

## Citizens Clean Elections Commission

	FY 2020 ACTUAL	FY 2021 ESTIMATE	FY 2022 ESTIMATE
<b>FUND SOURCES</b>			
Other Non-Appropriated Funds	4,327,200	4,878,800	4,878,800
<b>TOTAL - ALL SOURCES</b>	<b>4,327,200</b>	<b>4,878,800</b>	<b>4,878,800</b>

**AGENCY DESCRIPTION** - As authorized by a 1998 ballot initiative, the Citizens Clean Elections Commission provides full public funding to qualified candidates who agree to abide by the commission's guidelines. To qualify for funding, participating candidates must adhere to spending and contribution limits and gather \$5 qualifying contributions from district constituents who are registered voters. Participating candidates also agree to attend required debates. The commission is not subject to legislative appropriation.

### Other Issues

#### Clean Elections Fund Balance

Proposition 200 was approved in the 1998 General Election, creating the Clean Elections Fund. The fund, which helps finance participating candidate campaigns, receives revenue from a 10% surcharge on civil and criminal fines, qualifying contributions from participating candidates, and penalties paid by candidates. A maximum of 10% of the fund's revenues may be used to enforce the Citizens Clean Elections Act, and another 10% must be spent on voter education.

The Clean Elections Fund balance has continued to grow since the program's inception. In FY 2020, the fund had revenues of \$6,529,400 for total available funds of \$34,365,200. This compares to spending of \$4,327,200 in FY 2020. In FY 2021, the commission estimates annual fund revenue will remain at \$6,529,400, compared to \$4,878,800 in ongoing spending. Along with surpluses from prior years, the commission forecasts the fund will have a balance of \$31,688,600 at the end of FY 2021.

Proposition 105, also approved by voters in 1998, sets limits on the Legislature's ability to modify statutory language in voter-approved ballot measures. Since the Clean Elections Fund was established by a ballot measure, using a portion of the remaining \$31,688,600 fund balance would require a new ballot measure or a three-fourths vote of each Legislative chamber that furthers the purpose of Proposition 200.

For more detail regarding the fund's revenues and expenditures, please see *Table 1*.

**Table 1**

#### CCEC Available Revenues and Expenditures

	FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>
<b>Funds Available</b>		
Balance Forward	\$27,835,800	\$30,038,000
<b>Revenue:</b>		
Civil Fine 10% Surcharge	\$ 6,488,400	6,488,400
Miscellaneous Receipts	40,600	40,600
Other Fines, Forfeitures, Penalties	400	400
<b>Total Revenue</b>	<b>\$ 6,529,400</b>	<b>\$ 6,529,400</b>
<b>Total Funds Available</b>	<b>\$34,365,200</b>	<b>\$36,567,400</b>
<b>Expenditures:</b>		
Personal Services	\$ 556,700	\$ 850,000
Employee Related Expenditures	192,700	300,000
Professional & Outside Services	2,322,800	3,165,300
Travel - In State	2,300	12,000
Travel - Out of State	0	4,000
Candidate Funding	694,100	15,000
Other Operating Expenses	552,100	451,500
Equipment	6,500	46,000
Transfers	0	35,000
<b>Total Funds Expended</b>	<b>\$ 4,327,200</b>	<b>\$ 4,878,800</b>
<b>Year-End Fund Balance</b>	<b>\$30,038,000</b>	<b>\$31,688,600</b>

#### Clean Elections Fund Transfers to the General Fund

Pursuant to the 1998 ballot proposition (A.R.S. § 16-954B), the CCEC is instructed to return excess monies to the General Fund if it determines that anticipated collections exceed anticipated expenses, with the requirement that anticipated expenses are assumed to be at the commission's statutory expenditure limit. The CCEC determines this on an annual calendar year basis by projecting revenues over the next 4 years and designating monies above the expenditure limit amount as "excess monies" to be transferred to the General Fund. To

calculate the commission's expenditure limit, statute directs CCEC to multiply the number of tax filings from the previous year by a predetermined spending limit coefficient (\$7 in 2020). The board has historically excluded carry-forward monies in its revenue calculations.

The most recent transfer was in FY 2012, when \$10,000,000 was transferred to the General Fund. For a complete list of Citizens Clean Elections Fund transfers to the General Fund, please see *Table 2*.

<b><u>Fiscal Year</u></b>	<b><u>Transfer</u></b>
FY 2003	\$ 1,774,600
FY 2004	3,828,000
FY 2005	973,900
FY 2006	2,500,000
FY 2008	18,876,200
FY 2009	7,000,000
FY 2010	10,000,000
FY 2011	20,000,000
FY 2012	<u>10,000,000</u>
<b>Total</b>	<b>\$74,952,700</b>