

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 422 (Senator Craig)
Economic and Environmental Affairs

State Administrative Board of Election Laws - Computerized Campaign Finance Reports

This bill authorizes the State Administrative Board of Election Laws (SABEL) to accept campaign finance reports submitted on a computer disk or other electronic medium. SABEL must establish criteria for submitting the reports in such a manner.

Fiscal Summary

State Effect: General fund expenditures could increase by up to \$291,100 in FY 1998, including one-time consultant fees and equipment costs. Out-year expenditures reflect annualization and inflation.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	-	-	-	-	-
GF Expenditures	291,100	231,400	238,100	245,100	252,200
Net Effect	(\$291,100)	(\$231,400)	(\$238,100)	(\$245,100)	(\$252,200)

Note: () - decrease; GF - general funds

Local Effect: If local elections boards choose to accept campaign finance reports in an electronic medium, county expenditures could increase by a potentially significant amount. No effect on revenues.

Small Business Effect: None. The bill would not directly affect small businesses.

Fiscal Analysis

State Expenditures: Currently, there are approximately 1,200 filers that submit campaign finance reports to SABEL. These filers submit approximately 6,000 reports over the four-year election cycle. As of January 1997, SABEL estimated that slightly more than 10% of its

1,000 open campaign accounts have computerized their campaign data.

Under the bill, SABEL may accept such reports in an electronic medium. The following estimates assume that SABEL would collect all campaign finance reports in such a manner. Since a small percentage of its filers have computerized their campaign data, SABEL envisions developing its own software program which would be provided to the filers. Under this scenario, general fund expenditures could increase by an estimated \$291,105 in fiscal 1998, which reflects the bill's October 1, 1997 effective date. This estimate reflects the cost of hiring one Computer Programmer, two Office Clerks, and seven contractual Office Clerks to prepare, maintain, and update the computerized campaign finance reports. It includes salaries, fringe benefits, one-time consultant fees (\$75,000), and ongoing operating expenses.

Salaries and Fringe Benefits	\$96,082
Software Consultant	75,000
Computer Equipment	44,594
Contractual Services	65,829
Operating Expenses	<u>9,600</u>
Total FY 1998 State Expenditures	\$291,105

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover for the permanent employees; (2) 2% annual increases in contractual services costs and other operating expenses; and (3) no consultant fees.

Local Expenditures: There are approximately 200 county candidates that have continuing committees that file with SABEL. Under existing law, these candidates must also file a copy of their campaign finance reports with their local elections boards. To the extent that the local elections boards also accept these reports in an electronic medium, county expenditures could increase depending upon the boards' existing computer technology and their compatibility with the SABEL-designed software. If the existing technology allows for easy use of the SABEL software, county expenditures would not be directly affected. However, if they are not compatible, county expenditures could increase due to the costs of upgrading the existing system or purchasing a new system. Although such costs cannot be determined beforehand, they could be significant.

Information Source(s): State Administrative Board of Election Laws, Department of Fiscal Services

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