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THE STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

REPORTER'S TRANSCRIPT OF PUBLIC MEETING

Phoenix, Arizona
December 1, 2011
9:30 a.m.

Reported By:
Angela Furniss Miller, RPR
Certified Reporter (AZ 50127)

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1 A PUBLIC MEETING, BEFORE THE CITIZENS CLEAN
 ELECTIONS COMMISSION, convened at 9:30 a.m. on December
 2 1, 2011, at the State of Arizona, Clean Elections
 Commission, 1616 W. Adams, Conference Room, Phoenix,
 3 Arizona, in the presence of the following Board members:

4 Mr. Jeff Fairman, Chairperson
 Mr. Timothy Reckart
 5 Ms. Lori Daniels
 Mr. Louis Hoffman
 6 Mr. Thomas J. Koester

7 OTHERS PRESENT:

8 Todd Lang, Executive Director
 Colleen McGee, Deputy Director
 9 Paula Thomas, Executive Assistant
 Daniel Ruiz, II, Campaign Finance Manager
 10 Michael Becker, Voter Education Manager
 Steve Clawson, Moses Anshell
 11 Chad Wilson, Moses Anshell
 Sam Wercinski, AZ Advocacy Network
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P R O C E E D I N G

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 3 CHAIRPERSON FAIRMAN: Good morning, everybody.
 4 Welcome to the December 1st edition of the Citizens
 5 Clean Elections Commission. Appreciate you all being
 6 here.
 7 Before we get started, I'd like to read a quick
 8 little statement: The Commission may vote to go into
 9 executive session, which will not be open to the public,
 10 for the purpose of obtaining legal advice on any item
 11 listed on the agenda, pursuant to A.R.S.
 12 38-431.03(A)(3).
 13 With that, first order of business is to --
 14 second order of business is for approval of the
 15 October 27 meeting minutes. I hope you've all read
 16 those.
 17 COMMISSIONER RECKART: It took a while.
 18 CHAIRPERSON FAIRMAN: It took a while.
 19 Do I have a motion?
 20 COMMISSIONER DANIELS: Mr. Chairman, I move
 21 that we adopt the October 27th, 2011, minutes.
 22 CHAIRPERSON FAIRMAN: Okay. Thank you. And a
 23 second?
 24 COMMISSIONER RECKART: Second.
 25 CHAIRPERSON FAIRMAN: We have a motion and a

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1 second. All in favor by saying "aye."
 2 (Chorus of ayes.)
 3
 4 CHAIRPERSON FAIRMAN: Any opposed? No. Thank
 5 you very much.
 6 These were much easier to read this time
 7 because of the brevity, so.
 8 Third on our agenda is the Executive Director's
 9 report. Todd, please go right ahead.
 10 MR. LANG: Thank you, Mr. Chair. Good morning,
 11 Commissioners. Just two items I'll -- I'll highlight
 12 for you. One is I'm going to the COGEL conference this
 13 year; sadly, I'm going alone. But I will be speaking
 14 at -- at -- at one of the sessions on Tuesday. So, I'll
 15 be out of town from Sunday through Wednesday.
 16 CHAIRPERSON FAIRMAN: Is that what prompted the
 17 -- the removal of the facial hair?
 18 MR. LANG: No. My -- my elderly appearance is
 19 what...
 20 CHAIRPERSON FAIRMAN: I was just wondering.
 21 MR. LANG: Also, we've been working with the
 22 Secretary of State's office to implement the computer
 23 requirements and procedures necessary to -- to -- to
 24 come into compliance with the new law in the state of
 25 Arizona regarding electronic signatures. And what it

