



GOVERNMENTAL ETHICS COMMISSION

<https://ethics.kansas.gov>

Proponent Testimony for SB 182
Mark Skoglund, Executive Director

Thank you for the opportunity to provide testimony in favor of SB 182.

The Commission is a proponent of legislation that addresses a specific legislative recommendation from its Annual Report and is neutral to most other initiatives. This bill would decrease campaign finance report errors for candidates and increase the availability and accuracy of campaign finance data to the public.

CURRENT LAW

Currently, candidates for statewide office, as well as lobbyists, must file regular reports electronically. Candidates for other state offices may file electronically or on paper.

Today, 42 states require that campaign finance reports are filed electronically for state candidates.

REDUCING CAMPAIGN FINANCE REPORT ERRORS

Requiring electronic filing of campaign reports provides many opportunities for preventing errors long before the reports are reviewed by the Ethics Commission. Today, the electronic system checks to prevent a number of different types of errors, including omitted fields, calculation errors, and entering a field improperly. Obviously, none of these errors are automatically checked on paper form submissions.

Additionally, many very common errors made on campaign finance reports could be substantially reduced or eliminated in an electronic filing system, including but not limited to:

1. Inaccurate beginning balances;
2. Missing loan data;
3. Negative ending balances; and
4. Missing reimbursement details.

Any of these errors results in an Errors and Omissions Notice that is sent from the Commission to the candidate and treasurer. Failure to adequately respond to these Notices can result in a civil penalty and/or fines. While corrections

are being made, the data that is available to the public is inaccurate. It is in the best interest of the candidate, the treasurer, the public, and KGEC staff to minimize the number of Errors and Omissions Notices.

CAMPAIGN FINANCE TRANSPARENCY

A primary goal of the Commission is to increase public confidence in governmental decision-making, which requires providing the people of Kansas timely access to accurate campaign finance information. It is not possible to provide aggregate data to the public in a timely manner for paper filing.

When a paper campaign finance report is submitted to the Commission office, it is scanned and uploaded to our website. The report is then processed to identify categories of contributions and expenditures, which is added and entered by hand into a database. This processes aggregate data. After that, every line of the report is individually entered into the database by hand. This process is conducted for each report and occurs before reports can be reviewed for compliance.

States that require electronic filing can provide immediate access to both aggregate data and candidate-specific data for types of expenditures. None of the above processing would need to occur, ensuring not only that the information is available rapidly for the public, but also allows Commission staff to begin compliance assessments much faster.

Additionally, paper filing introduces a number of unnecessary avenues for errors. Candidates may have illegible handwriting, a contribution may be misidentified as from a political action committee instead of a business, or a number could be mistyped when entered into the database.

COST AND EFFICIENCY

While a secondary consideration to data access and availability, the Ethics Commission is always seeking avenues for efficiency. Mandated electronic filing would increase the ability of the Commission staff to enforce the laws and introduce cost savings.

Processing paper campaign filings requires a great deal of employee time both in data entry and desk reviews. Time that is not spent categorizing contributions or entering figures into a database is time that can be spent reviewing those reports for compliance earlier, conducting audits to assist campaigns, occasionally handling audits to investigate concerns, or working on advisory opinions to provide guidance.

Additionally, the agency would experience cost savings, including:

1. Data entry temporary assistance would not need to be hired in election years.
2. Errors and Omissions Notices would be sizably decreased. A number of common errors could be prevented in an electronic submission system, such as omitting required fields or calculation errors. This decrease would result in savings in mail expenses. Postage is a significant component of the agency's non-salary budget.
3. Forms and reports would not need to be printed. Printing is also a significant component of the agency's non-salary budget.