June 27, 2025

## Position on Bills at 2025 Session of Oregon Legislature:



## HB 3392 -5: Oppose

This testimony supplements my written testimonies filed on June 24 and June 25, 2025.

It appears that the effort of legislators to delay–for a full 4 years--implementation of the campaign finance reform statute, HB 4024 (2024) has ended. The House Rules Committee has taken no action on HB 3392 since the public hearing on June 25. The Oregon Constitution requires this session of the Legislature to adjourn on June 29, unless it is extended by 2/3 votes in both chambers.

The first known element of the delay effort was a letter dated June 17 to the Secretary of State from the leaders of the Oregon Legislature, including the Speaker of the House, the President of the Senate, and the majority and minority leaders of both chambers (a group that includes the chairs of the two Rules Committees). This letter was not disclosed to the press or the public before June 24. It asked the Secretary to report on "the feasibility of meeting the statutory timelines, operational and technical challenges, and any implementation tradeoffs necessary to deliver on time."

The Secretary was apparently ready for this request. He responded on June 19 with a 6-page single-spaced letter conveying the basic message that his office could not ensure competent implementation of HB 4024 on the timeline specified in that statute. At the June 25 public hearing, his deputy even referred to Oregon's failed attempt to create a website for signing up for health care plans under the Affordable Care Act (which cost between \$240 million and \$305 million, depending on the accounting of federal funds). Norman Turrill testified at the hearing for the League of Women Voters of Oregon:

Is the Oregon Government so incompetent that it cannot manage, even when after we have given them 3 years to prepare for the contribution limits and 4 years to prepare for the disclosure requirements?

The 6-page letter revealed what we believe to be misconceptions on methods for

obtaining the necessary computer programming. The Secretary contended that all of the implementing rules had to be finalized before any programming could commence or even be contracted for. Seth Woolley filed testimony that this approach is fundamentally flawed. Mr. Woolley has served as principal or senior software engineer for StormQuant, Uber, Inc., and deCarta, Inc. Mr. Woolley points out:

I've heard that there is a theory that software would need to wait until after the rules are finalized before even starting the bidding process. This way of managing software projects is called "waterfall" methodology and it is inappropriate in this case. Projects with limited resource constraints such as time or money use what's known as an "agile" methodology, where instead of strictly sequencing development in hard phases, engineering is done iteratively on smaller projects until the project is complete. In this case, what the statutes require is already clear and that is the minimum viable project. As rules are finalized, the project is scoped larger for later phases until the work is done.

This is totally normal.

As a software engineer and software architect with decades of experience in accounting and marketplace management software and database system patents in complex spatial analysis, I have observed Portland and Multnomah County implement campaign finance rules as well as a much more sophisticated a public funding program in Portland using an agile development process akin to how Silicon Valley and Silicon Forest software engineering startups (and big companies) work. I was thus shocked by the idea that software can't be built while rules are being finalized. It's totally false.

Further, HB 4024 already allowed 34 months before the operational date of the campaign contribution limits and 46 months before the operational date of the disclosure requirements. That is ample time to write implementation rules and finalize software, as confirmed by the filed testimony of campaign finance expert Patrick Llewellyn of the Campaign Legal Center:

But it is simply unnecessary to delay these requirements—passed in 2024—until the 2030s, and we are not aware of other jurisdictions providing such a protracted implementation period for similar reforms.

45 other states and hundreds of local governments (cities, counties, districts) have implemented campaign contribution limits and disclosure requirements. So have Multnomah County and City of Portland, which were prepared to implement them within a few months of their adoption by the voters. The testimony of the administrator of the City of Portland's program of public funding of campaigns, Susan Mottet, suggested that the Secretary of State "enter into an

intergovernmental agreement to implement it for them. Both currently implement contribution limits and disclaimer requirements. Both implemented contribution limits virtually overnight after an Oregon Supreme Court decision suddenly upheld them." That Court decision was in April 2020.