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1 basically means is you will be able to collect your \$5
 2 con- -- qualifying contributions and the petition
 3 signatures online.
 4 And as -- because it's the first year and
 5 everything is new, you can only do half of your required
 6 signatures this way. Which means, actually, you'll be
 7 getting less than half of what you need, because, of
 8 course, you want to get more than the minimum, because
 9 some of them will be invalid. So, we've been working
 10 with them on that. It's been a great working
 11 relationship. There are some challenges, but I think
 12 we've got it mostly worked out and it's going forward.
 13 CHAIRPERSON FAIRMAN: One question, the
 14 Secretary of State's office, what -- what format do they
 15 prefer? Do they use a PayPal or what -- what do they --
 16 MR. LANG: Interesting question, yeah. And
 17 that was discussed at some length. Ultimately, PayPal
 18 was decided --
 19 CHAIRPERSON FAIRMAN: Okay.
 20 MR. LANG: -- as the payment form, because of
 21 the universal use of it and the simplicity of it.
 22 There were issues raised by some of the
 23 Commissioners and -- and others about the fact that
 24 that's a proprietary program, and -- but, ultimately, it
 25 was decided for this first test year, that's going to be

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1 the way they're going to function.

2 CHAIRPERSON FAIRMAN: And I think I've seen

3 PayPal has some competition coming forward, so it may

4 not be the case in future years, who knows.

5 MR. LANG: Good.

6 CHAIRPERSON FAIRMAN: Good. Thank you, Todd.

7 MR. LANG: I like competition.

8 CHAIRPERSON FAIRMAN: Yes. Any questions for

9 Mr. Lang? Okay. Thank you very much.

10 Next is Item IV, and that's discussion and

11 possible action on proposed rule change to R-20-105(D),

12 certification for funding. Todd?

13 MR. LANG: Thank you, Mr. Chair.

14 Commissioners, this is a first consideration of this

15 rule change. You'll notice (C) is in there. That will

16 be final in January, regarding electronic contributions.

17 And (D) is an additional requirement that's

18 come up in the discussions we just -- that I just

19 referred to with the Secretary of State's office. You

20 have our statute, which requires these signatures; and

21 then you have the electronic statute, which really

22 doesn't accommodate that. And this rule would allow

23 them to do it, if -- if approved, without getting the

24 signature of the solicitor.

25 In practice, as you know, mostly -- we often
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1 MR. LANG: No. You -- there'll -- there'll be

2 a provision -- I mean, it's not finalized, but the way

3 the software will work is the default is no solicitor.

4 If there was a solicitor, you will have the option of

5 listing that solicitor. Is that -- yeah.

6 MR. RUIZ: It will default as the candidate.

7 MR. LANG: Oh. The default is the candidate

8 will be the solicitor. And then you can either change

9 it to no solicitor or someone else's name.

10 COMMISSIONER HOFFMAN: When you say "you" can

11 change it --

12 MR. LANG: The -- I'm sorry. The -- the

13 five -- the contributor, the person giving the \$5.

14 COMMISSIONER HOFFMAN: So, the person would

15 identify the solicitor, but the challenge is that the

16 solicitor is not online at the same time that the form

17 is filled out?

18 MR. LANG: Well, in most cases, the solicitor

19 will be the -- it will be at an event where there will

20 be a computer and the solicitor will be filling out the

21 form. And in that case, of course, the solicitor would

22 be -- would be used. But in the case where someone

23 wants to just go online and give -- and you will given a

24 list of everybody in your district that you could give

25 \$5 to, and everyone in your district -- and it's by
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1 don't get solicitor information because it's

2 self-solicit, there was no solicitor. And so the

3 utility of -- of insisting on this with the electronic

4 signatures is low. But it's something we're still

5 looking into, and we expect to get feedback from both

6 the Commissioners and the public on it. And, so, we'll

7 let you know.

8 Given that, we'd like you to approve it for --

9 for comment, for 60-days' notice and comment. And --

10 and, then, if -- if you have concerns, we can consider

11 those and -- and reconsider the -- the proposal at the

12 next -- at the meeting.

13 CHAIRPERSON FAIRMAN: Good. Thank you.

14 MR. LANG: In February.

15 CHAIRPERSON FAIRMAN: Any questions for

16 Mr. Lang on this?

17 COMMISSIONER HOFFMAN: Yes, Mr. Chair.

18 Mr. Lang --

19 CHAIRPERSON FAIRMAN: Mr. Hoffman.

20 COMMISSIONER HOFFMAN: -- I wondered, are there

21 cases where online qualifying contributions would be --

22 where there would be a solicitor and other cases where

23 there would not be a solicitor?

