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PUBLIC DISCLOSURE COMMISSION
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Megan Tudor
Budget Advisor, General Government
Office of Financial Management

Hi Megan,

The PDC is an independent Commission, but we are pleased to participate voluntarily in OFM's budget reduction exercise and to provide the following information.

As you have pointed out, it can be more difficult for small agencies to identify programmatic reductions. This is particularly true of the PDC, as we do not have specific programs or areas of work outside our core mandate of ensuring the collection and availability of key data providing transparency to Washingtonians about the financing of campaigns, the financial interests of elected and appointed officials, and the activities of lobbyists. All of our 30-odd employees are devoted to these core tasks.

As to physical plant, the PDC renewed its lease not long ago and retrofitted space according to our hybrid-work needs, so we do not have any planned investments to consider scaling back.

The PDC does have a dedicated fund, the "22W" account established by the Legislature in 2018, known in law as the Public Disclosure Transparency Account, found in RCW 42.17A.785. That law mandates that "moneys in the account may be used only for the implementation of chapter 304, Laws of 2018 and duties under this chapter, and may not be used to supplant general fund appropriations to the commission."

Despite that legislative directive, the fund has been used over the years to supplant traditionally general-fund items, namely full-time employee (FTE) positions and benefits. Currently, four FTEs are funded out of the Transparency Account, at a FY2026 cost of $501,485.

While this account currently has a balance of about $7.8 million, that balance is largely the result of sizable receipts from the settlement or resolution of campaign finance court cases brought by the Attorney General's Office. The bulk of the balance is due to a 2022 settlement of the Grocery Manufacturers Association lawsuit after eight years of litigation, which provided $6 million to the Account. Cases of this magnitude are rare, and the PDC can neither project nor rely on future favorable outcomes from this type of state action. The agency can safely anticipate that its normal and regular enforcement will continue to result in penalties, which go into the 22W fund. That activity averaged $95,296 annually in 2019-2023 – insufficient to support even one of the positions now funded from the Account.

Funding staff out of an unpredictable fund has recruiting and retention repercussions, and in recent years the PDC has lost particularly hard-to-recruit IT staff, due in part to the uncertainty of position funding.

The fund also covers many agency IT projects, like substantial improvements to the PDC website, enabling better and more inclusive access by the public to the campaign-finance data that informs its electoral decisions. Any "sweep" of the Public Disclosure Transparency Account would endanger these IT investments and lead to FTE layoffs (not to mention would be contrary to the spirit of the law that established this fund).

Thank you for the opportunity to provide this background about the PDC's programs and its Public Disclosure Transparency Account. Let us know if you have any questions.

Sincerely,

Peter Lavallee

Peter Frey Lavallee
Executive Director