

# Fair Elections Fund Proposal for Technical Fix



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# Fair Elections Fund (FEF) Goal

- Maintain clear and consistent rules for all candidates throughout the election cycle
- Appropriately allocate and budget for consumer price index (CPI) increase
- The FEF is narrowly targeted, ensuring we are able to make technical corrections as needed
- Our overall goal is to maintain the intent of the voter-approved measure without any substantive changes to the FEF policy



# The Problem at Hand

- The Office of the Clerk and Recorder (OCR) identified technical issues in the Fair Elections Fund Act's once-a-cycle consumer price index (CPI) inflation adjustment
  - The \$2.88 per resident General Fund transfer is CPI adjusted, *and then rounded to the nearest \$5.00.*
  - The annual transfer would increase 74% due to this rounding error – costing the General Fund an increase of more than \$1.1 million annually
  - The CPI adjustments for contribution limits were unevenly applied
- A drafting error omitted a section on non-election year reporting requirements



# Appropriation Forecast

- Sec.15-51 currently requires that the OCR make a CPI adjustment *and then round to \$5.00*. Correction makes CPI adjustment and round to nearest, lowest penny.
- Clarify timing of GF obligation – OCR will make adjustment in 2024, with appropriation starting in 2025. Allows for DOF to include in budget process

Annual Appropriation Per Resident		Annual General Fund Transfer
Current	\$2.88	\$2,065,892.00
If No Action Taken	\$5.00	\$3,566,260.00
Estimated CPI-Adjusted Appropriation if Bill Passes	\$3.45	\$2,460,719.40



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# Equity in CPI Adjustment Application

- It's important to clarify that the inflation adjustment to individual donation limits applies to FEF and Non-FEF candidates (Sec 15-54)
- Donation limits for all candidates will be CPI adjusted and rounded to the nearest, lowest \$5.00
- Updates CPI index to renamed Denver-Aurora-Lakewood Index (15-54, 15-37)



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# Non-Election Year Campaign Finance Reporting

- This ordinance fixes the drafting error in CB22-1641
- Based on prior FinGov feedback, it will maintain semi-annual reporting for the first two years of an election cycle (15-35)
- Overall, it will align with the deadlines for required ethics reports, with one month to prepare reports



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# Questions?