



MEMORANDUM

TO: Commissioners
FROM: James Tinley, Executive Director
DATE: April 30, 2026
SUBJECT: Comprehensive IT Improvement Plan

I. INTRODUCTION

The Sunset Commission recently directed the TEC to develop a comprehensive plan for both short- and long-term improvements to the agency's IT resources. This document is intended to satisfy that directive.

It also clarifies the TEC's expectations for its electronic filing system (EFS) and website; and outlines the concrete steps needed to achieve those goals.

II. BACKGROUND

A. Sunset directs the TEC to develop a plan for future enhancements of the TEC's electronic filing system and website.

A recent Sunset Commission report recognized that the TEC "has a vision for [the electronic filing system] and the TEC website to better serve filers and the public," and "has embarked on several projects to modernize both tools."¹ Sunset also commended the TEC for its ability to "immediately address[] urgent situations such as migrating [the electronic filing system] to the cloud when the existing system hardware could not process extremely large reports during the 2022 election season." *Id.* at p. 15.

However, the Sunset Commission report criticized the TEC for not having a "comprehensive, formally documented plan for prioritizing and completing short- and long-term projects to bring its vision to life." *Id.* at p. 14. While the report acknowledged the "TEC will always have to contend with the Legislature changing the law in ways that impact [the electronic filing system] and with unforeseen circumstances it simply cannot predict," it states that without a more formalized, documented plan, the TEC "will continue to use a fragmented approach,

¹ <https://www.sunset.texas.gov/public/uploads/2025-01/Ethics%20Commission%20Staff%20Report%20with%20Commission%20Decisions.pdf> at pp. 13-14

stifling the agency’s vision for more modern systems that would make its job easier and ultimately improve disclosure.” *Id.*

For those reasons, the Sunset Commission directed the TEC to develop a comprehensive plan for short- and long-term improvements to the agency’s IT resources addressing:

- 1) Assessment of the current capabilities;
- 2) Identification of short- and long term improvements;
- 3) Evaluation of the TEC functions that could benefit from current EFS capabilities;
- 4) A timeline for addressing persistent issues;
- 5) A long-term plan to retool the electronic filing system to realize its full potential;
- 6) Development of criteria for evaluating the success of the TEC’s IT systems; and
- 7) Identification of any statutory or budgetary barriers.

Id. at pp. 19-20. Sunset recommended that in developing the plan, the TEC should talk to DIR about programs and services that could help the TEC implement the plan. *Id.* at p. 20. Finally, Sunset directed the TEC to submit the plan to its commissioners for approval and provide a copy to Sunset. *Id.*

B. History of the TEC’s electronic filing system and website.

1. 1999-2000: the TEC develops and releases a Windows-based electronic filing system for campaign finance reports.

In 1999, the 76th Legislature passed HB 2611, requiring the TEC develop a system for electronic filing of campaign finance reports. The TEC released its first Windows-based software in 2000. In July of 2000, many candidates, officeholders, and political committees were required to file reports electronically for the first time, and the TEC began making these reports available online.

2. 2005: the TEC adds lobby reports to the electronic filing system.

In 2003, the 78th Legislature passed HB1606, which implemented many of the Sunset Commission recommendations from its 2002 report, including the electronic filing of lobby registration and activity reports. Lobbyists began to file electronically in 2005.

3. 2008: the TEC develops software to help personal financial statement filers.

In 2008, the TEC developed software to help filers prepare and print personal financial statements, but this software had no electronic filing capability. Like the earlier version of the electronic filing system, this software was limited to working on specific versions of Windows.

4. 2015: the TEC releases a new, web-based filing system.

After several years of development, the TEC offered a new web-based filing system in 2015. It was designed to work on any PC, tablet, or smart phone, and enabled the electronic filing of campaign finance, lobby, and personal financial reports.

5. 2016: the TEC adds certificates of interested parties (HB1295) to the electronic filing system.

The 84th Legislature passed HB 1295 in 2015, which required governmental officers and vendors to file reports with the TEC disclosing interested parties for certain contracts. After significant modifications to the filing system, the TEC began accepting the filings required by HB1295 in 2016, and has received an average of over 130,000 of these filings each year.

6. 2022: the TEC's server hardware fails, and the TEC moves the filing system to the cloud.

