

POLICY NOTE

Sound Transit increased payments of public money to political advocacy groups leading up to the 2016 election

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Key Findings

- Sound Transit, a Puget Sound regional transit agency, regularly gives public money to and helps govern organizations that then give money to campaigns and influence the passage of measures that benefit Sound Transit
- Between January 2008 and June 2017, Sound Transit gave \$2.08 million in public money to special interest groups in the form of annual dues and sponsorships.
- 3. Between 2008 and 2017, Sound Transit gave Transportation Choices Coalition (TCC) \$318,620 in public money, more than double compared to the previous decade.
- Despite a warning in 2009 from the State Auditor not to purchase sponsorships at nonprofits' annual fundraising events, Sound Transit officials continue to purchase sponsorships.
- 5. The legislature should examine the expenditures of public money by Sound Transit to advocacy groups. If they find membership dues and sponsorship transactions to be legal, they should decide if the policies that allow these practices should be allowed to continue.

Background

Sound Transit is a regional transit agency that builds and operates Link light rail, Sounder commuter rail, and express buses in parts of King, Pierce, and Snohomish counties. It says its mission is to "plan, build, and operate mass transit service throughout Central Puget Sound."¹

Some of Sound Transit's public spending, however, does not seem consistent with its mission and may be inappropriate. In response to public disclosure requests from the Washington Policy Center (WPC) in 2008, Sound Transit provided us a list of non-governmental interest groups that have received direct financial contributions (in the form of membership dues) from the agency since 1996. We submitted another request this year to review contributions for the more recent decade since our last report in 2008.²

Our public records requests and the recommendations we provide in this report are an effort to ensure transparency and accountability with spending transportation taxes in Washington state. In providing this information, Washington Policy Center is interested in the proper role of government and how tax money is spent in compliance with the state constitution and the legal authority granted to regional government agencies like Sound Transit.

Memberships and annual dues

Between January 2008 and June 2017, Sound Transit gave \$2.08 million in public money to special interest advocacy groups in the form of annual dues. Three of these advocacy groups include Transportation Choices Coalition, Futurewise (formerly 1,000 Friends of Washington), and Economic Alliance Snohomish County. Some of this money was used to purchase sponsorships and advertising at fundraisers, which the State Auditor warned Sound Transit not to do in 2009.³

^{1 &}quot;Sound Transit 3: The Regional Transit System Plan for Central Puget Sound," Sound Transit, June 2016, at https://st32.blob.core.windows.net/media/Default/Document%20Library%20 Featured/8-22-16/ST3_System-Plan_2016_web.pdf.

^{2 &}quot;Policy Note: Sound Transit officials give public money to special interest groups," by Michael Ennis, Washington Policy Center, July 2008, at http://www.washingtonpolicy.org/library/docLib/08_ennis_soundtransit.pdf.

^{3 &}quot;Auditor: Sound Transit wrongly spent money on sponsorships," by Seattle Times staff, *The Seattle Times*, January 29, 2009, at http://www.seattletimes.com/seattle-news/auditor-sound-transit-wrongly-spent-money-on-sponsorships/.

YEAR	Transportation Choices Coalition	Futurewise	Econ. Alliance Snohomish County
2008	\$22,000	\$1,250	\$0
2009	\$30,000	\$0	\$0
2010	\$30,000	\$0	\$0
2011	\$30,000	\$0	\$4,948
2012	\$30,000	\$0	\$0
2013	\$35,000	\$0	\$0
2014	\$35,000	\$1,500	\$5,000
2015	\$36,620	\$1,500	\$7,500
2016	\$35,000	\$5,000	\$7,500
2017	\$35,000	\$5,000	\$8,500
TOTAL	\$318,620	\$14,250	\$33,448

Receiving public money: Transportation Choices Coalition

Transportation Choices Coalition (TCC) is a 501(c)(3) advocacy group that promotes the interests of public transportation agencies. It performs a wide variety of activities including lobbying, grassroots organizing, and issue advocacy.

Sound Transit describes the services it receives through membership dues to TCC in this way: "The proposed expenditure, recognizes the unique relationship ST has with the state's only transit-focused non-profit and the unparalleled work the organization does to further the mission of Sound Transit, educate residents about the benefits of transit, and actually drive ridership on ST services."