24 Or is there -- is -- is by the nature of

25 online, not a solicitor?
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1 district, which is pretty cool -- everyone in your

2 district whose petition you may sign.

3 And you will be able to -- so, in addition to

4 the whoever -- whatever prompted you to go to the

5 particular candidate's \$5 page, you will get an

6 opportunity to look at everybody else who is available,

7 whether it's for Clean Elections contributions or for

8 just signature gathering. And in those cases, of

9 course, there -- there may well not be a solicitor.

10 COMMISSIONER HOFFMAN: Okay. But in cases

11 where there is a solicitor, the problem being addressed

12 is that the solicitor is not online at the same time?

13 MR. LANG: That's right.

14 COMMISSIONER HOFFMAN: Or not necessarily

15 around at the computer -- when the computer -- at the

16 computer when the person is logged in?

17 MR. LANG: That's right.

18 COMMISSIONER HOFFMAN: Is the -- why did they

19 decide to do -- default to the --- have the software

20 default to this "candidate" rather than the "no

21 solicitor"?

22 MR. LANG: I think that's what more candidates

23 use, because they send out the mail. You know, they

24 send out the direct mail or what have you, or the

25 e-mail, and it comes from the campaign or the candidate
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1 and it's officially endorsed; and so in those cases, the
 2 candidate would be the appropriate solicitor.
 3 You have any other thoughts on that?
 4 MR. RUIZ: We envision most of the traffic to
 5 the system coming from the candidate's website, which
 6 will say: Contribute to me electronically; if you click
 7 on that link, it will automatically sort of default as
 8 the candidate. Now, if, say, Commissioner Daniels sent
 9 you an e-mail saying: Please contribute to this
 10 person," you can put in the solicitor: Commissioner
 11 Daniels solicited you for that \$5 contribution.
 12 COMMISSIONER DANIELS: And we'll both be in
 13 trouble because we can't do that.
 14 COMMISSIONER HOFFMAN: Yeah. That's a --
 15 COMMISSIONER DANIELS: Not allowed.
 16 COMMISSIONER HOFFMAN: -- bad example.
 17 COMMISSIONER DANIELS: No, it's okay.
 18 MR. LANG: Just for the record, she said she
 19 wouldn't do that.
 20 COMMISSIONER DANIELS: Yeah. Promise.
 21 COMMISSIONER HOFFMAN: Yeah. Okay. So -- so,
 22 for that reason, they thought that the most likely case
 23 was the candidate and therefore they put that as the
 24 default? Thank you.
 25 CHAIRPERSON FAIRMAN: Any other questions?
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1 slips.
 2 CHAIRPERSON FAIRMAN: Right.
 3 MR. LANG: Going door-to-door and face-to-face.
 4 CHAIRPERSON FAIRMAN: Understood. Understood.
 5 COMMISSIONER HOFFMAN: If I may, Mr. Chair.
 6 CHAIRPERSON FAIRMAN: Commissioner Hoffman.
 7 COMMISSIONER HOFFMAN: The third -- there is a
 8 third point, that it -- that previously, \$5 qualifying
 9 contributions could be obtained by a solicitor other
 10 than the candidate.
 11 CHAIRPERSON FAIRMAN: Of course. Of course.
 12 COMMISSIONER HOFFMAN: And then the -- the
 13 benefit of the candidate meeting the person in -- in
 14 face-to-face is not met anyway.
 15 CHAIRPERSON FAIRMAN: Of course. I understand
 16 that. I understand.
 17 Okay. So, do we have a motion on this item?
 18 COMMISSIONER HOFFMAN: Mr. Chair, I have some
 19 concerns with it, but I -- I would move that we put it
 20 out for public comment to see what the reactions are.
 21 CHAIRPERSON FAIRMAN: Okay.
 22 COMMISSIONER DANIELS: Second.
 23 CHAIRPERSON FAIRMAN: And a second?
 24 We have a motion and a second.
 25 COMMISSIONER HOFFMAN: I'm sorry. That should
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1 I -- I have a thought and I just want to -- to
 2 state this, it's certainly not a question, but I do find
 3 it frustrating that I -- I personally believe the \$5
 4 matching contribution was an important part of this
 5 process, because it got candidates and others out to
 6 talk and to raise money and to raise those \$5, and
 7 really became a grass roots kind of a thing, and this
 8 eliminates that option. And I think it detracts