The TEC's server hardware failed to process several large campaign finance filings in July of 2022. Using a combination of its existing resources and an emergency grant from the Governor, the TEC successfully moved its filing application to the cloud, avoiding further problems in advance of the November 2022 general election.

7. 2023: the TEC begins work on several major projects to modernize the electronic filing system.

After completing the filing system's migration to the cloud, the TEC began several major projects to modernize the electronic filing system. Each of these projects involves automating agency functions that had previously been performed by agency staff, resulting in a more efficient TEC and a faster, more accurate user experience.

8. 2024: The TEC begins development on a new website.

After the 88th Legislature granted the TEC's request for appropriations to build a new website, the TEC entered into a contract with a vendor and began development in 2024. Among other things, the new website will improve the public's ability to search, sort, and visualize the data filed through the TEC's electronic filing system.

9. 2025: Continued website development and EFS enhancements

The TEC ran into delays setting up a Fully Managed webserver in the State Data Center Public-Cloud necessary for the TEC's vendor to complete the website project. The TEC contracted with DIR to setup a webserver. Starting in April 2025, there have been a series of hurdles that have arisen that have prevented the agency fully utilizing the Web Server. The webserver development site was finally completed in April 2026. This milestone enabled the Agency Vendor-Partner to move forward with work on the website.

The TEC also created the new position of project manager to shepherd the various EFS and other technical projects. The TEC has winnowed its backlog of EFS enhancements and

defects, created a priority list of enhancements, developed a plan and a timeline to complete those enhancements and put in place the necessary documentation for each enhancement.

III. CURRENT CAPABILITIES OF THE ELECTRONIC FILING SYSTEM AND WEBSITE

A. For Filers

The TEC's electronic filing system makes life easy for those required to file campaign finance, lobby, personal financial, and Form 1295 reports in Texas.

1. "Turbo-tax" style guidance
2. Error checking
3. Data Storage and Reuse
4. Upload/Import Functionality
5. Draft Saving and Version Control
6. Secure Submission with Immediate Confirmation
7. Historical access and Retrieval
8. Integrated Guidance
9. Amendment Tools

B. For the Public

The TEC's web-based disclosure filing system ensures that the vast quantity of data reported to the TEC is available to the public quickly and in a manner that is easy to sort, search, and comprehend. Electronically filed reports are processed overnight and automatically posted on the TEC's website file server. These reports and their data are then available for the public to download and search via the TEC's website. The TEC seeks to automate even more of the steps that must occur before electronically filed reports are available to the public.

The TEC has more than 300,000 campaign finance reports and more than 219,000 lobby registrations and activity reports available and searchable on its website. The TEC has also received an average of 134,476 certificates of interested party ("Form 1295") filings each year between 2018 and 2022. These reports—and their data—are automatically added to the TEC's website when they are filed through the electronic filing system.

The TEC's website offers several ways for members of the public to view and search the data contained in campaign finance, lobby, and Form 1295 filings. For campaign finance reports, the public can either view PDF images of the reports or search across the database using a number of different filters, including but not limited to filer name, contributor name, date, and

contribution amount. Search features for lobby reports are similar, permitting the public to search reports by, among other things, lobbyist name, client name, compensation, expenditures, and subject matter. The TEC's website also offers several "static" and sortable lists of active lobby registrations and activity reports that are regularly updated. Form 1295 filings are also available through the TEC's website and searchable by, among other things, date, business entity, governmental entity, and interested party.

Certain TEC filings remain unavailable on the TEC's website and are only available upon a request made under the Public Information Act. Most significantly, these include personal financial statements and campaign treasurer appointments.

C. For the TEC

The TEC's electronic filing system includes a back-end portal for TEC staff to view and manage filer accounts. This portal enables the TEC to track filer requirements, send notices of upcoming or missed deadlines, calculate penalties, process waiver requests, update its unpaid penalty lists, and refer matters to the Office of Attorney General for collection.

Prior to each filing deadline, TEC staff places a Requirement to File ("RTF") in the filing system for each filer that is required to file a report for that deadline. TEC staff will then send one or more Notices to File ("NTF") via email to each filer to remind them of the upcoming deadline. Following a deadline, TEC staff sends a series of notices to any filer who has either not yet filed the report or who filed the report late. These notices inform the filer of assessed penalties, which are set by statute.

