assistance, and customer

service functions, with a refocusing of efforts for a greater emphasis on using web-based, social media, and electronic communications tools to reach expanded audiences more efficiently and effectively. The shift in focus would be designed to improve the Commission's performance in engaging the regulated community as well as the next generation of voters, citizens, and members of the general public who have grown increasingly disenchanted with and distrustful of the political process and government.

This position would be responsible for online community engagement, content marketing, usability, web publishing, content development electronic communications, human-technology design, and social media outreach. Specifically, PDC would supplement limited (or discontinued) in-person training opportunities with the preparation and implementation of "on-demand" training options for candidates, campaign treasurers, lobbyists, and others seeking to understand their filing requirements and learn how to use PDC's electronic filing applications. This decision package would also fund the creation and addition of tooltips to existing web-based applications, preparation of short tutorials that users can view on demand within existing applications, collection of knowledgebase articles and videos, solicitation of feedback from users as these new training techniques are implemented. Usability studies would also be employed to gain additional feedback regarding the effectiveness of the Commission's website and applications.

This decision package will positively impact the agency's efficiency and effectiveness in maintaining the high rate of voluntary compliance with filing and disclosure requirements by candidates, political committees, lobbyists, and public officials (consistently higher than 98% for those filing groups that have been part of the group enforcement process). It will also improve the Commission's performance in reaching new and expanded audiences who are interested in or committed to shining the light of public disclosure on political campaigns and lobbying activities.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This package supports the agency's strategic plan goals adopted by the Commission for restoring capacity to meet core functions; increasing the effectiveness of educational and compliance efforts; and expanding the size of the audience that is aware of PDC's mission and that accesses PDC data and information (PDC Strategic Plan Goals 1, 3, and 6).

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this investment allows the PDC to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. PDC's outreach, training, filer assistance, and customer service functions directly support four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability, and positively impact the following Results WA outcome measures and/or leading indicators: 1.1 (increase/maintain customer satisfaction with accuracy, timeliness, respectfulness); 1.2.d (increase percentage of state employees who believe we are increasing customer value); 1.3 (increase/maintain timely delivery for state services); 3.1 (increase amount of data available in downloadable format and searchable format); 3.1.b (increase access to information on major projects [such as election campaigns]).

What are the other important connections or impacts related to this proposal?

If PDC is to succeed in serving as "a vehicle of communication between those engaged in political life and the general public," as envisioned by the citizen's initiative that created the Commission, it must continue to evolve its methods of providing campaign finance, lobbying, and personal financial affairs information to the public where they are looking for it (i.e., online and through mobile platforms), and to effectively market the advantages of electronic filing (thus leading to greater efficiency of operations and better data). To remain relevant and vital as an instrument of accountability, PDC needs to be able to get its messages out to a broader audience through more communication channels. This decision package will allow PDC to leverage its existing technology and data in new ways.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC considered numerous alternatives to "rebase" 15% of the agency's budget and selected this alternative as among the most critical investments to make, in terms of improving the efficiency and effectiveness of mission-critical services.

Current PDC outreach and training efforts rely primarily on more traditional methods of communication and instruction (e.g., email and postcard reminders to filers, in-person classroom training sessions, etc.). These efforts remain essential for engaging with particular segments of PDC's customer base, but the Commission needs additional resources to expand its reach to additional segments of its intended customer base.

What are the consequences of adopting or not adopting this package?