The TCC lobbied in support of Proposition 1 in 2007, a roads and transit measure that included billions of dollars toward light rail expansion. According to the Public Disclosure Commission, the organization gave thousands to the *Keep Washington Rolling* political campaign in support of Proposition 1. The TCC also assisted and helped fund the closely-allied 501(c)(4), *Mass Transit Now*, an organization that ran the political campaign in favor of Sound Transit 3 in 2016. Sound Transit expects to receive some \$54 billion in public money under the measure, partly as a result of TCC's advocacy.

In turn, TCC is supported by Sound Transit. In 2006, Sound Transit paid for a table at the TCC's annual auction for \$600. In 2007, the agency contributed \$450 to the TCC annual dinner. The TCC described its annual dinner as "...our biggest fundraiser of the year." In 2015, Sound Transit sponsored TCC's annual fundraiser again, paying \$1,620 from the agency's Communications and External Affairs budget for the following described benefits: "12 seats to event, tablespace for educational materials, [and] Sound Transit mention from the podium."

Between 1999 and 2008, Sound Transit executives gave a total of \$156,000 in public money to TCC in the form of membership dues.

^{4 &}quot;Membership Request for Transportation Choices Coalition," Letter from Trinity Parker, GCR, Seattle/ Central Corridor to Craig Davison of Sound Transit, February 16, 2016.

^{5 &}quot;You're Invited to Transportation Choices Coalition's Annual Celebration," Invitation, 2007, Transportation Choices Coalition.

Between 2008 and 2017, Sound Transit gave TCC a further \$318,620 in public money, more than double compared to the previous decade.

Sound Transit's payments to TCC increased nearly 17 percent in 2013, from \$30,000 to \$35,000 per year, a \$5,000 bonus toward TCC's efforts. From 2014 to 2016, Sound Transit also increased its agency communications budget by almost \$2 million. During this time, officials at the agency were planning to secure additional taxing authority in 2015 and to seek \$54 billion through the Sound Transit 3 ballot measure the following year. In renewing their membership with Sound Transit for 2016, TCC lists "support for new revenue authority in 2015 session for Sound Transit" as a policy accomplishment.

The increase in the agency's communications budget became a greater concern when the public learned Sound Transit spent \$858,379 in taxpayer dollars in 2016 on a light rail party at the University of Washington and Capitol Hill stations.⁷ In renewing their membership with Sound Transit for 2017, this party is described by TCC as an educational accomplishment: "50,000 Washington residents educated including 20,000 transit riders at the U-Link and Angle Lake opening events."

Additional concerns arose when Sound Transit gave 173,000 private email addresses of its customers to the *Mass Transit Now* political campaign. The state Public Disclosure Commission ruled that Sound Transit had violated state law but dropped any punishment when Sound Transit executives later claimed they had made an honest mistake.⁹

Sound Transit's political influence through the TCC extends to the Washington State Transportation Commission as well. In December of 2015, Governor Inslee appointed a TCC policy analyst to the Transportation Commission. This is a controversial appointment for an influential policy commission that is typically composed of professionals and engineers who are not connected to political interest groups or campaigns. The TCC notes their participation in the WSTC as a policy accomplishment in their service to Sound Transit, as the nonprofit can "advance transit-supportive policies on tolling and future transportation funding mechanisms including [a] pay-per-mile charge."

^{6 &}quot;2016 Adopted Budget," Sound Transit, December 2015, at https://www.soundtransit.org/sites/default/files/Adopted%202016%20Budget.pdf.

^{7 &}quot;Party at UW, Capitol Hill light-rail stations cost taxpayers \$858K," by Mike Lindblom, May 12, 2016, The Seattle Times, at http://www.seattletimes.com/seattle-news/transportation/party-at-uw-capitol-hill-light-rail-stations-cost-taxpayers-858k/.

^{8 &}quot;Request for Membership – Transportation Choices Coalition," Letter from Trinity Parker, GCR-Seattle/ Central Corridor to Craig Davison of Sound Transit, May 2, 2017.