D. DIR Consultations in evaluating the EFS

The TEC consulted with DIR to get its help to assess the current EFS capabilities and to plan a roadmap for the future. DIR's preliminary review determined that the system is sufficiently modern and does not warrant a legacy-modernization plan. A deeper evaluation would require relocating the EFS to DIR's Data Center Public Cloud environment, however the agency does not currently have the funding necessary to support such a migration. The TEC is continuing to explore more formal assessments DIR or its contractors can provide the TEC. However, currently it is the assessment of the TEC that its current EFS system is functional, capable of improvements, and meets the needs of the TEC for the near and medium term. Therefore, the TEC does not plan on requesting funding to build a new electronic filing system in its appropriations request for FY2027-28 biennium.

The TEC will continue to consult with DIR and conduct its own market analysis to weigh the cost of maintaining the current system against the cost of a building a new system before each legislative appropriations request.

IV. RECENT ENHANCEMENTS TO THE ELECTRONIC FILING SYSTEM AND WEBSITE

A. Automatic Redactions of Non-Public Information (Completed June 2023)

State law requires the TEC to redact certain information contained in the reports it receives before making those reports available to the public. Most notably, this includes the home addresses and names of dependent children identified on personal financial statements.

In the past, TEC staff made those redactions manually in response to a request made under the Texas Public Information Act. This process was inefficient, unnecessarily using staff time and slowing the TEC's responses.

Now, the electronic filing system automatically scans every personal financial statement filed with the TEC, makes the necessary redactions, and places redacted copies in a file directory that is accessible to a member of TEC staff responsible for responding to Public Information Act requests.

The automatic redactions will apply when a filer checks a box to identify an address as the filer's home address. The redactions will also apply if that address appears in the same PFS even if the home address box is not checked. However, if a filer fails to check the home address box *and* enters the address differently than in the entry where it is identified as the home address, the system will not redact (e.g. East 14th street vs. E. 14 St.). The TEC's vendor is working on relaxing the matching algorithm so that imperfect matches will still be redacted.

Once perfected, this functionality will allow the TEC to begin posting personal financial statements on the TEC's website, much like it already does for campaign finance and lobby filings. Doing so would further improve disclosure and the TEC's efficiency, but the decision is a matter of policy reserved for the TEC's commissioners.

B. Automatic Penalty Exemptions Under Section 254.164 (Completed March 2025)

Section 254.164 of the Election Code exempts certain low-activity political committees from any statutory penalties for late-filed reports. Specifically, no penalty is assessed if a political committee stays under a certain threshold of activity not just for the most recent report, but also for the two previous reports filed by the political committee.

In the past, the TEC's administration of this law was labor-intensive. Each time a political committee filed a late report with little or no political activity, TEC staff would have to manually review the committee's prior reports to determine whether the penalty should be waived pursuant to Section 254.164.

Now, the electronic filing system does that work for the TEC. When a political committee misses a filing deadline, the electronic filing system will review the late report and the

committee's two prior reports to determine whether Section 254.164 applies and automatically apply a penalty waiver, if necessary.

C. "Error-Check" Results Provided to Enforcement Division (Completed 01/2025)

The electronic filing system has a feature called "error-check" which scans a report just prior to filing to determine whether there are certain easily caught violations or mistakes. The original intention of the feature is to help filers avoid problems before filing their reports, alerting them to potential violations and educating them on how to make corrections before finalizing and filing. A few "errors" would prevent a filer from submitting their report (*e.g.*, a failure to sign an affidavit swearing to the truth of the substance). However, most errors merely would give filers a popup message and some instructions on how to correct the issue. Filers can choose to file their report without correcting the errors.

The filing system records information about reports filed with uncorrected errors. The filing system does not communicate the results of the error check feature directly to TEC enforcement staff. At the recommendation of Sunset staff, that information is now provided to TEC enforcement staff via ad hoc queries run against the filing system database. TEC enforcement staff does not have the authority to initiate any enforcement proceedings without a vote of the commissioners. However, they can present the results of the filing system's error check to the commissioners and recommend either a full audit of the filer's report or the initiation of a preliminary review.