The 6-page letter from the Secretary of State did not reveal that his office received a special supplemental grant of \$5.4 million from the Legislature's Emergency Board in May 2024 to implement HB 4024. Nor did it mention that the Emergency Board also "authorized the establishment of 17 permanent positions (7.77 FTE) and four limited duration positions (1.92 FTE) to implement the election finance reforms contained in HB 4024 (2024)."

Also, the more complex technical tasks described by the Secretary stem not from the HB 4024 requirements but from the separate task of updating ORESTAR, Oregon's campaign finance reporting system, which the Secretary was working on anyway. The HB 4024 contribution limits can be implemented before the substantial changes to ORESTAR. The City of Portland and Multnomah County have used ORESTAR data to implement their campaign contribution limits for over 5 years.

Also, it was Honest Elections Oregon that suggested the operational date of January 1, 2027, for the contribution limits in HB 4024 during the negotiations in 2024. The draft prepared by the business and labor union lobbyists proposed a January 1, 2026, operational date for the contribution limits. We objected to placing the operational date in the middle of a 2-year "election cycle," as that would make implementation difficult. So we already provided the Secretary of State with one full additional year beyond what the business and labor lobbyists proposed.

One deadline in HB 4024 that has received attention is the September 15, 2025, deadline for the Secretary to propose the implementing rules. I believe that date is a holdover from the business/labor draft that put the operational date of the contribution limits in January 2026. Honest Elections Oregon has consistently stated its agreement that the Legislature should extend the September 15, 2025, date by several months. But such amendment is not actually necessary. The Secretary can comply with HB 4024 by proposing rules by September 15, 2025. Those proposed rules would then be subject to public comment for at least 28 days, and the Secretary would have to conduct a public hearing on them, if requested by 10 ore more persons (a certainty). The Secretary can allow a much longer public comment period and can adopt the rules at some time in 2026.

The same is true for revisions to the Campaign Finance Manual. HB 4024 required the Secretary to propose the revisions by May 1, 2025, which he did. The Secretary is currently accepting public comment on the proposed revisions.

He can adopt the proposed revisions–or different ones–also in 2026. HB 4024 does not require the Secretary to finalize the revisions at any particular time (although they should be finalized at least several months before the contribution limits become operational in January 2027).

As for the technical fixes needed to resolve ambiguities in HB 4024, Honest Elections Oregon provided to the Oregon Legislature in June 7, 2024, a list of the 8 needed fixes and language to accomplish them. We further clarified our suggestions about denominators the contribution limits on February 3, 2025 (attached to this testimony). We waited nearly a full year to receive feedback on our 8 suggested fixes from staff of the Legislature, which rejected half of them in May 2025. Our current list of suggestions (not including the rejected ones, which remain valid) was attached to the testimony of Daniel Meek on this bill filed on June 24, before the -5 amendment was revealed.

Speaking of testimony, within hours of the reveal of the -5 amendment, dozens of Oregonians filed testimony against it—and no one has filed testimony in support of it. As of June 26, there are 94 testimonies about the -5 amendment, all of them in opposition (except the "neutral" testimony filed by the Secretary of State's office). The Legislature's website lists two testimonies as "Support," but in fact those testimonies are opposed to the -5 amendment.

News articles about HB 3392 were published on June 24 by <u>Oregon Public</u> <u>Broadcasting</u> and by <u>Oregon Capital Chronicle</u> (reprinted by several Oregon newspapers) and on June 25 by <u>The Oregonian</u>.

Most of the documents mention in this testimony are available here: <a href="https://olis.oregonlegislature.gov/liz/2025R1/Measures/Testimony/HB3392">https://olis.oregonlegislature.gov/liz/2025R1/Measures/Testimony/HB3392</a>

All of the documents mentioned in this testimony are available here: <a href="https://drive.google.com/drive/folders/1kl\_iDGhOYyHZiEgbllezl8OYBHvLNIA1?usp=sharing">https://drive.google.com/drive/folders/1kl\_iDGhOYyHZiEgbllezl8OYBHvLNIA1?usp=sharing</a>

## **Honest Elections Oregon**

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