

# Ohio Elections Commission

**Senate Finance and Financial Institutions Committee**

*Terry Steele, Budget Analyst  
Legislative Service Commission*

*May 10, 2005*

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# **LSC Redbook**

## **for the**

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## **TABLE OF CONTENTS**

<b>Overview .....</b>	<b>1</b>
<b><i>Summary of FYs 2006-2007 Budget Issues.....</i></b>	<b>1</b>
<b><i>Uncontrolled Agency Costs Difficult to Anticipate .....</i></b>	<b>1</b>
<b><i>Campaign Finance Legislation.....</i></b>	<b>2</b>
<b><i>Staffing Levels .....</i></b>	<b>2</b>
<b>Facts and Figures.....</b>	<b>3</b>
<b>Analysis of Executive Proposal .....</b>	<b>4</b>
<b><i>Regulation .....</i></b>	<b>4</b>
<b>Requests Not Funded .....</b>	<b>5</b>
<b>Attachments:</b>	
<b>Catalog of Budget Line Items: Executive to House Passed</b>	
<b>LSC Budget Spreadsheet By Line Item</b>	

*May 10, 2005*

# Ohio Elections Commission

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- Total biennium budget of \$1,273,246
- Increased campaign finance filing requirements may result in increased complaints to ELC

## OVERVIEW

The Ohio Elections Commission (ELC) oversees political party spending, campaign finance, and corporate political contributions to ensure compliance with the Ohio Elections Law set forth in Chapter 3517. of the Revised Code. The Commission issues advisory opinions on campaign finance questions, responds to questions about campaign activities, and acts as an enforcement body and customer service center for the policing of campaign activities.

The Commission is comprised of seven members including three Republicans, three Democrats, and one Independent. The Commission employs a staff of three people, including an executive director and two administrative assistants.

### Summary of FYs 2006-2007 Budget Issues

The executive recommendation for ELC funding is \$636,623 in both FY 2006 and FY 2007, which is a 3.1% increase over FY 2005 estimates. A major change from the FYs 2004-2005 budget is a proposed shift in the source of funding. The recommended funding for the Commission GRF line item 051-321, Operating Expenses for both FY 2006 and FY 2007 is \$411,623, an increase of 28.4% over FY 2005 estimates. This is because the ELC is seeking to reduce its reliance on the Elections Commission Fund (Fund 4P2) to fund its operating costs, which constituted 51% of ELC's total budget in FYs 2004-2005. Surpluses in the fund have been diminished due to cuts in GRF funding and the corresponding increased reliance on Fund 4P2 for operating costs. By increasing GRF appropriations, the ELC will be better able to absorb any uncontrolled increases in agency costs, as well as any future potential cost increases that are a result of the increased filing requirements of H.B. 1 of the 125th General Assembly Special Session.

### Some Agency Costs Difficult to Anticipate

There are several issues that will affect the ELC's budget in the upcoming biennium. The ELC has been experiencing increased costs in areas outside of agency control. Commission member appointments come from areas of greater distances than their predecessors. As a result, there have been increased costs in travel reimbursements. Members are also traveling to commission meetings the night before due to distance, which has increased expenses for the Commission as well. The ELC has indicated in its budget request that in the FY 2004-2005 biennium there has been an increase in various expenses such as travel and lodging of approximately \$1,500 per month.

**Campaign Finance Legislation**

H.B. 1 of the 125th General Assembly Special Session made several changes and additional requirements to the filing of campaign finance statements. One of the primary charges of the ELC is to act on campaign finance related complaints filed by individuals, local boards of election, or the Secretary of State. The additional filing requirements of H.B. 1 have the potential to lead to an increased number of complaints due to late filing or failure to file proper campaign finance reports. Increased complaints would drive up the costs for the ELC, especially if the Commission would be required to meet more frequently to make determinations on an increased caseload. The ELC feels workload increases may only be short-term as individuals become accustomed to the various changes set forth by H.B. 1.

Conversely, the provisions of H.B. 1 may generate additional revenue for the ELC. The ELC is permitted to levy fines for violations of election law. Usually, a first offense results in a warning from the ELC. A second offense generates a \$100 fine. A third offense levies a \$200 fine. Any subsequent offense results in the doubling of fines for each offense thereafter. It is difficult to determine how many offenses stemming from complaints filed as a result of the requirements in H.B. 1 will lead to fines. Historically, the ELC receives approximately \$70,000 of fine revenue per biennium.

**Staffing Levels**

Ohio Elections Commission Staffing Levels						
Program Series/Division	2002	2003	2004	2005	Estimated	
					2006	2007
Regulation	10	10	10	10	10	10
<b>Totals</b>	10	10	10	10	10	10

The Elections Commission consists of seven appointed members. Three of the appointed members are Democrats, and three are Republicans. The final member is independent. The remaining three employees of the Elections Commission are the executive director, and two administrative assistants.

## FACTS AND FIGURES

The tables below illustrate statutory filing fees for candidates and ballot issues, and the portion of those fees that are received by the ELC. These fees are collected by the Secretary of State's office or appropriate county board of elections. The ELC estimates that it receives approximately \$300,000 per biennium from candidate and ballot issue filing fees.