V. PENDING AND FUTURE MAJOR PROJECTS

A. Penalty Management

This project is the TEC's top priority and contains many closely related elements. When completed, it will make the TEC more efficient, reduce opportunities for data-entry errors, and improve the filer experience.

1. Automated calculation of penalties for late-filed reports

The foundational piece of the project is to have the electronic filing system automatically calculate statutorily set penalties for late-filed reports. Once the system can do that, it unlocks several related efficiency gains. Accomplishing this task is more difficult than it sounds, because penalty amounts can be affected by a number of different factors, including: (1) how late the report is, (2) whether the penalty has been waived or reduced by the TEC, and (3) whether the penalty has been partially or fully paid to the TEC or OAG, or withheld by the Comptroller.

2. Automated requests for waiver or reduction of penalties for late-filed reports

One of the things that made automated penalty calculation so difficult in the past was the complexity of the TEC's administrative rules regarding filer requests to waive or reduce penalties

for late-filed reports. Automated penalty calculation as a feature is not very useful if it does not include this process.

So, before the TEC could truly undertake penalty automation, it needed to undergo the rulemaking process to drastically simplify and standardize those rules. The implementation of these rules removed subjective judgment and interpretation, leading to a more consistently structured process. That process was completed in 2021, after which the TEC began enhancing the filing system to automatically calculate civil penalties and mechanically apply waiver and reduction rules.

3. Automated email notice of penalties for late-filed reports

The electronic filing system already knows which filers missed a deadline. So, as soon as it also knows how much each filer owes in late-filing penalties, it should be able to automatically create notice letters of those penalties and send those notices via email. Not only will this reduce the amount of labor needed to notify filers of their penalties, it will get those notices into filers' hands more quickly.

4. "Filer dashboard" that lists any late or unfiled reports and associated penalties

In addition to sending penalty notices via traditional and electronic mail, filers should be presented with information regarding any missed deadlines, unfiled reports, and unpaid penalties from within the filing system itself. The TEC intends on creating a new "filer dashboard" that will show filers this information as soon as they log in.

5. Online payment of penalties for late-filed reports

Filers should also be given the opportunity to pay their penalties through the filing system. Much of the architecture for this feature already exists, and is currently enabled for the payment of lobby registration fees. But it was never activated for penalty payments because of the previously-explained difficulties involved in calculating—and tracking any adjustments—to those penalties. Completing this project will reduce the labor necessary to process and track incoming payments. It should also increase the TEC's collection rates by making it easier to pay.

6. Automated management of delinquent filer list

As long as the system is tracking all missed deadlines, assessed penalties, and payments or other adjustments to penalties, then it should also be able to automatically manage the TEC's statutorily-mandated list of unpaid penalties (also called the delinquent filer list). The law requires the TEC to maintain this list and make it available on the TEC's website. Right now, that work is being manually done by TEC staff. But once this feature is completed, the list should be generated automatically, improving efficiency, expediency, and accuracy.

7. Automated management of OAG referrals

Another benefit and related feature of a penalty management system is the automatic referrals of unpaid penalties to the Office of Attorney General. The system should be able to

automatically identify unpaid penalties that exceed the OAG's referral threshold. It should also be able to automatically detect when the TEC should rescind a referral because a filer either made a payment or requested a waiver through the administrative process.

B. Website Redesign

The other major project that is currently underway is a complete redesign of the TEC's website. The TEC's website serves several vitally important functions, including access to the filing system, the ability to search and view disclosure reports and their data, and resources on how to understand and comply with the law or to file a complaint.

The TEC's existing website was designed by TEC staff and was completed in 2019. Common complaints include a confusing organization, unintuitive search features, and an outdated feel.

The TEC requested and received appropriations from the 88th Legislature to hire an outside vendor to help redesign the TEC's website. That work is currently underway and will result in a more modern website with better organization and more robust search features.

C. Automated Facial Compliance Audits

The next major project on the TEC's priority list came at the suggestion of the Sunset Commission. Specifically, Sunset staff had a number of recommendations on how to expand and improve the filing system's existing "error-check" feature, and also how to use the data generated by that feature to improve other aspects of the TEC's operations.

