

**Statement of costs for ballot measure 07CASE  
Prepared by the Alaska Public Offices Commission**

As required by AS 15.45.090(a)(4), the Alaska Public Offices Commission has prepared the following statement of costs to the State should the law proposed in Initiative 07CASE be approved by voters.

**Costs**

This initiative establishes public funding for state candidates who agree to limit their campaign spending. The Commission will be responsible for a new section which will administer the provisions of AS 15.14, for additional oversight of political campaigns.

**Administrative Costs**

Funding is required for 6 positions: an Accountant V, who will lead the section, an Accounting Technician III who will provide assistance to the manager and supervise the support staff; a Regulations Specialist/Compliance Auditor who will initially draft the regulations required to implement the act and then act as the chief auditor, two Administrative Assistants and an Administrative clerk.

Additional funding is needed to support the new positions, including supplies, equipment and support services. One-time funding is required to provide office space and work stations, with standard equipment, for the new employees.

The Alaska Public Offices Commission, Department of Administration, expects that general funds will be required for the following (dollar amounts are in thousands):

One-Time Costs:               \$ 112.4

One-time costs include office space for six employees including parts, labor, chairs, computers, workstation, filing cabinets, etc.

Salary and Benefits Costs: \$ 409.7

Yearly Operations Costs:   \$ 81.7

Total First Year Costs:     \$ 603.8

Total Continuing Costs:    \$ 491.4

The initiative would also require the State Department of Administration to implement a new debit card program for disbursing funds to candidates. The cost to implement such a program cannot be accurately estimated at this time without costly research.

The Division of Elections will provide access to the voter registration database, so that Commission staff can verify that makers of campaign contributions are registered voters in the appropriate election districts.

### **Campaign Financing Costs**

It is difficult to accurately estimate the cost of providing public funds to candidates under this initiative. The cost will depend on the number of candidates that choose to participate in the public campaign financing program, and several other factors. Because public funding is optional, candidates cannot legally be mandated to use it, and some candidates are likely to not choose public funding, lowering the total cost of the program. Other scenarios could be analyzed in addition to the examples below.

The following analysis is based on the percentages of candidates who chose to enroll in a similar program in Maine. Maine, along with Arizona, has the longest history with this program (4 election cycles). Although the numbers of statewide and district offices differ from state to state, the following cost analysis assumes an identical percentage of participation in Alaska as in Maine during the first year of operation (33%). The following is calculated using the number of primary and general election candidates in the 2006 election:

Primary Election (dollar amounts are in thousands)

<u># Candidates</u>	<u># Participating Candidates</u>	<u>Office</u>	<u>Amount</u>	<u>Total</u>
13	4	Gov.	\$ 250.0	\$ 1,000.0
8	3	Lt. Gov.	\$ 150.0	\$ 450.0
23	8	Senate	\$ 24.0	\$ 192.0
92	31	House	\$ 16.0	\$ 496.0
<b>TOTAL PUBLIC FUNDING FOR PRIMARY ELECTION BASED ON 33% PARTICIPATION</b>				<b><u>\$ 2138.0</u></b>

General Election (Dollar amounts are in thousands)

<u># Candidates</u>	<u># Participating Candidates</u>	<u>Office</u>	<u>Amount</u>	<u>Total</u>
6	2	Gov./Lt..	\$ 500.0	\$ 1,000.0
20	7	Senate	\$ 36.0	\$ 252.0



Because this program involves many interacting factors, it is difficult to accurately predict program costs. We have analyzed administrative costs, potential program costs based on a similar program in Maine, potential program costs if every Alaskan candidate chooses to enroll, and a discussion of the factors that interact in determining the costs of the program.