

HB

497

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 497

Revision Date: _____

Title: Public Financing for State and Federal Campaigns

Sponsor: Finkelstein

Requestor: _____

Department Affected: Administration

BRU: Alaska Public Offices Commission

Component: Alaska Public Offices Commission

COMPONENT SERIAL NO.

0	0	7	0
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	3,450.0	0	2,200.0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	3,450.0	0	2,200.0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE: <small>Political Contributions Tax</small>	0	468.0	468.0	468.0	468.0	468.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	2,514.0	0	1,264.0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE: <small>Political Contributions Tax</small>	0	0	936.0	0	936.0	0
TOTAL	0	0	3,450.0	0	2,200.0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED PAGE

Prepared by: Karen Boorman, Executive Director
Division: Alaska Public Offices Commission

Phone: 276-4176
Date: March 2, 1992

Approved by Commissioner: Nancy Bear Ustera
Agency: Administration

Date: 3/11/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/O&A, Gov. Leg. Off., & Impacted Agency(ies)

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 497

ANALYSIS: (continued)

Introduction

This fiscal note covers only public funding to candidates ("grants, claims") and the tax on political contributions paid by candidates ("other fund source"). The legislative intent is that the tax be appropriated to provide public financing of campaigns. Thus the tax received in FY 94 would be appropriated in FY 95 as a grant to candidates eligible for public funding.

Contribution Tax Revenue

The political contributions tax, mandatory for all candidates who raise over \$5,000, will provide an annual estimated average revenue of \$468,000. The tax revenue will be greater in election years than in non-election years, but the size of the difference is unknown. This amount of revenue is based on the actual contributions received (in 1989 and 1990) by all state candidates for the 1990 elections and the actual contributions received (in 1989 and 1990) by the two candidates in the 1990 general election for U.S. House of Representatives and for the U.S. Senate.

FY 93 has no revenue because the effective date of HB 497 is January 1, 1993. As the tax is not due until a candidate files an Alaska Public Offices Commission (APOC) report covering a period after the effective date, no tax is due until January 15, 1994 (FY 94), as that is the due date for the year-end report.

Public Financing of Campaign

The public funding of grants to candidates will occur only in election years. The first election after HB 497 takes effect January 1, 1993, is the primary election in August 1994 (FY 95), at which candidates for Governor, Lieutenant Governor, 30 State Legislative seats, and one U.S. House seat will be eligible for public funding. In FY 97, 30 State Legislative seats, the U.S. House, and one U.S. Senate seat will be up for reelection. The amount of public funding APOC will distribute is based on the assumption that 50 percent of the state candidates, both major candidates for U.S. House, and one challenger to the U.S. Senate will qualify.

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Revision Date: _____

Department Affected: Administration

Title: Public Finance for State and Federal Campaigns

BRU: Alaska Public Offices Commission

Sponsor: Tinkelman

Component: Alaska Public Offices Commission

Requestor: _____

COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	155.7	148.9	153.5	156.1	162.6	166.3
TRAVEL	5.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	8.2	24.4	24.4	24.4	24.4	24.4
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	5.7	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	174.6	175.3	179.9	184.5	189.0	192.7

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	174.6	175.3	179.9	184.5	189.0	192.7
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	174.6	175.3	179.9	184.5	189.0	192.7

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

This represents the Alaska Public Offices Commission's (APOC's) administrative costs only. See separate fiscal note for campaign costs.

SEE ATTACHED PAGE

Prepared by: Karen Boyman, Executive Director
Division: Alaska Public Offices Commission

Phone: 276-4176
Date: March 2, 1992

Approved by Commissioner: Nancy Rose Utter
Agency: Administration

Date: 3/1/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Off. & Impacted Agency(ies)

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 497

ANALYSIS: (continued)

Administration

This bill creates a mechanism for financing eligible state and federal Alaskan campaigns with a tax on contributions. The Alaska Public Offices Commission (Commission) would administer the program. The Department of Revenue would collect the campaign contribution tax. The Commission would determine candidate eligibility, amount of public financing, and transmit funds to the candidate.

The implementation would result in start-up costs as the Commission develops this new program. Staff must develop reporting forms, manuals, review procedures to determine eligibility and amount of public funding, training and educational materials, and new regulations. Efforts will need to be made to inform prospective candidates and incumbents that public financing is available.

The Commission will receive many requests for advice and interpretation of the law, including initial eligibility, what contributions are eligible for matching public funds, and how much has been dispersed to whom. The Commission will have to coordinate closely with the Division of Elections on state candidates and the Federal Elections Commission on federal candidates. Education and training sessions about the public financing program will have to be conducted before and during the election cycle.

It is expected that several complaints will be filed each year alleging that a candidate has violated one of these provisions. Potential complaints include allegations that a candidate's campaign is not eligible for funds, a campaign received too much public financing, or did not comply with the expenditure or contribution cap.

The Commission will need to hold a hearing in FY 93 to adopt regulatory changes. The expenses of a hearing are not funded with the current FY 93 budget.