1. Expanded "error-check" functionality

The filing system has an existing feature called "error-check," which does the following: (1) it scans the content of a report just prior to finalization and submission, (2) it identifies certain missing fields, inconsistencies, and other probable violations, and (3) it notifies the filer of those issues and provides instructions on how to correct them prior to filing. Certain issues, like a failure to swear to the accuracy of the report, will prevent a filer from submitting the report until they are corrected. However, most of the issues identified by the error-check feature will allow the filer to override the notification and file the report without making any corrections.

Of course, there are limits to what the error-check feature can do. It is limited to looking only at the face of the report itself, so it would not be able to determine whether, for example, a report fails to include a specific expenditure or attributes a contribution to the wrong individual. But there are many potential issues that can be identified by looking only at the report, and the error-check feature does not currently look for all of them.

The purpose of this project is to expand the error-check feature to look for every possible issue that can be identified by looking only at the four-corners of a report. TEC staff has begun working to identify and document those issues for their future inclusion into the error-check feature.

2. Use error-check to automate facial compliance audits

The TEC’s enabling statute requires the TEC to randomly review reports for facial compliance, notifying filers of any issues and providing an opportunity to resubmit the report with corrections. Right now, that function is carried out by a TEC employee. However, Sunset staff recommended that it be carried out automatically by the filing system’s error-check feature.

This part of the project would involve: (1) identifying any report that was filed without correcting every issue identified by the error-check feature, and (2) automatically generating and sending notices of noncompliance to the filers of those reports.

3. Use error-check to inform enforcement decisions

The final piece of this project would involve transmitting information regarding uncorrected errors to the TEC’s enforcement division for potential action. The filing system should be able to generate a report regarding filers who submitted reports without correcting issues identified by the error-check feature. Enforcement staff could then use that report to determine whether to present the case to the commissioners for a vote to either initiate a full audit or a preliminary review.

D. Modernized Account Creation and Campaign Treasurer Filings

The final major project identified by the TEC is an overhaul of the account creation and management features, including the ability to file treasurer appointments through the filing system. This work will likely involve implementing identity verification and other security measures. But, when completed, the project will significantly improve the filer experience and reduce the need for TEC staff intervention and assistance.

VI. PENDING AND FUTURE MINOR PROJECTS

A. Upload Function for the Redaction of Expenditure Residence Addresses

TEC filers have the option of uploading .csv files to the EFS. Several filers with large campaign finance reports take advantage of this function. This minor project will apply that functionality to the check box that was added with HB 551, allowing for a filer to request that the home address of a payee be redacted.

The Agency anticipates that the items listed below will remain in progress until midway through the second quarter of FY27. We are currently prioritizing the approximately 36 enhancements in our backlog and working toward establishing an 18-month roadmap. This longer-range planning will support more effective resource allocation and financial planning for the Agency.

JIRA	Hours	Est Delivery	Priority	Name	POCN
4511	60	5/8/2026	1	2025-01: AFFD and Appeals	2025-01
4513	225	5/8/2026	2	2025-02: Calculate Penalties	2025-02
4510	80	4/29/2026	3	HB551 Imports	2026-06
4400	8	4/24/2026	4	FAM Late Reports Query	2026-04

4509	525	8/7/2026	5	Comprehensive JCOH	2026-01
4515	200	7/24/2026	6	FAM Filer Fines and Fees Dashboard	2026-02
4334	60	FY2027 -	7	PFS Report Deletion	2026-03
4512	200	FY2027 -	8	Filer Penalty Dashboard + Online Pay	2026-05
4456	120	FY2027 -	9	Add Online Payment Lobby	2025-04
4336	-	FY2027-	10	Automate Delinquent Filer Lists	-
4507	-	FY2027 -	11	Add New Document Code PAYPLAN	-
4338	320	FY2027 -	12	Automate Treasurer Appointments	-

VII. FISCAL 2030/2031 AND BEYOND

The TEC intends to continue improving the existing EFS, as described above, through at least the end of Fiscal Year 2031. Heading into the funding request period for FY30/31 (June 2028), the TEC plans to prepare a report evaluating whether to request funding for a full system replacement or to continue supporting ongoing maintenance. This evaluation will consider system capabilities, maintenance costs, the state of available technology, projected replacement costs, and several potential future scenarios. These scenarios include but are not limited to:

- retaining the system as-is;
- retaining the system with an emphasis on enhancing the existing user interface;
- rebuilding a system with a new vendor;
- contracting a new vendor to manage the existing system;
- adopting a commercial off-the-shelf (COTS) system, if one exists, that can be configured to meet the agency’s needs.