^{9 &}quot;Sound Transit 3 Executive Summary and Analysis," Public Disclosure Commission, September 15, 2016, at https://www.pdc.wa.gov/sites/default/files/meeting-resources/Sound%20Transit%203%20PDC%20 Case%20no%207823.pdf.

^{10 &}quot;Governor appoints new members to State Transportation Commission," by Reema Griffith, Washington State Transportation Commission, January 6, 2016, at http://wstc.wa.gov/news/2016/ GovernorappointsnewWSTCmembers.htm.

^{11 &}quot;Request for Membership – Transportation Choices," Letter from Trinity Parker, GCR-Seattle/Central Corridor to Craig Davison of Sound Transit, May 2, 2017.

Receiving public money: Futurewise

In 2006 and 2008, Sound Transit gave \$1,250 to the annual dinner and auction for Futurewise, a 501(c)(3) advocacy group formerly known as 1,000 Friends of Washington. Futurewise was also a contributor to *Keep Washington Rolling*, the 2007 "Yes" campaign for Proposition 1. Futurewise described its event as a fundraiser:

"Springtime brings to mind a renewal of strength and all things green...the perfect backdrop for environmental advocacy. Don't miss our 'Spring Into Action' silent and live auctions, Northwest wines, dinner and dessert, and a special fundraising opportunity to support Futurewise."

Between 2008 and 2017, Sound Transit gave a total of \$14,250 in public money to Futurewise. Most of this sum (\$13,000) was given to Futurewise between 2014 and 2017, at the time Sound Transit was planning to secure additional taxing authority from the legislature and preparing for the \$54-billion Sound Transit 3 ballot measure. Sound Transit claims they do not pay membership dues to Futurewise and that their payments are event sponsorships.¹²

The most recent \$5,000 sponsorship payment made to Futurewise toward their 2017 Spring Breakfast paid for the following:

- 1/2 page advertisement in event program
- Logo recognition in print and e-mail invitations
- Featured Logo in printed program and event signage
- Featured Logo on website
- 1 table at the event with 10 seats

Other listed "partnership benefit[s]" in Sound Transit's membership renewal with Futurewise include:

- Work with and support ST in the development of local, regional, and state policy positions
- Support for ST efforts to secure grants, additional revenue, and other funding
- Support and feedback on ST projects, plans, and services
- Support from the organization for policies that further transit at the local, state, and federal level¹³

Receiving public money: Economic Alliance Snohomish County

Between 2008 and 2017, Sound Transit gave \$33,448 in public money to Economic Alliance Snohomish County (EASC). Most of this sum (\$28,500) was given to EASC between 2014 and 2017.

The EASC says it promotes "economic vitality resulting in stronger communities, increased job creation, expanded education opportunities, and improved infrastructure." ¹⁴

The political relationship between EASC and Sound Transit is close. Three Sound Transit Board members also sit on the EASC Board: Sound Transit CEO Peter Rogoff,

¹² Email from Trinity Parker to Craig Davison in response to public disclosure request, March 20, 2017.

^{13 &}quot;Request for Sponsorship Payment – Futurewise," Letter from Trinity Parker, GCR-Seattle/Central Corridor to Craig Davison of Sound Transit, March 13, 2017.

^{14 &}quot;Mission," Economic Alliance Snohomish County, at https://www.economicalliancesc.org/about-easc/.

Sound Transit Board Chair and Snohomish County Executive Dave Somers, and Sound Transit Board Member and Mayor of Edmonds Dave Earling.¹⁵

After receiving Sound Transit money, the EASC Board approved a resolution endorsing Sound Transit 3 taxes and stated that EASC will "continue its role in promoting the importance of ST3 and Regional Proposition 1, partnering with the *Mass Transit Now* campaign." ¹⁶

Between August 2016 and November 2016, the EASC gave \$7,560 to the TCC's closely-allied *Mass Transit Now* political campaign for staff time and public relations.¹⁷ The contribution might make it appear that public money from Sound Transit was sent through EASC to support the 2016 ST3 political campaign.

