

State of Washington
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908

(360) 753-1111 • FAX (360) 753-1112

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

MINUTES – Regular Meeting

9:30 a.m. | September 27, 2018

Evergreen Plaza Building

Room 206, 711 Capitol Way

Olympia, Washington

Commission Members Present

Anne Levinson, Chair; David Ammons, Vice-Chair; Bill Downing, member.

Staff Present

Peter Lavallee, Executive Director; BG Sandahl, Deputy Director; Kim Bradford, Communications and Outreach Director; Sean Flynn, General Counsel; James Gutholm, Chief Technology Officer; Jennifer Hansen, Compliance Officer; Kurt Young, Compliance Officer; Jana Greer, Administrative Officer; John Meader, Assistant Attorney General; Chad Standifer, Assistant Attorney General; Chad Johnson, Department of Enterprise Services Budget Analyst.

The regular meeting of the Public Disclosure Commission (PDC) was called to order by Commission Chair Anne Levinson at 9:30 a.m.

Public Comments | [PDC Meeting Video](#)

No comment was given.

Update on Commissioners | [PDC Meeting Video](#)

The Commission noted that Commissioner Johnson has resigned from the Commission due to other obligations, and thanked him for his public service and all of the great work he did as a Commissioner.

Meeting Minutes | [PDC Meeting Video](#)

The Commission considered approval of the August 23 regular meeting and September 6 special meeting minutes.

MOTION 18-062 Moved by Commissioner Ammons, seconded by Commissioner Downing that:

The Commission approve the August 23, 2018, regular meeting minutes, and the September 6, 2018, special meeting minutes as presented.

The motion passed 3-0.

Reporting Modification Request | [PDC Meeting Video](#)

[Robert Erwin Olson](#) – Superior Court Judge, Whatcom County Superior Court | [WAC 390-28-100\(d\)](#)

Judge Erwin Olson waived his right to appear in person.

Jennifer Hansen, Compliance Officer, presented Judge Erwin Olson's request for a reporting modification to the Commission for consideration.

Judge Olson requested a reporting modification that would exempt him from reporting real estate, including street address, parcel number, or legal description, for his residential address on his Personal Financial Affairs Statement (F-1) covering the previous 12 months. He is also seeking an exemption from disclosing his personal residence for personal and familial safety, and an exemption from disclosing the full name of his spouse due to safety concerns specifically related to the location of the residence where he and his spouse reside.

MOTION 18-063 Moved by Commissioner Ammons, seconded by Commissioner Downing that:

The Commission grant the partial reporting modification as requested for each reporting period, finding that literal application of the law would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the Act.

The motion passed 3-0.

Timing For Further Discussion on F-1 Publication | [PDC Meeting Video](#)

Executive Director Lavalley summarized the past discussions and concerns from stakeholders on this matter to date. At the September 6, 2018 special Commission meeting, the Commission voted to defer a decision on the matter as to whether to publish the F-1 statements online no earlier than January 2019. Waiting until spring would allow the legislature time to weigh-in on the matter, if desired, and allow PDC staff time to solicit additional stakeholder input.

Staff recommended that the Commission wait until a time during the upcoming legislative session for further consideration of whether to publish F-1 reports online and table a formal decision on this matter in the interim.

Chair Levinson asked for the matter to be placed on the March Commission meeting agenda for PDC staff to present the plan for the stakeholder process, and any additional information regarding possible legislative action.

Staff suggested one possibility would be a dual-track stakeholder process regarding the possible publishing of elected officials' and other F-1 filers' reports on the website.

Follow-up/Next Steps: The staff will give additional thought to the dual-track stakeholder outreach and present to the Commission at the October Commission meeting for review and consideration.

Legislation | [PDC Meeting Video](#)

PDC proposed agency-request legislation: Concerning the efficient administration of campaign finance and public disclosure reporting and enforcement.

Deputy Director Sandahl reviewed the process and timing for the PDC agency-request bill for the

upcoming legislative session.

