

### Fiscal Estimate - 2007 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>07-0464/1</b>	<b>Introduction Number</b> <b>SB-012</b>
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**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, statewide voter registration, staffing of the Elections Board, providing exemptions from emergency rule procedures, granting rule-making authority, providing penalties, and making appropriations

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input checked="" type="checkbox"/> Indeterminate	
<input checked="" type="checkbox"/> Increase Existing Appropriations	<input checked="" 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 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	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<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 <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<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 20.510	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
ELB/ Kevin Kennedy (608) 266-8005	Kevin Kennedy (608) 266-8005	1/31/2007

## Fiscal Estimate Narratives

ELB 2/1/2007

LRB Number	<b>07-0464/1</b>	Introduction Number	<b>SB-012</b>	Estimate Type	<b>Original</b>
<b>Description</b> 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, statewide voter registration, staffing of the Elections Board, providing exemptions from emergency rule procedures, granting rule-making authority, providing penalties, and making appropriations					

### Assumptions Used in Arriving at Fiscal Estimate

This legislation makes numerous changes in campaign financing law. For purposes of this fiscal estimate it is assumed that the law will be in place for the 2008 elections. The legislation provides for a significant infusion of state money to fund political campaigns for state office by increasing the amount of grant funds available and providing matching grants for eligible candidates who are the targets of independent expenditures or whose non-publicly funded opponent exceeds certain spending thresholds.

The increased \$5 taxpayer check-off will generate an estimated \$1.2 million which slightly more than five times the amount generated by the current \$1 check off.

For purposes of determining the amount of funding necessary for the publicly financed grants it is assumed the following number of candidates will qualify for and receive grants:

#### General Election Grant Amount

Governor 2 @ 1,400,000 2,800,000  
Lieutenant Governor 2 @ 175,000 375,000  
Attorney General 2 @ 245,000 490,000  
State Treasurer 2 @ 87,500 175,000  
Secretary of State 2 @ 87,500 175,000  
State Senator 20 @ 52,500 1,050,000  
State Representative 145 @ 26,250 3,806,250

Total funding for partisan contests 8,871,250

Note for the 2008 election cycle funding only applies to the legislative races.

#### 2008 and 2009 Spring and special elections

Supreme Court 4 @ 105,000 420,000  
State Superintendent 2 @ 87,500 175,000  
State Senator 2 @ 52,500 105,000  
State Representative 4 @ 26,250 105,000

Total funding for non-partisan and special election contests 805,000

For the purpose of estimating the possible match for independent expenditures, it is assumed that the level of independent expenditures for the 2008-2009 cycle is equal to the amount reported to the State Elections Board in 2003-2004. This amount would increase significantly in years in which the statewide partisan offices are up for election –Governor, Lieutenant Governor, Attorney General State Treasurer and Secretary of State. Based on that assumption the amount of independent expenditures that could be matched under the proposed legislation is \$2,570,300.

This estimate assumes no additional funding for matching spending by candidates that do not accept the public funding.

The agency will have to hire 6 LTEs at the Financial Specialist 2 level to audit and process the application and distribution of payments during even numbered years. The salary and fringe costs will be \$87,400. Initial

set-up costs for the positions will be \$20,000 and plus administrative costs of \$5,400 for the positions. These positions

The legislation subjects more financial activity to disclosure by eliminating reporting exemptions for non-resident political committees including national political party committees. The legislation also requires registration and disclosure of a significant amount of activity that is currently unregulated in the form of mass media communications, commonly known as issue ads. In addition, a large number of registrants will be required to file daily reports in the period immediately preceding the election. This will result in an increased workload for agency staff and increased memory capacity for the agency's campaign finance information system.

Additional administrative costs include changes to the campaign information system currently under development and one time costs for revision of forms, manuals and training materials (\$2,500).

### **Long-Range Fiscal Implications**

The public funding component will require \$7,000,000 in additional biennial funding to keep the legislative office accounts funded at the expected participation level. Statewide races will require at least another \$5,000,000 in funding. This does not include funding for matching spending by candidates that do not accept the public funding.