 9 somewhat from the original intent, personally.
 10 MR. LANG: I -- I -- I -- one of the wonderful
 11 benefits of the \$5 contribution system is that voters
 12 get to meet the candidates --
 13 CHAIRPERSON FAIRMAN: Right.
 14 MR. LANG: -- and -- and -- and that certainly
 15 is a benefit. But remember two things: One, Internet
 16 solicitations are happening all over and it's, you know,
 17 obviously, revolutionized the way campaigns are run.
 18 CHAIRPERSON FAIRMAN: Look at this gray hair,
 19 Todd.
 20 MR. LANG: Yes.
 21 CHAIRPERSON FAIRMAN: That's why.
 22 MR. LANG: But the second part is, remember
 23 this is only half.
 24 CHAIRPERSON FAIRMAN: Right.
 25 MR. LANG: So you still have to get a lot of
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1 be clearer.
 2 CHAIRPERSON FAIRMAN: Please.
 3 COMMISSIONER HOFFMAN: Move that we publish the
 4 modification to R2-20-105 part (D), as stated in Agenda
 5 Item No. IV, for public comment -- publish it for public
 6 comment.
 7 CHAIRPERSON FAIRMAN: Thank you.
 8 COMMISSIONER DANIELS: Second.
 9 CHAIRPERSON FAIRMAN: Okay. We have a motion
 10 and a second, all in favor -- all in favor, signify by
 11 saying "aye."
 12 (Chorus of ayes.)
 13
 14 CHAIRPERSON FAIRMAN: Any opposed? No. Thank
 15 you very much. It passes unanimously.
 16 Next item is Item V, discussion and possible
 17 action regarding voter education plan, materials, and
 18 expenditures litigation. We may choose to -- to go into
 19 executive session for this. Before we do that, Todd or
 20 Mr. Collins, do you have any -- any comments or thoughts
 21 to begin this conversation?
 22 MR. COLLINS: Not much, other than to say
 23 that -- that the group called the "No Taxpayer Money For
 24 Politicians," and a gentleman named Jonathan Paton, who
 25 is a former state lawmaker from Tucson, are plaintiffs
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1 in this case -- are plaintiffs in this case and they
 2 filed a lawsuit. And, you know, and we're -- we -- we
 3 should discuss how we -- how you all would like to
 4 respond to that.
 5 CHAIRPERSON FAIRMAN: Thank you very much. Do
 6 I have a motion to go into executive session?
 7 COMMISSIONER RECKART: So moved.
 8 CHAIRPERSON FAIRMAN: Is there a second?
 9 COMMISSIONER HOFFMAN: Second.
 10 CHAIRPERSON FAIRMAN: There is a motion and a
 11 second. All in favor by saying "aye."
 12 (Chorus of ayes.)
 13
 14 CHAIRPERSON FAIRMAN: Any opposed? No. Thank
 15 you very much.
 16 We're going to go into executive session. And,
 17 we do have other items on the agenda, so please --
 18 please hang around.
 19 (Whereupon the public retires from the meeting
 20 room.)
 21
 22 (Whereupon the Commission is in executive
 23 session from 9:42 a.m. until 10:26 a.m.)
 24
 25 * * * * *

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1 for the Commission. Before we go into the 2012 plan, I
 2 just want to review that -- what we did in 2011. We
 3 created a new campaign, "Working For a Better Tomorrow."
 4 In that campaign, we had scenes of Arizonans building
 5 homes, working with children, as well as volunteering in
 6 shelters, showing all the good things that are going on
 7 in the state of Arizona. Then throughout the spot, we
 8 remind the viewer that people can also run for office
 9 and make a change in Arizona, and make things better,
 10 and Clean Elections helps make that possible by opening
 11 a door for people that may not be well-heeled or have
 12 big-pocketed friends.
 13 At the end of all the spots, we have a website,
 14 CleanElections101.com, which we encourage people to go
 15 to get more information.
 16 2011 saw the creation of CleanElections101.com.
 17 It was brand-new. And what it is, it's a landing page
 18 for -- for people to go to, and has six videos on it
 19 that explain: What is Clean Elections; how does it
 20 help; how is it funded; who uses Clean Elections; how
 21 you can give to the Commission; and how you can run
 22 using Clean Elections. And there's anywhere from 30
 23 seconds to a minute spots that just give a brief
 24 overview and allow the person that's going there for
 25 information to get a quick -- quick insight of what