If this buyback/reinvestment is not funded to mitigate the A5 cut to Outreach and Customer Assistance functions, it is reasonable to expect:

-Increased levels of non-compliance by filers who seek help but give up or do not get the detailed assistance they seek in a timely manner;

-More filers (or others) "blaming" PDC for their non-compliance due to their inability to get the information or assistance they sought in a timely manner;

-Lost opportunities to positively engage with the next generation of voters, citizens, and members of the general public contributing to further degradation of public confidence in the political process and government.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Assume \$80,000/year in salaries & benefits (specific job class TBD, most likely a communications or information technology specialist)

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs and functions would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	60,000	60,000	120,000
B Employee Benefits	20,000	20,000	40,000
Total Objects	80,000	80,000	160,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: N9 15-17 Dig Outreach/Comm Platform
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Contracting for a cloud-based, software as a service (Saas) digital outreach and communications platform that would improve customer engagement and create efficiencies through greater compliance and awareness.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	12,000	12,000	24,000
Total Cost	12,000	12,000	24,000

Package Description:

This investment will allow the PDC to contract for digital outreach and communications services through a provider that specializes in electronic communications and marketing, for example, the GovDelivery service already covered by a DES master contract. A key aspect of improving efficiency in compliance is reaching out to regulated customers to inform them of their requirements. Moving to electronic communications and marketing will expand the agency's reach and greatly improve customer satisfaction by building a more positive relationship with those customers that would otherwise end up in a potential enforcement situation. Additionally, the PDC would have a more effective avenue of communicating with all customers, improving awareness, satisfaction and confidence in the political process.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Encourage engagement and increase the number of customers receiving PDC communications. Track customer communications and responses and use that information to tailor more compelling messaging. Link communications to direct customer action and measure the effectiveness of outreach efforts in reducing compliance/enforcement efforts.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This package supports the agency's strategic plan goals and action items to: increase the effectiveness of educational and compliance efforts (Strategic Plan Goal 3); expand the agency's communications to reach new, younger audiences (Action Item 6.2); produce public service announcements, op-ed articles, and other promotional material to increase public awareness (Action Item 6.3); and use targeted outreach to inform regulated customers of their filing requirements (Action Item 3.9).

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this investment allows the PDC to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The PDC's core mission is to provide transparency and accountability to citizens regarding the financing of elections, lobbyist activities, and the financial affairs of public officials and candidates. This mission is foundational to ensuring public confidence in the political process and government. A fundamental aspect to achieving this mission is being able to reach the public we serve and to encourage compliance. This investment would also allow the PDC to be more effective and efficient by eliminating the need for more manual and one-on-one communications where opportunities exist for a more targeted, yet still mass marketing approach.

What are the other important connections or impacts related to this proposal?

None

What alternatives were explored by the agency, and why was this alternative chosen?

The PDC considered traditional mass emailing solutions such as the Listserve mass mailing solution offered by CTS. This solution lacks the multiple communications channels and media that customers expect. Customers want to be reached in a way that is tailored to their needs, whether it is email, text messaging, social media, etc. A single package that puts the customer in control of their communication channels is better suited to this goal and will deliver a more positive outcome.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, the PDC will continue utilizing non-targeted instructions, email and one-one-one correspondence and miss an opportunity to gain efficiencies through greater self-compliance. All PDC customers will be less informed and have a more difficult and less satisfying experience with the PDC.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

The expected cost is based on the current DES master contract pricing for GovDelivery and a survey of the marketplace which indicates that this pricing is in line with similar services.

\$12,000 annually

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs and functions would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	12,000	12,000	24,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: P0 15-17 Restore Data Entry/Compliance
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Maintain data entry/data quality functions devoted to compliance/enforcement and campaign/lobbyist activities by restoring 2 of the 4 FTE from PDC's data entry/data quality team that were reduced from package A4 and A6, which collectively supports agency outreach, compliance, and group enforcement activities.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	104,500	104,500	209,000
Total Cost	104,500	104,500	209,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	2.0	2.0	2.0

Package Description:

Maintain data entry/data quality functions devoted to compliance/enforcement and campaign/lobbyist activities by restoring 2 of the 4 FTE from PDC's data entry/data quality team, which collectively supports agency outreach, compliance, and group enforcement activities.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

PDC's small data entry team performs a wide variety of data entry and data quality assurance functions that support PDC's mission to ensure compliance with and equitable enforcement of Washington's disclosure and campaign finance laws, and the Commission's statutory duties to conduct audits and enforce Chapter 42.17A (RCW 42.17A.105, 42.17A.110).

