

May 28, 2015

The Honorable Richard S. Gordon
State Capitol, Room 3013
Sacramento, CA 95814

RE: AB 1200 (Gordon)—SUPPORT

Dear Assembly Member Gordon:

We, Robert Binning, Alexander Khan, and Robert Nash, were students in the McGeorge Legislative and Public Policy Clinic (the “McGeorge Clinic”) and are in support of AB 1200 (Gordon). The McGeorge Clinic is located at McGeorge School of Law, University of Pacific and, under the supervision of McGeorge faculty, assists law students in researching public policy issues, developing legislative and regulatory responses, and pursuing legal change.

Last fall we researched how government contracts are lobbied and wrote a policy paper on the subject (a version of the paper is attached). We brought our findings to Assembly Member Gordon and asked him to introduce this bill after we concluded that legislation was needed to extend current lobbying rules to the lobbying of government contracts. Since AB 1200 was introduced, we have continued to work with Assembly Member Gordon to address the concerns raised in committee and refine the language of the bill.

AB 1200 would expand the definition of “lobbying” to include attempts to influence State contracts for goods and services, known as “procurement contracts.” AB 1200 would require the small number of individuals with significant involvement in influencing procurement contracts to register as lobbyists under the Political Reform Act. Further, like the rules for lobbying legislation and regulations, it would ensure that procurement lobbyists publicly disclose their attempts to influence and payments received.

In response to concerns raised in the Assembly Committee on Elections and Redistricting, AB 1200 was amended to clarify that it only applies to state procurement contracts, not to local governments’ procurement contracts. Additionally, only contracts with estimated values over \$250,000 are now subject to the bill’s reporting requirements, ensuring that small businesses are not negatively impacted. Lastly, AB 1200 was amended to exclude bona fide salespersons from reporting requirements, narrowing the scope of the bill. Overall, we believe that these amendments further the purpose of the bill—bringing transparency to the procurement lobbying process—without imposing unnecessary or burdensome requirements on businesses, state agencies, or lobbyists.

In 2014, California spent over \$11 billion on procurement contracts. Yet, despite multiple prominent Sacramento-based lobbying firms openly advertising procurement lobbying services, lobbyists are not required to report which procurement contracts they lobby, how much they are paid by each client to lobby those contracts, or who pays them to influence the content of the contracts, which may offer lobbyist employers more direct benefits than legislative or regulatory lobbying.

Disclosure requirements help the Fair Political Practices Commission identify patterns of activity that trigger a need for investigation. Because there are no procurement lobbying disclosure requirements, the State is without an important tool to ensure that procurement contracts are awarded fairly.

AB 1200 would also help small and diverse businesses compete on a level playing field with their competitors by increasing the transparency of the procurement process and reducing the advantage of large businesses that employ well-connected lobbyists.

Currently, twenty-five states, including Arizona, Florida, Maryland, New York, and Texas, and the federal government require lobbyists to report procurement lobbying activity. In this area, California is behind the curve in this area of law.

For these reasons, the students of the Legislative and Public Policy Clinic of the University of the Pacific, McGeorge School of Law support AB 1200.

Very truly,

Robert Binning
R_Binning@u.pacific.edu
Phone: (916) 899-8759

Alexander Khan
A_Khan8@u.pacific.edu
Phone: (916) 300-5179

Robert Nash
R_Nash1@u.pacific.edu
(309) 533-2305