Staff will continue to share the initial draft of the proposed legislation with key stakeholders, including legislators, and collect comments that will then help shape the next draft. The next draft will be ready by November for Commission review, with action scheduled for the November meeting. The goal is to be able to have additional discussions during committee days, and to pre-file a bill in early December, with adoption early enough in the session to allow for rule-making to be done prior to the June cut-off for agency rule-making (because campaigns are underway.)

**Process Improvement Spotlight | [PDC Meeting Video](#)
[Request for approval of proposed changes to F-1 reporting modification applications.](#)**

Kim Bradford, Director of Communications and Outreach; and Jennifer Hansen, Compliance Officer, discussed the proposed changes to the F-1 modification request form and process.

PDC staff engaged stakeholders in identifying possible improvements for the application process used by F-1 personal financial affairs disclosure filers to request reporting modifications or exemptions from disclosing certain information. That work resulted in the development of proposed modification applications, as well as further recommendations for Commission consideration.

Earlier this year, PDC staff identified a need to revise the modification application to streamline the process for applicants and staff, and to ensure more timely consideration of requests by the Commission. In July and August, staff reached out to key organizations whose members comprise the majority of F-1 modification applicants to ask for their participation. Staff also solicited additional input from 2018 modification requestors who were surveyed about their experiences with the modification process.

Staff recommended that the Commission: 1. authorize staff to develop a process for F-1 modification applicants to request closed hearings where public safety is an issue, consistent with the Commission's discussions on this as part of the agency-request bill development; 2. approve the streamlined application for F-1 reporting modification renewals (with revisions, as needed); 3. approve the proposed applications for F-1 reporting modifications with revisions, if needed, to be used through December 2019 barring any statutory or rules changes that require updates; and 4. add [WAC 390-28-100\(1\)\(e\)\(i\)\(D\)](#) and [WAC 390-28-100\(1\)\(d\)\(iii\)](#) to the rule-making list for future consideration.

The Commission agreed with staff recommendations, asked the staff to make sure to include the ideas for updating and making the forms and the website information and search process more 'user-friendly' and aligning the information in the rule with the information on the website and the forms, and authorized the staff to develop and implement the process improvements as discussed.

**Management Team Updates | [PDC Meeting Video](#)
[Hiring Update](#)**

Executive Director Lavalley introduced new PDC executive team member Sean Flynn, PDC General Counsel.

Deputy Director Sandahl introduced new PDC staff member Eric Agina, Compliance Officer.

Communications and Outreach Update

Customer service staff are preparing for lobbyist registration, a bi-annual process. New staff are being trained on how to assist filers with registration. Training for lobbyist filers is scheduled for later this year and early next.

The last vacant Customer Service position has been filled. The new staff member will begin in October.

An updated outreach timeline for legislation, rule-makings and interpretations was presented to the Commission.

IT Activity Report

Chief Technology Officer James Gutholm reported that staff met with the Secretary of State's Office (SOS) regarding implementation of the new election system and will continue to communicate to help make sure the PDC's requirements are addressed in the contract the SOS has with a vendor.

Mr. Gutholm reviewed what is needed to keep the PDC operating from the IT side. There are a lot of moving parts of the agency as it transitions from legacy applications and equipment. These are all items to consider when thinking of the priorities for projects.

The recent attempt to move PDC IT services to State facilities has not gone well. The migration to the State cloud services in particular has been painful and taken longer than anticipated. Because of the delays, some work remains undone. The progress of this project has been reported to the State CIO, which acknowledges that the project has been delayed for reasons outside the PDC's control.

The PDC has legacy systems that will ultimately fail if this migration is not in place, and the agency may need to decide whether State services remain a viable option for the agency and, if not, seek other options. If this occurs, there will be significant impact on other projects that are underway and planned for the near future.

Current projects

Case tracking – a system that would allow staff better to track and report case information

Core data – allowing a new C-1 and F-1 application

Compliance Report

Director Sandahl reported on the team's achievement of closing 63 enforcement cases over the

last month. This reflects some of the accomplishments the PDC has had since the hiring and integration of additional staff members.

Public Hearing On Permanent Rules To Implement ESHB 2938 | [PDC Meeting Video](#)

Chair Levinson opened the hearing at 11:00 a.m. for public comment, and explained the rule-making process to date as well as next steps.

