

MODIFICATION REQUEST COVER SHEET

Name of Filer	WASHINGTON STATE DEMOCRATIC CENTRAL COMMITTEE
Type of Request	<input type="checkbox"/> New <input checked="" type="checkbox"/> Renewal with No Change – original granted April 25, 1994 <input checked="" type="checkbox"/> Commission Approval – February 22, 2024 <input type="checkbox"/> Renewal with Change
Application Rule(s)	<input type="checkbox"/> Income & Ownership Interest: WAC 390-28-100(b) <input type="checkbox"/> Personal Residence: WAC 390-28-100(d) <input type="checkbox"/> Attorney: WAC 390-28-100(1)(e)(i) <input type="checkbox"/> Judge / Judicial Candidate: WAC 390-28-100(1)(e)(ii) <input type="checkbox"/> Spousal: WAC 390-28-100(1)(e)(iv) <input checked="" type="checkbox"/> Other: WAC 390-28-100
Explanation of Rule(s)	Other. An applicant may be exempted from reporting information otherwise required under RCW 42.17A which would constitute a manifestly unreasonable hardship in a particular case.
Supporting Documents (attached)	<input checked="" type="checkbox"/> Request Letter for 2025 <input checked="" type="checkbox"/> Prior Order – February 22, 2024
History (brief narrative)	<p>The request for a modification was in response to the passage of I-134, which allowed state political party committees to establish exempt funds or “soft money.”</p> <p>The Federal Election Commission (FEC) law requires state political party organizations with both federal and non-federal political committees to pay all overhead and other allocable expenses out of the federal account.</p> <p>Each expense is allowed to be allocated between state and federal dollars based on a ballot ratio or ballot composition (i.e.-number of state and federal candidates on the ballot.</p> <p>All expenses are itemized on FEC form H-4, and the modification request was made due to the FEC law as it relates to the inter-workings of federal and state committees involved with federal and state election laws.</p> <p>FEC law only allows state dollars to be transferred to the federal account to cover the state portion or share of party overhead and other allocable expenses, based on the ballot composition allocation method. PDC law requires frequent and detailed contribution and expenditure reporting by state political party organizations.</p>

Reason(s) for Modification (as stated by filer)	<ul style="list-style-type: none">• The Washington State Democratic Central Committee (WSDCC) is a bona-fide political party organization that reports contribution and expenditure activities from the exempt and non-exempt accounts to the PDC. The WSDCC also reports contribution and expenditure activities from their federal account to the FEC.• The WSDCC is requesting a renewal of the modification for calendar year 2025 that would exempt them from itemizing all overhead or other allocable expense on their state PDC reports for expenditures that are paid out of the WSDCC federal account.• The modification only covers expenditures made from the federal account that are paid in part with funds that are transferred as a lump sum from the state account (generally the exempt funds account).• WSDCC has stated in prior requests the modification agreement relieved the party of a requirement that represents a “manifestly unreasonable hardship” on WSDCC staff. Without the reporting modification, the WSDCC would be required to literally comply with the reporting requirements and itemize the WSDCC state portion of each joint state/federal expenditure which is paid out of the WSDCC federal account.• The majority of the joint state/federal expenditures made out of the WSDCC federal account are for overhead and staffing costs. The modification allows the WSDCC to satisfy the reporting requirements for 2025 by reflecting on its Schedule A to PDC Form C-4, as expenditures, the bulk transfer payments that are made to the WSDCC federal committee, without having to itemize the specific overhead or other allocable expenses that are being paid with respect to those transfers.• The exemption is allowed provided that no WSDCC federal funds are for the direct benefit of state or local candidates, ballot propositions, or political committees registered with the PDC. If any portion of the funds transferred to the WSDCC federal account, benefits state or local candidates, ballot propositions or political committees registered with the PDC, the WSDCC non-exempt account must identify the candidates, ballot propositions or political committees that benefited on the Schedule A to PDC Form C-4, and reference the FEC report that the expenditure will be disclosed on.
Other Issues	Effective August 1, 2004, state political party organizations are allowed to raise funds that are known as “Levin funds.” “Levin funds” are funds that meet certain criteria set by the FEC concerning the source of the funds, and those funds can be used to pay for certain expenses that are

	<p>allocable between federal funds and Levin funds. If Levin funds are included in the state committee's "exempt activities account" they may be transferred to the federal committee as a bulk transfer to reimburse the federal committee for the allocable portion of the expenses.</p>
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Public Disclosure Commission
Jennifer Hansen, Filer Assistance Specialist
PO Box 40908
Olympia, WA 98504-0908

March 11, 2025

Dear Ms. Hansen:

We are requesting renewal of the modification of the reporting requirements of RCW 42.17.080 and 42.17.090 for the Washington State Democratic Central Committee with no changes from 2024 for the 2025 calendar year.