Maintaining certain data entry/data quality assurance functions would positively impact the agency's ability to provide proactive outreach and filer assistance, to conduct electronic audits, and to encourage voluntary compliance with filing requirements through the group enforcement process. Specifically, this buyback would allow PDC to collect lists of annual officials from local jurisdictions that are used to identify individuals with F-1 filing requirements, create "placeholder" accounts in advance of the filing deadline, and support outreach and group enforcement efforts to encourage filers to voluntarily comply with filing requirements; and continue data quality checking and e-audit reports that are used to minimize errors in the group enforcement process.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, this buyback would support PDC's efforts to meet its core mission/vision of building confidence in the political process and government by ensuring compliance with and equitable enforcement of Washington's disclosure and campaign finance laws. It would also support the agency's efforts to meet its strategic plan goal of improving the efficiency and effectiveness of enforcement efforts (PDC Strategic Plan Goal 4).

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this buyback would allow PDC to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The loss of these data entry/data quality functions would reduce support for four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability.

What are the other important connections or impacts related to this proposal?

PDC continues to explore ways to increase automation and reduce the need for manual data entry tasks. Most of these initiatives require new investments in information technology (such as upgrading and/or replacing outdated filing applications, purchasing optical character recognition software, etc.), which the PDC currently does not have the resources to do, or they would require statutory or rule changes to reduce the need for manual data entry tasks. In the absence of these alternatives, PDC will continue to need to rely on data entry and data quality staff.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC has prioritized several other IT investments ahead of some of the automation tools that could reduce or eliminate the need for data entry staff to perform manual data entry tasks. The other IT decision packages were determined to be of a higher near-term priority for stabilizing the reliability and security of our IT systems.

What are the consequences of adopting or not adopting this package?

Reducing or eliminating certain data entry/data quality assurance functions would negatively impact the agency's ability to provide proactive outreach and filer assistance, to conduct electronic audits, to encourage voluntary compliance with filing requirements through the group enforcement process; and would reduce the scope and quality of the campaign and lobbying-related data currently available to the public.

Specifically, not adopting this buyback would require PDC to:

1. Stop compiling aggregate totals and details of the itemized political contributions made by lobbyists and reported on lobbyist's monthly L-2 reports;
2. Stop compiling aggregate totals of entertainment expenses reported by lobbyists on their monthly L-2 reports;
3. Stop publishing the biennial election "fact book" and eliminate the manual compilation and reconciliation of the data that is needed to prepare the fact book;
4. Reduce the redundancy of data quality control efforts (double-checking entries), thereby increasing the risk of errors and decreasing the reliability of the data;
5. Stop collecting lists of annual officials from local jurisdictions that are used to identify individuals with F-1 filing requirements,

create "placeholder" accounts in advance of the filing deadline, and support outreach and group enforcement efforts to encourage filers to voluntarily comply with filing requirements; and

6. Reduce or discontinue data quality checking and e-audit reports that are used to minimize errors in the group enforcement process.

Cuts in the campaign finance and lobbying-related data entry functions would also be expected to delay how quickly the reports and data are available to the public, which may affect PDC's ability to meet statutory access goals in RCW 42.17A.061 and will degrade PDC's performance measure results directed by the legislature in RCW 42.17A.065.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Request 2 FTEs previously reduced in package A4 and A6.

Biennial Request:
Salaries - 150,000
Benefits - 59,000

Requesting 1.8 FTE Office Assistant
0.2 FTE for ITS5

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs would be on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	75,000	75,000	150,000
B Employee Benefits	29,500	29,500	59,000
Total Objects	104,500	104,500	209,000

Agency: 082 Public Disclosure Commission
Decision Package Code/Title: P1 15-17 Restore Commission Meetings
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Restore the frequency of regular Commission meetings from six to eleven per year (from bi-monthly to monthly), maintaining the Commission's ability to consider in a timely manner important policy, rulemaking, advisory, and enforcement matters related to oversight of the state's campaign finance/disclosure regime, and the disclosure of information about the financial activities of lobbyists and public officials. (Buyback of A1 decision package)

