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***Via U.S. Mail
And via email to kurt.young@pdc.wa.gov***

June 21, 2019

Kurt Young
Compliance Officer
Public Disclosure Commission
711 Capitol Way S. #206
P.O. Box 40908
Olympia, WA 98504-0908

Re: Complaint from the Freedom Foundation
PDC Case No. 51086
BIL Case File No. 3406-003

Dear Mr. Young:

We write to supplement our letter dated June 6, and specifically, to provide information about the allegation that WSCCCE's political committee failed to report in-kind contributions from WSCCCE. The Committee acknowledges that it has received administrative support from WSCCCE that, due to a misunderstanding of the Committee's reporting obligation, were not previously reported. The value of that support, however, is minimal. As described below, the Committee has committed an in-depth analysis of the amount of time and other resources it received from WSCCCE and has determined that it is less than \$800 per year. The Committee intends to amend its reports in whatever manner the PDC deems most appropriate to reflect the value of those contributions.

The Committee has received administrative support from two WSCCCE employees. Barbara Corcoran, Business Manager for WSCCCE, has performed the most support for the Committee. Ms. Corcoran writes checks for the Committee, and filed required reports with the PDC. From the years 2014 - 2016, WSCCCE has contemporaneous timekeeping records Ms. Corcoran maintained that provide an accurate depiction of the amount of time she spent helping to administer the PAC. These records were kept as part of the Union's efforts to track the amount of time spent on "chargeable" versus "non-chargeable" activities for purposes of complying with *Chicago Teachers Union v. Hudson*, 475 U.S. 292 (1986). While non-chargeable time includes things beyond electoral political activity, and would also include time spent on activities such as lobbying or making non-reportable communications with WSCCCE's members, Ms. Corcoran's political activities were limited to those related to administering the PAC. As such, her timekeeping records maintained for purposes of complying with *Hudson* provide an accurate summary of the amount of time she spent supporting the Committee.

For years 2017-2018, Ms. Corcoran was able to estimate the amount of time spent on PAC-related activities based on reviewing the information reported on the PAC's C-4 and other reports. Ms. Corcoran estimates that each check she wrote on the PAC's behalf took a few minutes to execute. She further estimates that each C-4 took between five and 55 minutes to submit, depending on the number of expenditures to be reported. She estimates that each C-3 report took between five and ten minutes, that each C-6 report took 30 minutes, that each L-3 report took one hour, and that each LMC report took 15 minutes. Using these estimates, Ms. Corcoran calculates that she spent 10.15 hours on PAC-related activities in 2017 and 10.67 hours in 2018. These numbers are consistent with the amount of time Ms. Corcoran recorded herself as having spent in 2014-2016.

WSCCCE's Deputy Director and Lobbyist Pat Thompson also provides some ongoing support to the PAC. After WSCCCE has made political endorsements, Local Unions affiliated with WSCCCE may request that WSCCCE's PAC make a political contribution to a WSCCCE-endorsed candidate. This request is made by Local Unions to Mr. Thompson, who then completes a short form memorializing the request. Mr. Thompson presents the form to PAC President Chris Dugovich who signs the form. Mr. Thompson estimates that he spends two hours or less each year receiving requests from Locals for the PAC to make a contribution and filling out the forms.

Having determined the number of staff hours WSCCCE provided as in-kind support to the Committee,¹ The Committee then determined the total hourly value of Ms. Corcoran and Mr. Thompson's time. To account for a pro rata share of WSCCCE's overhead expenditures as part of the value of their time, the Committee determined what the portion of all of WSCCCE employees' wages their salaries constituted (approximately 4% for Ms. Corcoran and between 6.5-7% for Mr. Thompson). The Committee then came up with its total overhead costs for each of the years in question, and calculated the prorated portion of those costs attributable to Ms. Corcoran and Mr. Thompson. The Committee was then able to calculate an hourly total for Ms. Corcoran and Mr. Thompson for each year in the pertinent time period, reflecting both wages and overhead costs.

Using the hourly value for both WSCCCE employees' time and the calculations of the amount of hours spent each year, the Committee was able to determine that WSCCCE provided in-kind support in the following amounts:

Year	Amount
2014	\$610.82
2015	\$718.09
2016	\$863.36
2017	\$799.04
2018	\$852.48
Total	\$3,843.78

The Committee stands ready to amend its forms as the PDC deems most appropriate to reflect the value of these contributions. The Committee is also committed to ensuring that it properly reports

¹ All other staff time, including the time Mr. Dugovich spent signing the contribution forms prepared by Mr. Thompson, involved only a de minimus amount of time.

the value of all in-kind services it receives going forward. Having now had the occasion to monetize the amount of WSCCCE in-kind support the Committee utilizes on an annual basis, WSCCCE will henceforth invoice the Committee for the fair market value of its services (currently estimated at \$850 per year). Council 2 will invoice the PAC at the start of each year, for services to be rendered throughout the ensuing year.

Should the PDC determine that it is appropriate to issue a penalty in this matter, the Committee requests that each of the mitigating factors discussed in its June 6, 2019 letter be taken into consideration. Specifically, the Committee requests that the Commission taken into account its good faith attempts to comply with the Fair Campaign Practices Act, the fact that it has never before been found to have committed a violation, and given the relatively small dollar amounts of the in-kind contributions that were not reported.

If you have any questions or concerns please feel free to contact me at 206-257-6047 or via e-mail at franco@workerlaw.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Danielle Franco-Malone". The signature is fluid and cursive, with the first name "Danielle" being more prominent and the last name "Franco-Malone" following in a similar style.

Danielle Franco-Malone
Counsel for WSCCCE PAC