The Commission heard from members of the public regarding rules pertaining to the implementation of ESHB 2938.

Comments submitted prior to the hearing can be viewed [on the PDC website](#).

Audio of public comments made at the meeting is available [online](#). Individuals commenting at the meeting were:

- Conner Edwards
- Rose Feliciano, Internet Association
- Cindy Black, Fix Democracy First
- Liz Dupee, Washington Democracy Hub
- Mark Allen, Washington State Association of Broadcasters
- Jo Deutsch, TechNet
- Kathy Sakahara, League of Women Voters
- Josie Cummings, BIAW
- Rowland Thompson, Allied Daily Newspapers

The public hearing adjourned at 11:55 p.m.

Executive Session

The Commission went into Executive Session at 11:55 a.m. to discuss matters allowed in Executive Session pursuant to [RCW 42.30.110](#), including but not limited to discussion of enforcement matters, and pending and potential litigation with legal counsel. Any action regarding pending litigation, or other matters properly discussed during executive session, would be taken following the Executive Session.

Returned to open meeting at 1:00 p.m.

Budget | [PDC Meeting Video](#)

The Commission and staff discussed the supplemental budget, transparency account request, and decision package for IT projects identified in the IT portfolio.

The general overview of the PDC budget continues to show that the agency is a good steward of its budget and funding. Currently the agency is underspent – with the exception of the ongoing costs of the Attorney General’s Office billings. The PDC will have a supplemental request for the current fiscal year as well as a decision package for next biennium to cover the AGO billings for litigation. The [State v. Eyman](#) matter is and continues to be a large driver in the

billings.

Chad Johnson, Budget Analyst, provided an overview of the 2019-21 agency biennial budget and supplemental fiscal year 2019 request.

IT Project status/priority

Chief Technology Officer Gutholm reviewed the PDC IT project priorities in the portfolio for the Commission. One goal is to determine how the agency can take on work that represents meaningful opportunities: things that are timely and can really make a difference quickly, while still tackling all of the other needed long-term projects.

Enforcement and Compliance Update | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, provided an update on the status of complaints and enforcement cases from August 21 through September 24, 2018.

Compliance Case Summary:

Total number of open/active cases as of September 20, 2018: **424 cases**

Total number of cases closed during the period: **63 cases**

Case categorization summary for the current period:

New complaints received, and cases opened during the period: **28** new complaints filed with the PDC during the period covered by this report.

The following list of open complaints were filed with the PDC after ESHB 2938 came into effect on June 7, 2018:

1. Complaints received 11-20 days: **13** complaints.
2. Complaints received 21-30 days: **5** complaints.
3. Complaints received 31-40 days: **5** complaints.
4. Complaints received 41-50 days: **6** complaints.
5. Complaints received 51-60 days: **12** complaints.
6. Complaints received 61-70 days: **4** complaints.
7. Complaints received 71-80 days: **2** complaints.
8. Complaints received 81-90 days: **0** complaints.

Cases Referred to Attorney General's Office (AGO) = **0**

Cases addressed through Case Status Reviews (Initial Hearings) = **0**

Cases closed-request for technical correction(s) ([RCW 42.17A.005\(51\)](#) & [WAC 390-37-060\(1\)\(b\)](#)) = **3**

Cases closed – no minor violation occurred – ([WAC 390-37-060\(1\)\(a\)](#)) = **31**

Cases closed – minor violation (filing error occurred) – Reminder letter issued ([WAC 390-37-060\(1\)\(c\)](#)) = 9

Cases closed - minor violations with mitigating circumstances - Written warning letter Issued – ([WAC 390-37-060\(1\)\(c\)](#)) = 5

Cases closed – no jurisdiction = 1

Resolved through Statement of Understanding – Violation found ([WAC 390-37-143](#)) = 5

Cases closed – Action Commenced by Citizen under [RCW 42.17A.765](#) (pre-ESHB 2938) = 3

Cases closed – Action Commenced by both the Citizen and AGO under [RCW 42.17A.765](#) (pre-ESHB 2938) = 5

The meeting Adjourned at 2:00 p.m.

Approved October 25, 2018.