

Statement
of the
**PA SOCIETY OF ASSOCIATION EXECUTIVES
ON THE
LOBBYING DISCLOSURE ACT REGULATIONS**

House Judiciary Committee
February 25, 1999

My name is David Sheppard and I serve as president of the Pennsylvania Society of Association Executives (PASAE). The society membership includes 600 individual association professionals who are engaged in all facets of association management. I want to thank Chairman Gannon and the members of the committee for the opportunity to present our concerns on the implementation of the Lobbying Disclosure Act.

We are very concerned with the issue. As president of PASAE, the new law is one of my highest priorities. No other single piece of legislation will have more impact on association professionals and their employers.

We believe that the new law will impose a significant mandate on associations and their legislative activities. To comply with this new mandate will require detailed record keeping, changes in accounting procedures and substantial staff time devoted to compliance with the new law.

Lobbying and legislative advocacy is the mission of some associations. While at the top of the priority list, in terms of association activities, lobbying may not be the reason for the existence for many of our members. While associations typically engage in the legislative process, many of our members exist primarily for other purposes including professional development and education, standards setting, certification, philanthropy or other organizational interests.

In many cases, the association staff is less than ten and requires multi-faceted job duties. While many associations do indeed lobby in some form, there may not be staff positions dedicated solely to lobbying.

For all associations, the new law will establish a difficult process of tracking, identifying, recording and calculating not only time spent on lobbying activities but the apportioning of other staff time and other costs which will be attributable to lobbying activities.

The PASAE Government Affairs Committee has reviewed the regulations promulgated by the State Ethics Commission for implementing the new law. Without taking the committee's time to address all the concerns let me focus on a few of the major concerns we have identified.

First the scope of the regulations is extremely broad. The definition of lobbying in the regulations mirrors the language in Act 93--(1) *providing any gift, entertainment, meal, transportation or lodging to a state official or employee for the purpose of advancing the interest of the lobbyist or principal; and (2) direct or indirect communication.* While it is

somewhat clear to us what this definition entails. In part one, the regulations do not provide sufficient guidance for determining direct and indirect communication. We urge that indirect and direct communication should be refined in the regulations so that associations and their employees can look for specificity in order to assure compliance.

The most burdensome provision in the regulations is the reporting requirements contained in Chapter 35. The quarterly expense report again is broad and scope and short specifics. The regulations state that "any reasonable accounting method may be used" to calculate spent for personnel and office expenses related to lobbying. We believe that a full cost accounting system replete with detailed time accounting for all association employees will be required. Personnel costs of not just lobbying staff but also "research and monitoring staff", "publications and public relations staff" and "clerical and administrative support staff" will be included in the calculations.

If associations will be responsible to report the personnel costs of these positions we need additional guidance from the regulations on the types of activities are to be included as lobbying expenditures. The regulations in section 35.1(l)(4) state that, "The time devoted to lobbying shall include: research time spend in preparation for lobbying; time spent in direct communication or indirect communication as defined by the Act; and any other time consumed in furtherance of lobbying for which the individual or entity is compensated or reimbursed." Without more guidance in direct/indirect communication combined with the vagueness of terms such as research time compliance becomes a moving target.

Further, after attempting to identify personnel related lobbying expenditures, the regulations require calculations for offices, equipment and supplies. Determining the amount of capital costs, depreciation and apportionment of use will require detailed accounting and hours of calculations. Again, we would urge the regulations to go beyond restatement of the provisions in the act and provide the association community with specific and defined procedures for determining methods for reporting these ancillary expenses.

In section 35.1(j), the regulations provide that the expense report must also identify by name state officials and employees who receive "anything of value" from a lobbyist. This sections cross references several requirements of the State Ethics Law. Again, in order to help us to comply, these provisions should be spelled out in the law rather than just cite sections of the Ethics Law.

In section 35.2 the regulations set forth record retention and maintenance requirements. This section authorizes the Ethics Commission to promulgate standardized forms for reporting under Act 93. We would propose that standardized records would assist in the efforts by associations to comply with regulations. We must question why the regulations stop short and only enable the commission. To provide more certainty in the process, a uniform record keeping process would be beneficial.

While we realize the regulations contain many provisions bound by the law, we are not satisfied that the regulations have adequately addressed many of the specifics that associations will need to comply. We hope that the current regulations can be redrafted to provide additional guidance, more clarity and sufficient detail to meet the extensive requirements in Act 93.

Thank you again for this opportunity to comment. I will be glad to respond to questions you may have.