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	4,000	4,000	8,000
Total Cost	4,000	4,000	8,000

Package Description:

Restore the frequency of regular Commission meetings from six to eleven per year (from bi-monthly to monthly), maintaining the Commission's ability consider in a timely manner important policy, rulemaking, advisory, and enforcement matters related to oversight of the state's campaign finance/disclosure regime, and the disclosure of information about the financial activities of lobbyists and public officials.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The Commission conducts the business it was created and empowered by Initiative of the People to perform through its regularly scheduled monthly meetings. This "buyback" would maintain the Commission's performance of its fundamental mission to provide timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates; and to ensure compliance with and equitable enforcement of Washington's disclosure and campaign finance laws. The Commission's ability to consider and respond in a timely manner to emerging and time-sensitive policy, rulemaking, advisory and enforcement matters will be maintained if the Commission maintains its regularly scheduled meetings at the mandated eleven per year.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, this investment would maintain PDC's efforts to ensure/enhance public confidence in the political process and government and to implement its strategic plan goals. Specifically, maintaining the frequency of Commission meetings would support development of a long-term sustainable plan to deliver and maintain a state-of-the-art system that meets our customers' needs and stays current with their evolving expectations (PDC Strategic Plan Goal 2) and would positively affect the Commission's ability to improve the efficiency and effectiveness of enforcement efforts (PDC Strategic Plan Goal 4).

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this buyback would help maintain PDC's ability to provide essential support to the Governor's Results Washington priorities, particularly Goal 5: Effective, Efficient & Accountable Government. The buyback would maintain support for four of Goal 5's six subtopics: customer satisfaction, customer confidence, transparency, and accountability, and will positively impact the following Results WA outcome measures and/or leading indicators: 1.1 (increase/maintain customer satisfaction with accuracy, timeliness, respectfulness); 1.2.d (increase percentage of state employees who believe we are increasing customer value) 1.3 (increase/maintain timely delivery for state services); 3.1 (increase amount of data available in downloadable format and searchable format); 3.1.b (increase access to information on major projects [such as high profile enforcement actions]).

What are the other important connections or impacts related to this proposal?

Preserving the current monthly meeting schedule for "regular" meetings will minimize the need for more frequent "special meetings" that would be needed to address unpredictable, time-sensitive matters, such as 45-day citizen action letters, declaratory order petitions, or litigation.

What alternatives were explored by the agency, and why was this alternative chosen?

PDC has considered conducting some of its regular meetings via telephone to reduce travel and per diem expenses, but rejected this alternative because of the importance for in-person interaction when conducting contested enforcement matters and/or considering complex issues. PDC does not currently have video conferencing capability. If/when such capability is obtained, the agency will explore use of videoconferencing as a means to reduce expenses related to regular Commission meetings.

What are the consequences of adopting or not adopting this package?

Not adopting this DP will hurt the Commission's performance of its fundamental mission to provide timely and meaningful public access to accurate information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates; and to ensure compliance with and equitable enforcement of Washington's disclosure and campaign finance laws. The Commission's consideration of and responses to emerging and time-sensitive policy, rulemaking, advisory and enforcement matters will be delayed if the Commission reduces its regularly scheduled meetings from the mandated eleven per year to six (once every other month). It will become more likely that citizen action lawsuits may be filed in Superior Court (private right of action to enforce PDC laws under RCW 42.17A.765(4)) if the Commission is not able to meet and take action on 45-day letter complaints within the allotted time.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

\$8,000 for the biennium. Calculations based on current costs of commission meetings - the unforeseen costs are if there are commissioners appointed that require more travel for commission meetings unless PDC can implement a new technology which will allow for more efficiencies for meetings.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Estimated costs and functions would be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	3,170	3,170	6,340
B Employee Benefits	930	930	1,860
G Travel	(100)	(100)	(200)
Total Objects	4,000	4,000	8,000