As required by the Federal Election Commission, all overhead and other allocable expenses will continue to be paid out of the federal committee's funds and reimbursed with a transfer of the state committee's allocable share. Each expense which is allowed to be allocated between federal and state dollars is itemized on FEC form H4 as required by the Federal Election Commission.

Sincerely,

A handwritten signature in black ink that reads 'Heather Hess'.

Heather Hess
Senior Operations Director



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN THE MATTER OF THE APPLICATION)	
OF WASHINGTON STATE DEMOCRATIC)	
CENTRAL COMMITTEE FOR A REPORTING)	Findings, Conclusions
MODIFICATION)	and Order
_____)		

On February 22, 2024, the application of the Washington State Democratic Central Committee, PO Box 4027, Seattle, Washington 98194, for a modification of the reporting requirements of RCW 42.17A.235 and 42.17A.240 was brought before the Public Disclosure Commission.

Consideration of the request was made pursuant to RCW 42.17A.120 and chapter 390-28 WAC by the Commission. The proceedings were held in Olympia, Washington, in-person and by live audio and online transmission. The applicant, the Washington State Democratic Central Committee (WSDCC), by letter, requested a renewal of the reporting modification for calendar year 2024 that would exempt it from itemizing overhead or other allocable expenses on its state PDC reports for expenditures that are paid out of the WSDCC federal account.

The Commission was provided with a certification from WSDCC Senior Operations Director, Heather Hess, stating that the facts contained in the request are true and accurate.

FINDINGS OF FACT

Based upon the letter, the Commission makes the following Findings of Fact:

1. WSDCC has previously been granted a reporting modification, the most recent being granted on February 23, 2023..
2. WSDCC is a state bona-fide political party organization that reports contribution and expenditure activities from its exempt and non-exempt accounts to the PDC. The WSDCC also reports contribution and expenditure activities from its federal account to the Federal Election Commission (FEC).
3. Under a federal law effective January 1, 1992, state political party organizations with both federal and non-federal committees are required to pay all overhead and other

allocable expenses out of the federal committee's funds. Each expense which is allowed to be allocated between state and federal dollars is itemized on form H-4 as required by the FEC.

4. The reporting modification would relieve WSDCC of a requirement that represents a "manifestly unreasonable hardship" on WSDCC staff. Without the reporting modification, the WSDCC would be required to literally comply with the reporting requirements and itemize the WSDCC state portion of each joint state/federal expenditure which is paid out of, and reported by, the WSDCC federal account. The modification allows the WSDCC to satisfy the reporting requirements by reflecting on its Schedule A to PDC Form C-4, as expenditures, the bulk transfer payments that are made to the WSDCC federal committee, without having to itemize the specific overhead or other allocable expenses that are being paid with respect to the fund transfers.
5. Since August 1, 2004, the state political party organizations have been allowed to raise "Levin funds" which are funds that meet certain criteria set by the FEC concerning the source of the funds. These funds can be used to pay for certain expenses that are allocable between federal funds and Levin funds. If Levin funds are included in the WSDCC state committee's "exempt activities account," they may be transferred to the WSDCC federal committee as a bulk transfer, in order to reimburse the WSDCC federal committee for the allocable portion of the expenses.

CONCLUSIONS OF LAW

Having made these Findings of Fact, the Commission makes the following Conclusions of Law:

1. Literal compliance with all the provisions of RCW 42.17A.235 and RCW 42.17A.240 would create a manifestly unreasonable hardship on the applicant.
2. Limited suspension or modification of the reporting requirements as specified in the Order would not frustrate the purposes of the Act in this particular case.

ORDER

Having made these Findings of Fact and Conclusions of Law, the Commission issues the following Order:

For calendar year 2024:

1. The applicant may satisfy the reporting requirements of RCW 42.17A.235 and RCW 42.17A.240 by reflecting on its Schedule A to PDC Form C-4, as expenditures, the bulk transfer payments that are made to its federal committee as a lump sum transfer without having to itemize the specific overhead or other allocable expense(s) that are being paid with respect to each transfer. The modification is

granted with the proviso that none of the overhead or other allocable expenses made from the federal committee using transferred state funds are used for the direct benefit of specific state or local candidates or ballot propositions. In addition, the state committee shall include in the "Description" column of each C-4, Schedule A, a reference to the particular H-4 form that has been or will be filed with the FEC stating when such H-4 form will be, or has been, filed.

2. In all other matters required to be reported, the applicant shall comply in full with the reporting requirements of RCW 42.17A.

Dated this ____ day of March, 2024

For the Commission

Peter Frey Lavallee

Peter Frey Lavallee (Mar 20, 2024 13:15 PDT)

Peter Frey Lavallee
Executive Director

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<p>Other Issues</p>	<p>Effective August 1, 2004, state political party organizations are allowed to raise funds that are known as “Levin funds.” “Levin funds” are funds that meet certain criteria set by the FEC concerning the source of the funds, and those funds can be used to pay for certain expenses that are</p>

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