

Fiscal Estimate Narratives

GAB 6/29/2009

LRB Number	09-1133/2	Introduction Number	SB-221	Estimate Type	Original
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					

Assumptions Used in Arriving at Fiscal Estimate

This bill will increase the amount of public financing to which a candidate will be entitled if the candidate chooses to accept public financing of a campaign through the Wisconsin election campaign fund. It is not possible to determine the effect of this increase on the number of candidates who choose public financing or the amounts that will be given to candidates.

The legislation establishes detailed criteria for qualifying for publicly funded grants. It also establishes criteria for increasing the amount a candidate may receive if a candidate accepting a grant is opposed by a candidate who does not accept public financing and makes expenditures exceeding specified limits 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.

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 bill also adds increased reporting requirements for non-resident political committees that are active in Wisconsin. The new reporting requirements will require changes to the Board's web-based Campaign Finance Information System (CFIS). We estimate a one-time cost of \$100,000 for an IT developer to implement the necessary changes.

Finally, the bill requires 24-hour reporting of certain contributions close to an election. The bill specifies that the reporting of such contributions be by e-mail or fax. Because the bill does not require that these contributions be reported using the existing CFIS, it will be necessary to hire LTE's or temporary workers to enter the reported information into CFIS so that it will be available to the public on-line. We estimate the cost for such help to be \$5,000/year.

Long-Range Fiscal Implications