


EXHIBIT E

Campaign Finance E-Filing Systems

ISP #15-111

ALC/Electronic Filing Systems for Campaign and Finance Reports Subcommittee

Prepared by the Bureau of Legislative Research
November 19, 2015



Section 14 of Act 1280 of 2015:

(c) The study shall include without limitation:

- (1) Review of pertinent electronic filing systems utilized by other states;
- (2) A demonstration of electronic filing software systems by competent vendors in the field;
- (3) An evaluation of features that facilitate public access to electronically filed reports and statements and the searching of data contained therein;
- (4) An evaluation of programs that train public officials in the use of electronic filing systems;
- (5) An analysis of the costs to purchase, install, and test electronic filing systems; and
- (6) Appropriate timelines for the implementation of electronic filing systems.

Overview of Arkansas’s Filing Requirements

- Campaign finance and disclosure for candidates, elected officials, and PACs:
 - May be hand-delivered, mailed, faxed, or submitted in a “readable electronic format.”
- Independent expenditure reports:
 - May be filed on paper or via fax.
- Lobbyist reports:
 - Mandatory e-filing as of January 1, 2010.

Review of State E-Filing Systems

- **48 states** have some kind of e-filing system:
 - **Mandatory e-filing in at least 31 states** (with some exceptions)
 - **Optional e-filing in 17 states**
 - **No e-filing system in 2 states**
- For states with **optional** e-filing, accurate data is unavailable on the % of candidates who choose to e-file.

Summary of States

MANDATORY	MANDATORY (WITH EXCEPTIONS)	OPTIONAL
Alabama	Alaska	Arizona
Colorado	California	Arkansas
Florida	Georgia	Connecticut
Iowa	Hawaii	Delaware
Maryland	Illinois	Indiana
Massachusetts	Maine	Kansas
Missouri	Michigan	Kentucky
North Dakota	Minnesota	Louisiana
Oregon	Nevada	Montana
South Carolina	New Jersey	Nebraska
Utah	New York	New Hampshire
Wyoming	Ohio	New Mexico
Vermont	Oklahoma	North Carolina
	Rhode Island	Pennsylvania
	Tennessee	South Dakota
	Texas	Virginia
	Washington	West Virginia
	Wisconsin	

Exceptions to Mandatory E-Filing

- At least 18 states with mandatory e-filing allow certain exceptions, e.g.:
 - Candidates who raise or spend less than a certain amount (e.g., \$1,000) may still file on paper.
 - Candidates with limited access to technology may still file on paper.

Key Features of Robust E-Filing Systems

- **Benefits for candidates:**
 - Intuitive user interface (e.g., easy to log in, clear drop-down menus, able to edit or carry forward prior information, etc.)
 - Alerts candidates about data input errors
 - Email reminders about upcoming deadlines, new requirements, etc.
 - Comprehensive training in person or online
 - Adequate tech support
 - Coordination between state and local agencies (e.g., Secretary of State, ethics commission, election commissions)

Key Features of Robust E-Filing Systems

- **Benefits for the general public:**
 - Data searchable by candidate, expenditures, contributions, and/or PACs.
 - Data downloadable as CSV file/spreadsheet.
 - Ability to generate custom reports by county, year, etc.

States with Robust E-Filing Systems

Alabama	Iowa
California	Maryland
Delaware	North Dakota
Hawaii	Ohio
	Tennessee

Implementation Costs

- Implementation costs range from about \$150,000 to over \$2 million.
- Average cost to implement e-filing system is roughly \$500,000 - \$1 million.
- Fiscal impact statement prepared by the Information Network of Arkansas (INA) for HB 1233 in Arkansas's 2015 legislative session: \$100,000

Implementation Costs in Selected States

- **Alabama:** \$300,000*
- **Florida:** \$534,415 (in-house) v. \$1 million (vendor-developed), plus \$145,00 in annual maintenance costs
- **Montana:** \$500,000*
- **West Virginia:** \$210,000
- **Wyoming:** \$2.5 million

* Not including annual maintenance costs

Resources

- National Conference of State Legislators (NCSL): ncsl.org
- Center for Public Integrity - State Integrity Investigation: stateintegrity.org
- National Institute on State Money in Politics: Followthemoney.org
- The Sunlight Foundation: sunlightfoundation.com
- Center for Responsive Politics - Open Secrets: opensecrets.org