

Fiscal Estimate Narratives

GAB 4/12/2009

LRB Number	09-1600/1	Introduction Number	AB-0065	Estimate Type	Original
Description public financing of campaigns for the office of justice of the supreme court, making appropriations, and providing penalties.					

Assumptions Used in Arriving at Fiscal Estimate

This legislation establishes a means of providing public funds for candidates for Supreme Court Justice in primary and general election campaigns through the democracy trust fund, a segregated fund established by the legislation. The legislation establishes detailed criteria for qualifying for publicly funded grants from the fund. It also establishes a series of matching grants 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.

These detailed criteria 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 costs of \$5,000 for the position.

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.

Long-Range Fiscal Implications

Historically only a small number of elections for Supreme Court Justice are contested in a 10 year period. This has changed in recent years. The incentives in the legislation could lead to an increased number of contested Supreme Court races and keep spending to a scenario in which all candidates qualify for public funds. This would increase the administrative impact on agency staff to track qualification for and adherence with the detailed fundraising and reporting requirements, and would increase the potential outlay from the democracy trust fund.