In addition, EASC launched a political initiative called "Light Rail to Everett" and worked with TCC's closely-allied *Mass Transit Now* on a campaign kick-off that took place in Snohomish County in September 2016.¹⁸

The frequent payments of public money to interest groups fuels the public's skepticism about Sound Transit's objectivity. The agency regularly gives public money to and helps govern organizations that then give money to campaigns and influence the passage of measures that benefit Sound Transit.

Policy Recommendation: The state legislature should examine the expenditure of public money by Sound Transit to advocacy groups

The legislature should make sure Sound Transit officials are not making inappropriate expenditures and rallying political support for ballot measures with taxpayer money.

Using public funds to attend a policy conference hosted by an interest group is allowable because the agency is receiving something specific in return, such as educational information on a particular topic. There may be a public benefit in this type of activity. However, using taxpayer dollars to attend a political fundraiser or paying membership dues for political advocacy is of questionable public value.

Further, giving public money for membership dues to organizations that directly or indirectly advocate for Sound Transit's ballot measures is inappropriate. Sound Transit officials do not direct how the money is spent and advocacy groups use the money any way they choose. The State Auditor found in 2009 that these types of expenditures (membership dues) are within Sound Transit's authority, but lawmakers should revaluate whether Sound Transit should retain this authority.¹⁹

^{15 &}quot;Economic Alliance Snohomish County Board of Trustees," 2017, at https://www.economicalliancesc.org/about-easc/boards-committees/board-of-trustees/.

^{16 &}quot;EASC Board of Trustees votes to support ST3 ballot measure," Light Rail to Everett, at http://www.lightrailtoeverett.com/.

¹⁷ Mass Transit Now C4 Report for November 2016, Public Disclosure Commission, at https://web.pdc.wa.gov/rptimg/default.aspx?batchnumber=100738370.

^{18 &}quot;Sound Transit meeting a chance to push for earlier light rail," by Noah Haglund, *HeraldNet*, April 24, 2016, at http://www.heraldnet.com/news/sound-transit-meeting-a-chance-to-push-for-earlier-light-rail/.

^{19 &}quot;Washington State Auditor's Office Citizen Hotline Report: Report No. 1000540," Washington State Auditor, January 26, 2009, at http://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1000540 &isFinding=false&sp=true#search=1000540.



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Conclusion

Sound Transit giving taxpayer money to political interest groups that support the agency's own ballot measure creates a clear conflict of interest. Whether or not the public funds are separated from the lobbying and campaign activity within an advocacy or political organization is a technicality.

Money is fungible, and the mere appearance of giving tax money to a political campaign spoils all objectivity for both the interest group and the public agency. This is the case in the financial relationship between Sound Transit and Transportation Choices Coalition, which led the *Mass Transit Now* political campaign for Sound Transit 3, which in turn secured \$54 billion in public money for Sound Transit.

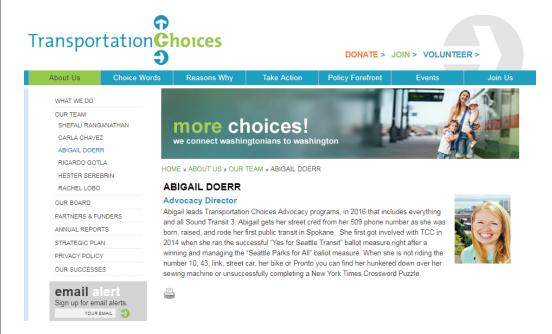
Sound Transit's membership dues and event sponsorships appear to buy political influence, more so than goods and services that benefit the public. If enforcement agencies and lawmakers find membership dues and sponsorship transactions to be legal, they should decide if the policies that allow these practices should be allowed to continue.

Additional information

Transportation Choices Coalition (TCC) is closely allied with *Mass Transit Now*, a political 501(c)(4) organization created for the purpose of conducting campaigns in support of increasing Sound Transit's tax revenue. At the same time, Transportation Choices Coalition receives public money from Sound Transit.

Following are examples of the close links between Transportation Choices Coalition and political advocacy on behalf of Sound Transit

1. According to LinkedIn, Abigail Doerr has worked as TCC's Advocacy Director since December 2015, with a focus on "everything and all Sound Transit 3," including political work in 2016. Ms. Doerr was also paid as the Campaign Manager for the *Mass Transit Now* campaign.