<b>Fees for Filing Petition of Candidacy</b>		
<b>Office</b>	<b>Total Statutory Fee</b>	<b>Portion of total fee that goes to ELC (Fund 4P2)</b>
Statewide (Governor, U.S. Senate)	\$150	\$50
State Board of Education	\$55	\$35
Judge (Supreme Court judges pay statewide fee)	\$80	\$30
District (State legislators, U.S. Representatives)	\$85	\$35
City	\$45	\$25
County	\$80	\$30
Township and Village	\$30	\$20
School Board/Educational Service Center	\$30	\$20

<b>Fees for Filing Petitions for Ballot Questions/Issues</b>		
<b>Jurisdiction Affected by Question/Issue</b>	<b>Total Statutory Fee</b>	<b>Portion of total fee that goes to ELC (Fund 4P2)</b>
Statewide	\$25	\$25
City	\$12.50	\$12.50
County or Multi-County District	\$15	\$15
Precinct or Sub-County District	\$10	\$10
School Board/Educational Service Center	\$10	\$10

## ANALYSIS OF EXECUTIVE PROPOSAL

### Regulation

**Purpose:** This program series ensures and enforces compliance with Ohio's elections law by candidates for public office. The Commission hears, considers, and makes determinations regarding complaints filed by individuals or organizations and employees at the state and local levels of government.

The following table shows the line items that are used to fund the Regulation program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Revenue Fund</b>				
GRF	051-321	Operating Expenses	\$411,623	\$411,623
<b>General Revenue Fund Subtotal</b>			<b>\$411,623</b>	<b>\$411,623</b>
<b>General Services Fund</b>				
4P2	051-601	Ohio Elections Commission	\$225,000	\$225,000
<b>General Services Fund Subtotal</b>			<b>\$225,000</b>	<b>\$225,000</b>
<b>Total Funding: Regulation</b>			<b>\$636,623</b>	<b>\$636,623</b>

### Compliance, Investigation, and Enforcement

**Program Description:** The Commission issues advisory opinions on campaign finance and related subjects and hears complaints of wrongdoing filed. The majority of complaints deal with candidates, campaign committees, political action committees, or corporations that are either late in filing or fail to file the required campaign finance reports. Other cases heard and considered by the Commission concern the inclusion or exclusion of disclaimers on political literature, corporate activities in the political arena, or the inclusion of allegedly false statements in campaign materials.

**Funding Source:** GRF, election filing fees

**Line Items:** 051-321, Operating Expenses, and 051-601, Ohio Elections Commission

**Implication of Executive Recommendation:** The Governor's recommended funding levels would allow the ELC to meet its statutory obligations. In previous fiscal years, the ELC relied more upon revenues generated in Fund 4P2 to carry out its duties. The ELC derived 51% of its budget in FYs 2004-2005 from Fund 4P2. In this upcoming biennium, under the Governor's proposal, only 35% of the ELC's budget would come from Fund 4P2. Relying on GRF funds will allow the ELC to easily absorb uncontrolled cost increases that have occurred over the past biennium, and any further cost increases that may result from the requirements of H.B. 1.

**Temporary and Permanent Law Provisions:** None.

## **REQUESTS NOT FUNDED**

The Elections Commission's budget request was fully funded at \$636,623 in FY 2006 and FY 2007.

## General Revenue Fund

### GRF 051-321 Operating Expenses

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$277,494	\$296,065	\$293,828	\$294,857	\$411,623	\$411,623
	6.7%	-0.8%	0.4%	39.6%	0.0%

**Source:** GRF

**Legal Basis:** Section 43 of Am. Sub. H.B. 95 of the 125th G.A.

**Purpose:** Funds in this line item are used to pay personnel, maintenance, and equipment costs for the Ohio Elections Commission.

## General Services Fund Group

### 4P2 051-601 Ohio Elections Commission

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$296,319	\$308,174	\$314,737	\$321,766	\$225,000	\$225,000
	4.0%	2.1%	2.2%	-30.1%	0.0%

**Source:** GSF: Filing fee revenue from declarations of candidacy and ballot question/issue; fine revenue from violators of Ohio's election laws

**Legal Basis:** Section 43 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. S.B. 9 of the 121st G.A.)

**Purpose:** Moneys appropriated to this line item pay expenses related to the operation of the Ohio Elections Commission.

**LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007**

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>Estimated 2005</i>	<i>As Introduced 2006</i>	<i>House Passed 2006</i>	<i>% Change Est. 2005 to House 2006</i>	<i>As Introduced 2007</i>	<i>House Passed 2007</i>	<i>% Change House 2006 to House 2007</i>
<b>ELC Ohio Elections Commission</b>									
GRF	051-321	Operating Expenses	\$294,857	\$ 411,623	\$ 411,623	39.6%	\$ 411,623	\$ 411,623	0.0%
<b>General Revenue Fund Total</b>			<b>\$ 294,857</b>	<b>\$ 411,623</b>	<b>\$ 411,623</b>	<b>39.6%</b>	<b>\$ 411,623</b>	<b>\$ 411,623</b>	<b>0.0%</b>
4P2	051-601	Ohio Elections Commission	\$321,766	\$ 225,000	\$ 225,000	-30.1%	\$ 225,000	\$ 225,000	0.0%
<b>General Services Fund Group Total</b>			<b>\$ 321,766</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>-30.1%</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>0.0%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 616,623</b>	<b>\$ 636,623</b>	<b>\$ 636,623</b>	<b>3.2%</b>	<b>\$ 636,623</b>	<b>\$ 636,623</b>	<b>0.0%</b>