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1 (Whereupon all members of the public are
 2 present and the Commission resumes in general session.)
 3
 4 CHAIRPERSON FAIRMAN: Let's reconvene today's
 5 meeting of the Clean Elections Commission.
 6 With regard to Agenda Item V, do we have a
 7 motion?
 8 COMMISSIONER RECKART: I have a motion,
 9 Mr. Chairman. I move that although the Citizens Clean
 10 Elections Commission has not been sued as a body and
 11 thus we do not believe Commission action is necessary,
 12 that nevertheless we authorize Mr. Collins to proceed as
 13 we directed him in executive session.
 14 COMMISSIONER HOFFMAN: Second.
 15 CHAIRPERSON FAIRMAN: Motion and second. All
 16 in favor say "aye."
 17 (Chorus of ayes.)
 18
 19 CHAIRPERSON FAIRMAN: Any opposed? No. Thank
 20 you very much. Motion carries.
 21 On to Item VI. That is discussion and possible
 22 action on the 2012 Voter Education Plan. Mike, you
 23 going to regale us with that?
 24 MR. BECKER: That I am. Good morning,
 25 Commissioners. Before you is the 2012 education plan

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1 Clean Elections is; and then it encourages you to go to
 2 the Commission's website for more details.
 3 We also continued our relationship with the
 4 University of Arizona, Arizona State University, as well
 5 as the Phoenix Coyotes, where we had educational spots
 6 running throughout their games. We had -- for example,
 7 for the Coyotes, we've had sponsorship of the "Hero of
 8 the Game," which sig- -- recognizes a -- somebody from
 9 the Armed Forces, a veteran, for their service to -- to
 10 the country, and we've sponsored that.
 11 When it comes to Arizona State University,
 12 we've been on -- they have football, basketball,
 13 baseball, we've been on their -- on the radio as well;
 14 same with Coyotes; same with University of Arizona.
 15 Again, each of those venues also has the
 16 CleanElections101.com website on it to encourage people
 17 to go and get more information.
 18 For those venues, we created kind of a -- a
 19 secondary campaign, which was "exercise your right to
 20 get involved." We felt it was a good way to get a
 21 different message, but a positive message, out to the
 22 people in the -- in the -- in the sports world, to have
 23 them come and see what Clean Elections is all about.
 24 Now, for 2012 -- yes, sir.
 25 CHAIRPERSON FAIRMAN: May I ask a question on

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1 2011?

2 MR. BECKER: Sure.

3 CHAIRPERSON FAIRMAN: In your experience here

4 in the Commission, did you receive any direct input from

5 someone who saw they were at a Coyotes game and they saw

6 the ad and they happened to call the office or -- or

7 talked to you personally? What's been the results?

8 What's been the response?

9 And I would -- I would issue that up to almost

10 anyone on staff or the Commission. I will tell you from

11 my point of view, I have heard from a number of

12 different people who know me and know that I serve on

13 the Commission, and it brought some awareness to the

14 fact that the Clean Elections did exist. And I don't

15 know if that's the case for the rest of you or not. But

16 it was interesting for me.

17 MR. BECKER: Commissioners, there's no question

18 that we received several phone calls. In fact, people I

19 know that are not supporters of Clean Elections, have

20 seen the information, whether it's the television spot

21 or the information at the Coyotes games or at Arizona

22 State University, and they said, hands down, that it's a

23 fantastic spot, it conveys a good message, and they --

24 they liked it, even though they don't agree with what's

25 going on. They think it's very well done.

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1 have an opportunity to see them and -- and -- and

2 contact us and get involved in the process.

