

Honolulu, Hawaii

FEB 11 2016

RE: S.B. No. 2438

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2438 entitled:

"A BILL FOR AN ACT RELATING TO CAMPAIGN FINANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Change the source of funding for the operating expenses of the Campaign Spending Commission from the Hawaii election campaign fund to the general revenues of the State; and
- (2) Appropriate an unspecified amount to the Campaign Spending Commission for operating expenses, including staff salaries and fringe benefits.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, Americans for Democratic Action Hawaii, Common Cause Hawaii, League of Women Voters of Hawaii, and two individuals.

Your Committee finds that the Hawaii election campaign fund is the source of funding for the State's partial public funding program. According to the Campaign Spending Commission, for the past seven fiscal years, the Commission has operated at an average net deficit of approximately \$524,000. If this trend continues, the Commission projects that the funds in the Hawaii election campaign fund will be close to depletion as early as August 2017,



which may result in the Commission running a limited public funding program. Furthermore, by December 2017, the funds are projected to be near depletion, which will result in the Commission being unable to run the partial public funding program for the 2018 election. This measure restores the original purpose of the Hawaii election campaign fund to fund the partial public funding program while maintaining a consistent funding source for the operating expenses for the Campaign Spending Commission to maintain the partial public funding program.

Your Committee has amended this measure by inserting the appropriation amount suggested by the Campaign Spending Commission to cover the Commission's operating expenses, including salaries and fringe benefits for fiscal year 2017.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2438, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



GILBERT S.C. KEITH-AGARAN, Chair



