

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-2947/1	Introduction Number AB-0388	
Description Campaign financing, designations for the Wisconsin election campaign fund by individuals filing state income tax returns, creating a nonrefundable individual income tax credit for contributions to the Public Integrity Endowment, candidate time on public broadcasting television stations and public access channels, staffing of the Government Accountability Board; providing exemptions from emergency rule procedures; granting rule-making authority; making appropriations; and providing penalties		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.511		
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Fiscal Estimate Narratives

GAB 9/18/2009

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Assumptions Used in Arriving at Fiscal Estimate

This legislation establishes a means of providing public funds for candidates for state offices in primary and general election campaigns through the Public Integrity Endowment. The bill requires the Board to establish the Public Integrity Endowment as a nonstock, nonprofit corporation. The Endowment will be funded through a tax checkoff system, supplemented by the general fund as needed to ensure that every eligible candidate may receive full public funding. The bill establishes detailed criteria for qualifying for publicly funded grants from the Endowment and substantially increases the amount of any grant to which a candidate is entitled and substantially increases the amount a candidate may receive. The bill also establishes increased funding if a qualified candidate accepting a grant is opposed by a non-qualifying candidate or if the qualifying candidate is targeted by a significant amount of independent expenditures.

The legislation also creates a democracy trust fund for Supreme Court candidates. The bill quadruples, to \$400,000, the amount a Supreme Court candidate may receive. This amount is increased if a qualified candidate accepting a grant is opposed by a non-qualifying candidate or if the qualifying candidate is targeted by a significant amount of independent expenditures. The fund receives money from general purpose revenue.

The democracy trust fund would require an infusion of as much as \$2,800,000 in a contested election for Supreme Court Justice. Each qualifying candidate would be eligible for up to \$100,000 in campaign grants for the primary and \$300,000 in campaign grants for the election. If there are three qualifying candidates in the primary and two in the election the total amount of funding required would not exceed \$900,000.

However, if a qualifying candidate is opposed by non-qualifying candidates who exceed the spending limit by more than the amount of the grant, the qualifying candidate could receive an additional \$300,000 in the primary and \$900,000 in the election. If the qualifying candidate is targeted by independent expenditures that exceed the spending limit, the qualifying candidate could receive as much as an additional \$300,000 in the primary and \$900,000 in the election.

The detailed criteria to determine eligibility for initial funding or for supplemental funding will require the dedication of the equivalent of a full time resource to monitor compliance and ensure that all disbursements are timely distributed. The individual assigned to this project will have to audit reports, including special reports mandated by the legislation and direct the State Treasurer to make the proper disbursements in a timely manner. The work would be full time from January of an election for Supreme Court Justice through the following August. In addition, significant time would be dedicated to monitoring reports and determining eligibility from July preceding an election for Supreme Court Justice through December before the election.

Currently the agency has three full-time staff dedicated to auditing all campaign finance reports to ensure compliance with existing regulations. This function has been understaffed for more than a decade as campaign receipts and expenditures have skyrocketed. The addition of a full-time campaign auditor will ensure that the requirements of the legislation are met and enable the agency address a backlog of audits.

An additional campaign auditor will cost approximately \$35,000 in salary, \$14,000 in fringe and \$4,000 in support costs annually. In addition there would be one-time set up cost of \$5,000 for the position.

The bill also imposes new reporting requirements on nonresident registrants. Filing of this information will require changes to the Board's electronic Campaign Finance Information System. The costs for developing such changes is estimated to be a one-time expenditure of \$10,000.

The bill also requires daily reporting of campaign disbursements for some candidates by fax or e-mail. In order to make this information accessible to the public, the Board will need to hire temporary staff to enter this information into the electronic Campaign Finance Information System. This will necessitate a yearly expenditure of approximately \$5,000.

Long-Range Fiscal Implications

This legislation increases the amount of funding available to candidates for state offices. This is likely to significantly increase the number of candidates who take advantage of such funding. This will lead to greater, but indeterminate, general fund expenditures on an annual basis.