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## STATE OF HAWAI'I CAMPAIGN SPENDING COMMISSION 235 SOUTH BERETANIA STREET, ROOM 300 HONOLULU, HAWAII 96813

February 7, 2013

TO: The Honorable Clayton Hee, Chair Senate Committee on Judiciary and Labor

> The Honorable Maile S.L. Shimabukuro, Vice Chair Senate Committee on Judiciary and Labor

Members of the Senate Committee on Judiciary and Labor

Kristin Izumi-Nitao, Executive Director FROM: Campaign Spending Commission

## SUBJECT: Testimony on S.B. No. 381, Relating to Comprehensive Public **Funding for Elections**

Friday, February 8, 2013 10:00 a.m., Conference Room 016

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission ("Commission") takes no position on this bill but offers the following comments.

Section 1 of the bill would limit the number of candidates that the Commission certifies to participate in the Pilot Comprehensive Public Funding for Elections to the Hawaii County Council program, or Act 244,<sup>1</sup> to twenty-five candidates. The Commission notes that in 2010 and 2012, only eight candidates were funded under Act 244 in each year. In the anticipation that the bill may increase participation in the program, the Commission respectfully request that an appropriation be made by the legislature to fund the program.

Also, on page 2, line 22 to page 3, line 1, of the bill, the reference to "election cycle" should be changed to "election period" to be consistent with Part XIII of Chapter 11, Hawaii Revised Statutes.

Section 2 of the bill amends the formula for computing the base amount of public funding for the primary and general elections by using the average of the amount spent by the winning candidates in the previous two elections, reduced by ten percent. As section 12 is currently worded, the base amount of public funding is the average of the amount spent by the winning candidate in the two previous elections of the same district, reduced by ten percent. Section 2

<sup>&</sup>lt;sup>1</sup>2014 is the last year for this pilot comprehensive public funding program. Also, under section 3 of Act 244, in order to run this pilot program in 2014, the Commission must determine if there is a minimum of \$3,500,000 in the Hawaii Election Campaign Fund ("HECF"). As of December 31, 2012, HECF's balance stood at \$3,190,437.02.

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would provide certified candidates with the same amount of public funding no matter which district they run in.

To illustrate, under section 12 of Act 244, the base amount of public funding for the 2014 elections will be:

District	Primary Election	General Election
1	\$3,780.49	\$7,260.01
2	\$13,781.48	\$0.00
3	\$12,058.37	\$450.76
3 4 5	\$11,366.93	\$2,956.81
	\$15,764.18	\$1,921.22
6	\$22,310.78	\$15,788.93
7	\$8,292.33	\$266.66
8	\$18,333.09	\$172.97
9	\$12,267.28	\$324.38

If this bill is passed, the base amount of public funding for certified candidates in all districts will be \$13,106.10 for the primary election and \$3,237.97 for the general election.<sup>2</sup>

This bill has a companion bill, H.B. No. 360.

<sup>&</sup>lt;sup>2</sup> Under section 12(a) of Act 244, the maximum amount of public funds that the Commission can expend is \$300,000. Thus the Commission would not be able to fund twenty-five candidates in the general election using the bill's formula for calculating the base amount. The total amount of public funds needed for twenty-five certified candidates would be \$408,601.75 (*i.e.*, \$13,106.10 x 25 = \$327,652.50 (primary) and \$3,237.97 x 25 = \$80,949.25 (general).