In order to meet the statutory requirements of the new law, the Commission will need to add a professional staff member (Associate Coordinator, Range 15) to investigate complaints, draft regulations, develop procedures, and provide compliance advice. For the first year only, a paraprofessional staff member (Regulations Specialist II, Range 16) will be necessary to help draft regulations, develop manuals and forms, develop procedures, and conduct education and training. Beginning in the second year, an Accounting Technician I (Range 12) will be needed to set up accounting procedures, compare and examine reports, determine eligibility and amount of tax and public financing. A Clerk IV (Range 9) will be needed to handle the additional paperwork and typing that cannot be absorbed by current clerical staff in the Anchorage office.

The Commission's current office in Anchorage is too small to house these new positions. Modest sized space is available in the building and could be made functional with minor remodeling. Two desks, chairs, and telephones will be required as well.

The Juneau office will require additional staff as well to provide assistance to candidates and to coordinate with the Anchorage office in administering the program. The Juneau office has one clerical support staff person for 20 hours per week, six months of the year (January through June) to assist the lobbying administrator. Upgrading this position to year-round 20 hours per week (January through December) would provide the additional assistance necessary.

A detailed breakdown of the costs associated with administration of this bill is attached.

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HB 497
APOC Estimated Costs

	FY 93	FY 94
Personnel:		
Associate Coordinator, Range 16A	\$ 59,705	\$81,456
*Regulations Specialist, Range 16A	52,422	-
**Accounting Technician I, Range 12A (Anchorage)	-	42,518
Clerk IV, Range 9A (Anchorage)	35,281	36,319
Clerk III, Range 8C (Juneau) (additional six months, 20 hours per week)	<u>8,351</u>	<u>8,612</u>
TOTAL	\$155,749	\$148,945
Travel:		
*Regulations Hearing	\$3,000	
Training	<u>2,000</u>	2,000
TOTAL	\$5,000	
Contractual Services:		
Instruction/Educational materials (design, print, postage for amended forms and manuals)	\$4,000	\$4,000
Office Space: 350 square feet @ \$1.00 sq ft./month	4,200	4,200
**Legal Fees-Hearings, Witness Fees, Subpoenas, Transcripts	<u>-</u>	<u>16,250</u>
TOTAL	\$8,200	\$24,450
Equipment:		
*Desk and Chairs (2)	\$1,200	-
*Telephone Installation/Equipment (2)	500	-
*1 Computer	<u>4,000</u>	-
TOTAL	\$5,700	

* Funding for Regulations Specialist, travel for regulations hearing, and equipment required for FY 93 only.

** Complaint investigation funds (legal fees) and accounting position will be necessary after FY 93.

Personal Services projected to increase at three percent per year for merit increases.

Position Title Regulations Specialist		No. of Positions 1	Range / Step 16A	Barg. Unit PX
Time Status Project Full-Time	Staff Months 12	Location Anchorage		Election District 99
TYPE OF EXPENDITURE		AMOUNT		
Salary		35.3		
Benefits		17.1		
Premium Pay		0		
Other		0		
Total Personal Services		52.4		
Travel		3.0		
Contractual		2.1		
Commodities				
Equipment		.9		
Other				
Total Cost		58.4		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	58.4		
I-A Receipts	1007			
CIP Receipts	1061			
Other				
Justification				
<p>HB 497 creates a new system of taxing political contributions and providing public financing grants to candidates. It imposes new reporting requirements and provides for civil and criminal penalties for violations. The Alaska Public Offices Commission (APOC) would determine the candidate's eligibility, the amount of public financing, and transmit funds to the candidates.</p> <p>The Regulations Specialist is necessary to help draft regulations, develop manuals, forms, and internal office procedures, and conduct regulation hearings. This position is necessary only for the first year.</p>				

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Request For New Position

AGENCY ADMINISTRATION
 DEU Alaska Public Offices Commission
 COMPONENT Alaska Public Offices Commission

FY 93

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Position Title Clerk IV		No. of Positions 1	Range / Step 9A	Borg. Unit
Time Status Permanent Full-Time	Staff Months 12	Location Anchorage		Election District
TYPE OF EXPENDITURE		AMOUNT		
Salary		227		
Benefits		174		
Premium Pay				
Other				
Total Personal Services		353		
Travel				
Contractual		21		
Commodities				
Equipment		8		
Other				
Total Cost		382		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.P. Match	1003			
General Fund	1004	382		
I-A Receipts	1007			
CIP Receipts	1061			
Other				
<p>Justification</p> <p>HB 497 creates a new system of taxing political contributions and providing public financing grants to candidates. It imposes new reporting requirements and provides for civil and criminal penalties for violations. The Alaska Public Offices Commission (APOC) would determine the candidate's eligibility, the amount of public financing, and transmit funds to the candidates.</p> <p>The new Clerk in the Anchorage office is necessary to handle the additional paperwork and typing that current clerical staff would not be able to absorb under the public financing program.</p>				

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Request For New Position

AGENCY ADMINISTRATION

BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

FY 93

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