

The background features a large, faint watermark of the Seal of the State of Tennessee. The seal is circular and contains an eagle with its wings spread, perched on a globe. The text "SEAL OF THE STATE OF TENNESSEE" is written around the perimeter of the seal, and "1796" is visible at the bottom.

# **Campaign Finance Information System Update**

**Presentation for**

**STTC Legislative Interim Committee**

**By: Maggie Toulouse Oliver, Secretary of State**

# **SOS IT Successes Continue...**

**Software replacement and modernization efforts have brought efficiencies, convenience and integrity to elections and business at the SOS**

## **Business Filing Modernization (NMBFS)**

- **Completed June 2016 – total cost: \$1.27M**
- **System replaced nine disparate legacy systems including Corporation Filings**
- **Public Portal allows for numerous self-service features**
- **Corporations Bureau continues to maintain a 1-3 day turnaround on filings due in large part to technology and process improvements**
- **Credit card security improvements currently under way (PCI compliance)**

## **Election System Modernization (SERVIS)**

- **Go live December 2017 - estimated cost: \$1.9M**
- **Improved election result delivery to the public w/automatic recount flags**
- **Uniform statewide result canvassing**
- **Streamlined ballot creation and election project programming**
- **End to end election system testing and mock elections**
- **Zero audit findings by independent election auditor**

# **Online Voter Registration – convenient, accurate, and efficient**

- **Over 120,000 online registrations and updates since the January 2016 go live**
- **More accurate voter rolls**
  - **Convenient access to update record**
  - **Integration with MVD**
  - **No mistakes due to poor penmanship or key entry mistakes by county**
- **More timely receipt and processing of electronic registrations**
  - **No lost registrations**
  - **Reduces follow up for county staff on incomplete applications**
- **Accessibility features for blind voters**
- **Multi-language – English and Spanish**

# **Moving on to Campaign Finance....**

# Campaign Finance Modernization - Background

- **HB105 unanimously passed during the 2016 legislative session requiring specific system requirements – Effective Date: December 2017**
- **Legislation was crafted in response to intense media scrutiny and ongoing campaign finance scandals**
- **Legislation focuses on...**
  - **greater transparency,**
  - **more meaningful data - making connections across the reporting entities (lobbyists, political committees, candidates), and**
  - **easier, more error free reporting**

# **FY19 Funding Request**

- **SOS has sought funding for this project since 2016.**
- **SOS will be out of compliance with some provisions of HB105 until funding is secured.**
- **FY19 C-2 and capital outlay request has been submitted for legislative consideration.**
- **Total Estimated Project Cost: \$985,000**
  - **Software license, customization, and implementation costs**
  - **Project Management**
  - **Security Assessment**
  - **Independent Verification and Validation**

# **HB105(2016) – Some Specific Requirements**

- **Use unique identifiers and master drop down list of candidates, political committees (PACs), lobbyists and, to the extent possible, master lists of contributors, occupations, expenditure types and contribution types**
- **Provide data in open, structured formats for easy search and download for public inspection**
- **Provide for cross checking and compliance features**
- **Provide for online registration and fee payment by lobbyists and PACs**
- **Improved integration between lobbyist and candidate reporting requirements**
- **Provide ability to directly upload from other third-party campaign management tools**

# Expected Benefits

**Transparent campaign finance disclosure is essential to public accountability and understanding the influence of money in elections**

- **Improved compliance and enforcement**
- **Real time disclosure - online registration by lobbyists and political committees**
- **Improved data integrity – cross checking of donations across reporting individuals**
- **Improved transparency – uniform data entry and data access for easy data analysis**
- **Improved staff efficiencies – automate paper processes; reduce data entry requirements**



# CF System Replacement - Critical

**This project is not a technology searching for a problem - HB105 mandates specific system functionality**

- **Current CFIS was built in 2010 to replace a paper reporting system and no longer meets the demands of the public**
  - **Current system cannot be successfully modified to meet new system mandates – data across reporting entities is largely maintained in separate silos**
  - **Cross checking and cross reporting between candidates, political committees, and lobbyists is not possible with current system design**
- **Campaign finance scandals have increased demands for...**
  - **Transparency, Data Access, Data Analysis**
  - **Compliance and Enforcement**

# **Proposed Solution – Customize an existing commercial or existing state system**

- **All 50 states have some sort of CF system – most are provided by a niche vendor that provides a base product for electronic campaign reporting**
  - **Customized for specific laws in each state**
- **Allows for quicker implementation**
- **Able to see how software is performing in other states and gauge satisfaction rate with vendor performance and support**

# Some Alternatives to COTS

- **Overhaul current CFIS to meet new mandates**
  - **Analysis by SOS IT programmers concludes overhaul of CFIS is risky and not likely to succeed - current silo type database design does not accommodate the cross checking required by HB105**
- **In house system development**
  - **SOS IT staff has development expertise but is currently overextended so this approach will take awhile to complete**
- **Ground up “from scratch” system development**
  - **Opportunity to work with MapLight to build system to exact NM specifications – estimated “from scratch” development cost of \$2.34 million**
  - **Possible opportunity to receive philanthropic or grant funds to assist in covering some costs**

# Planning, Readiness, and Support

- **SOS has conducted research to determine best approach and available solutions**
  - **Review of other state systems – vendors, costs**
  - **Discussion with stakeholders – legislators, NMFOG, Common Cause, staff, media**
  - **Third party reports and scorecards – National Institute on Money in Politics and Center for Public Integrity and Global Integrity**
- **An extensive system requirements document has already been developed**
- **RFP will be issued upon securing funds**

# Conclusion

**Please consider funding this request during the 2018 session**

- **CFIS is our most public and most scrutinized system**
  - **Current system is misleading and difficult to understand**
- **The State of New Mexico has an opportunity to move public perception about our public officials and electoral process toward the positive**
- **We have an opportunity to implement one of the best disclosure systems in the country**