2. The TCC's Executive Director, Shefali Ranganathan, describes TCC's political relationship to the Sound Transit 3 (ST3) campaign on her LinkedIn account in this way:

"TCC has led successful campaigns all across the state securing more than \$76B for transit, biking and walking including the \$930M Move Seattle transportation levy in 2015 and the \$54B Sound Transit 3 measure in 2016."



Shefali Ranganathan • 2nd

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Connect

Shefali Ranganathan is the Executive Director at Transportation Choices Coalition (TCC), a Washington State based non-profit working to create more opportunities to take transit, walk or bike. TCC has led successful campaigns all across the state securing more than \$76B for transit, biking and walking including the \$930M Move Seattle transportation levy in 2015 and the \$54B Sound Transit 3 measure in 2016.

Shefali works on a range of transportation policy issues at the regional and local level coordinating a broad coalition of social justice, immigrant and refugee, public health, affordable housing, student, and senior groups working on transportation equity. She has served on several regional and local transportation advisory committees advocating for more transportation options including the Puget Sound Region Transportation Policy Board, the Move Seattle Oversight Committee, King County Metro's Service Guidelines Taskforce, the Puget Sound Region Transportation Futures Taskforce, and the Seattle Citizens Transportation Advisory Committee. Prior to TCC, she was a policy expert in Washington DC working on federal transportation policy.

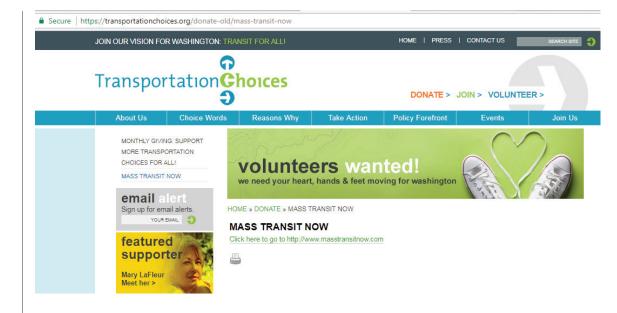
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3. In a post this year for the Seattle Transit Blog, the TCC states:

"TCC which led a broad coalition of business, labor, transportation, environmental and social justice advocates to pass the ST3 responded with a broad strategy which included an on-the-ground staff presence in Olympia..."

Source: "Holding the Line for Sound Transit," April 12, 2017

4. The TCC encourages people to donate money to the *Mass Transit Now* political campaigns on its website – a donation page that is still active on the TCC website (accessed September 6, 2017), although the *Mass Transit Now* campaign has been disbanded and the website no longer exists since the November 2016 election.



5. On its website, the TCC describes Sound Transit 3's inclusion on the November 2016 election ballot in this way: "Transportation Choices will lead the campaign to pass the measure..." (accessed September 6, 2017).

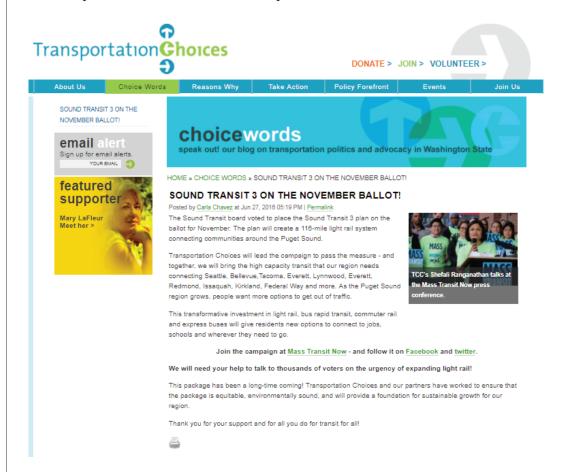




Photo from TCC website of TCC Executive Director, Shefali Ranganathan, at a Mass Transit Now press conference

6. Transportation Choices Coalition helped fund *Mass Transit Now*, giving thousands of dollars of in-kind contributions - including staff time, rent and printing services - to the political campaign in 2016.

