

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Clerk-Recorder	(2) MEETING DATE 6/3/2014	(3) CONTACT/PHONE Tommy Gong 781-5080	
(4) SUBJECT Hearing to consider an ordinance adding a new Title of the San Luis Obispo County Code, requiring the filing of campaign statements and reports solely in electronic form, including certain exemptions. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board waive the reading of the ordinance and approve the ordinance adding a new Title of the San Luis Obispo County Code, requiring the filing of campaign statements and reports solely in electronic form, including certain exemptions, and direct the County Clerk to publish the ordinance in its entirety in a newspaper of general circulation.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>15 Min.</u>) <input type="checkbox"/> Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input checked="" type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>May 20, 2014</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Clerk-Recorder / Tommy Gong
781-5080

DATE: 6/3/2014

SUBJECT: Hearing to consider an ordinance adding a new Title of the San Luis Obispo County Code, requiring the filing of campaign statements and reports solely in electronic form, including certain exemptions. All Districts.

RECOMMENDATION

It is recommended that the Board waive the reading of the ordinance and approve the ordinance adding a new Title of the San Luis Obispo County Code, requiring the filing of campaign statements and reports solely in electronic form, including certain exemptions, and direct the County Clerk to publish the ordinance in its entirety in a newspaper of general circulation.

DISCUSSION

Effective January 1, 2013, Section 84615 was added to the Government Code to allow for electronic filing of Fair Political Practices Commission (FPPC) campaign statements and forms for local offices and committees. This section provides that a local government agency may require an elected officer, candidate, committee or other person required to file statements or reports by the California Political Reform Act (Gov. Code Section 84100, et seq.), to file those statements and reports online or electronically with a local filing officer, except for an elected officer, candidate, committee or other person who receives contributions totaling less than one thousand dollars (\$1,000), and makes expenditures totaling less than one thousand dollars (\$1,000), in a calendar year. Pursuant to this section, the Board of Supervisors shall first adopt an ordinance approving the use of online or electronic filing. The attached ordinance would accomplish this purpose.

Acting as the Registrar of Voters (ROV), the Clerk-Recorder is the FPPC Filing Officer for San Luis Obispo County. In addition to County filers, all non-county governing board members and directors, such as, school boards and special district boards and their committees file with the ROV. In addition, political action committees are required to file their campaign statements with the ROV. Currently, the Clerk-Recorder files semi-annual statements for approximately 40 campaign or political action committees and every election 10 to 20 new candidate committees are created. In addition, approximately 80 office holders, who do not have a current campaign committee, are required to file annually.

The paper campaign finance statements were originally placed in filing cabinets and later scanned and stored as images. In both instances, the public or media wishing to view the statements were required to come to the office. This year, with the implementation of the Netfile software, the paper statements were scanned and manually redacted, so that for the first time, the statements could be viewed on the county's website. By law, electronically filed statements displayed online shall not include the street or address or building number of the persons or entity representative, or any bank account number. Statements filed on paper require staff to scan and manually redact this information before posting online.

With the proposed ordinance, any candidate or committee would be required to file the campaign disclosure statements electronically. The ordinance exempts those candidates who receives contributions or makes expenditures totaling less than \$1,000 in a calendar year. Also, filers who are required to file their original statements with the Secretary of State will

have the option of also electronically filing the statement with the Clerk-Recorder. Lastly, elected officials who do not maintain a committee will also have the option of filing their annual campaign statements electronically.

Filers are provided a secure password and log in ID to the Netfile Electronic Filing System. Filers can access the system and enter financial data at any time, day or night. The system has built in edits so it does not allow incomplete statements to be filed, removing the necessity for time consuming amendments to correct clerical errors. In addition, if a committee treasurer currently uses campaign filing software, the data is easily transferred to the Netfile system. In preparation for the filing deadline, training will be provided to filers in setting up their accounts and using the system.

Besides the benefits to filers, the requirement to file electronically will also streamline procedures for the Clerk-Recorder staff and expand access to the public and media. Electronically filed statements will be automatically redacted and posted on the website, saving staff time necessary to scan and manually redact the statements. The system provides for email blasts to remind filers of approaching deadlines, which will hopefully eliminate late filings. When a campaign statement is filed electronically, it is automatically posted online and the system offers expanded search capability on line so the information can be searched by candidate name, date range, election, name of contributors, and those receiving expenditures.

If the proposed ordinance is adopted, the ordinance will be effective for the semi-annual campaign reports due to be filed by July 31, 2014.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the ordinance as to form and legal effect.

FINANCIAL CONSIDERATIONS

Currently, the Clerk-Recorder pays an annual fee of \$18,000 to Netfile for the electronic filing system, including both the Statement of Economic Interests and Campaign Finance Disclosure Statement filing modules. The adoption of this ordinance and subsequent electronic filing will have no additional financial impact on the department. Furthermore, the Clerk-Recorder anticipates that staff time saved from scanning and redacting statements will benefit the office, since many of the filing periods coincide with a busy election cycle, therefore allowing staff additional time in election preparation and other office duties.

RESULTS

Approval of the ordinance will help the Clerk-Recorder achieve its mission of employing technology to its fullest and wisely spending public funds in serving our customers while also contributing to the County's desired community-wide result of a well-governed community by providing:

- Improved service to filers
 - Filers will be given access to a program that securely stores their information and calculates totals.
 - Filers will receive coordinated reminders of approaching deadline.
 - Reduce the number of amendments by built-in audits that catch errors before submission of statements.
- Improved access to the public and media and increased transparency
 - Nearly real-time posting of campaign finance statements on the web.
 - Expanded search capabilities (i.e. election, candidate, date, contributor, and expenditure).
- Streamlined processes for Clerk-Recorder staff
 - 40-80 hours of staff time saved per filing deadline.
 - Staff time saved from storing paper-based statements.
 - Staff time saved from scanning and redacting statements.
 - Reduction in number of late filings.

ATTACHMENTS

1. Ordinance