If a decision is made to replace the existing system, the funding request will include resources to retain the current vendor for an additional two to four years to ensure that the existing system continues to operate and meet the needs of Texas while the new solution is developed.

A preliminary report will be completed by January 2028 to help determine whether to pursue development of a new EFS.

VIII. INCREASED CONTRACT CONTROLS AND MONITORING

The TEC has also recently added new controls to ensure proper management of the EFS contract, which include the following.

- In August 2023, TEC renegotiated the maintenance contract which had previously included pre-purchased enhancement hours. The TEC no longer pre-purchases enhancement hours. Instead, individual projects are agreed to with the vendor with payments taking place only after delivery milestones are reached. individualized purchase order.

- The TEC and its vendor have also refined the process by which enhancements are requested. Below is a high-level overview of this uniform process.
 - The draft Project Change Request (PCR) Document is submitted to the TEC CSD Team.
 - A Unique Identifier is created for tracking, and the Project Manager reviews the document for completeness.
 - The Project Manager schedules internal review meetings to align the team on the requested scope.
 - The Project Manager submits the PCR to the CSD Director and TEC Executive Director for scope approval.
 - After approval, the PCR is sent to the RFD (vendor) for sizing and completion of the Vendor Proposal section.
 - CSD reviews the Vendor Proposal, requests any needed changes, and then routes it through Docusign for TEC signatures.
 - The TEC Executive Director, Director of Finance, and CSD Director review and sign the full PCR, including scope, budget, and tentative dates.
 - The fully executed PCR is stored in TEC SharePoint, and work begins based on priority and vendor bandwidth.
 - As deliverables are completed (design, UAT, production deployment, etc.), the PCR is routed through Docusign again for approval.
 - Throughout the lifecycle of the change request, all documentation is stored in TEC SharePoint to ensure team members can easily validate progress and to maintain a clear, accessible record for future reference
- More time is being dedicated to future planning.
 - CSD continues to draft requirements for improvement to the EFS and gets them in a ready state so that the vendor can begin work immediately once a project is completed. The process includes CSD requesting a price quote from the vendor, reviewing the quote, seeking approval from the TEC's CFO and Executive Director, and gets final agreement from the vendor. Having a document with the exact system requirements of the enhancement and firm pricing give concrete data to help the TEC place the improvement in its list of priorities.
 - The TEC is also continuing to work to evaluate available technology to ensure that the TEC is getting the best value for the state with its EFS system and maintenance contracts. The TEC is also working with DIR to find ways to limit its reliance on a single vendor, plan for contingencies, and to ensure all state rules regarding technology contracts are followed.
- Increased Contract Monitoring
 - TEC staff, pursuant to newly adopted contracting rules, has identified the EFS and website contract as contracts needed increased monitoring. This means that the commissioners receive at least quarterly updates on the progress of the contracts, including any problems that arise.
 - TEC removed outdated enhancement requests to ensure that the Agency can focus on the most relevant and critical work items.
 - TEC is currently meeting with the EFS vendor (RFD) four times per week, two team JAD sessions and two PM one-on-one sessions, to ensure high

visibility into the highest-priority work items. In addition, the vendor provides a monthly progress report that includes updates on top active and backlog priorities, server uptime for the reporting period, and the number of Maintenance/Enhancement hours worked over the last 30 days.

Collectively, these improvements in contracting, project oversight, planning discipline, and vendor coordination create a more controlled and transparent environment that will significantly enhance the Agency's ability to deliver high-quality system improvements.

IX. CONCLUSION

The TEC's ability to receive and make available the disclosure reports filed by candidates and state officers is arguably the most important function of the TEC. The EFS is the agency's largest and most significant contract.

Reflecting the importance of EFS, the TEC has committed additional resources to its development and ongoing use and will continue to do so. The TEC has added a project manager to its roster of 31 employees. The project manager has helped the TEC manage its technology projects more effectively, taken primary responsibility for communication with the agency's vendors, and serves as a liaison between the Computer Services Division and the TEC's executive team.

The TEC plans on asking the Legislature for additional funding to restructure its computer services division so that a director-level employee can be focused on developing and executing on strategy related to improving the EFS.