3 Also recommending we continue our relationship

4 with the University of Arizona, Arizona State

5 University, as well as the Phoenix Coyotes. As Todd

6 mentioned, and as the Chairman has mentioned, there have

7 been people that have seen these -- the ads and seen

8 what's been presented at the -- the sporting events, and

9 it has encouraged them to find out more information.

10 Whether or not they run for office, the fact that they

11 are getting more information is what we're trying to do

12 and educate the population about Clean Elections.

13 Also, I've been contacted by the Phoenix Suns,

14 asking if we'd like to be involved with them as well.

15 And I'd be happy to set up a time and meet with them, if

16 that's what the Commission would like me to do.

17 One thing to note about our relationship with

18 the sporting teams, we have a deadline of December 15th

19 of when we need to let them know whether or not we want

20 to continue our relationship moving into 2012. After

21 that deadline, we will have -- our relationship will --

22 will end, if we -- if we want it to, or we can continue

23 if we move forward; it's up to the Commission's

24 discretion. But as we -- as we stated, I think it is a

25 benefit for the Commission to keep it.

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1 CHAIRPERSON FAIRMAN: That was the response

2 that I would take away as well.

3 MR. BECKER: And so -- yeah, we would --

4 MR. LANG: I go to Coyotes games as well,

5 and -- and -- and I've heard just fans next -- next to

6 me, in particular regarding the Hero of the Game,

7 wanting and asking about: What is Clean Elections?

8 What is that? Is that something I can do?

9 CHAIRPERSON FAIRMAN: Right.

10 MR. LANG: And so, it's prompted interest just

11 from people who don't even know me, who happen to be

12 sitting near me.

13 CHAIRPERSON FAIRMAN: Very cool. Thank you.

14 I'm sorry. Now, please go ahead with 2012.

15 COMMISSIONER HOFFMAN: They asked the right

16 person, huh?

17 MR. BECKER: For 2012, I'm recommending that we

18 continue with a similar plan as we did in 2011,

19 including developing -- developing educational spots for

20 the television, radio, print, and Internet. Again, the

21 spots would give information on what Clean Elections is;

22 how to become involved; and then also how to use it to

23 run for office, because it is an election year. And

24 every election year we always include that "how to run

25 for office" portion, so that potential candidates can

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1 CHAIRPERSON FAIRMAN: Commissioner, do you have

2 a question?

3 COMMISSIONER DANIELS: I do. I have a couple

4 of real quick ones. How much money did we spend in

5 2011? I know we'll get to the budget, but on this

6 portion of our...

7 MR. BECKER: On just the --

8 COMMISSIONER DANIELS: Voter Education Plan in

9 2011. Do you have a number on that?

10 MR. BECKER: 2011, at roughly \$1.2 million.

11 COMMISSIONER DANIELS: And how much are you

12 proposing for this next year?

13 I know this may be a budget issue, but I'm --

14 because it's here, just to get my number on it right

15 away. Okay, \$2.2?

16 And then my question is: With the sports teams

17 -- okay. With the sports teams, if we go forward in

18 December 15th, are we, like, a six-month to a one-year

19 contract? How long is their contracts that we have to

20 sign for those?

21 MR. BECKER: Everything is a month-to-month.

22 COMMISSIONER DANIELS: Month-to-month. Okay.

23 MR. BECKER: We only work on a month-to-month

24 basis and pay for what we -- the services we received.

25 CHAIRPERSON FAIRMAN: So there is the ability

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1 -- I'm sorry.

2 COMMISSIONER DANIELS: That's fine. I'm

3 finished.

4 CHAIRPERSON FAIRMAN: I'm -- I'm acting like

5 everyone else now.

6 COMMISSIONER DANIELS: That's okay.

7 CHAIRPERSON FAIRMAN: So there is no -- there

8 is the ability to cancel that contract with nothing more

9 required than just a month?

10 MR. BECKER: Right.

11 CHAIRPERSON FAIRMAN: Okay. Thank you.

12 MR. BECKER: Right. That's correct. And as

13 far as the budget for the 2012, we're looking about \$2.7

14 million, roughly.

15 COMMISSIONER DANIELS: I guess I do have one

16 more question. I know in the past sitting on the

17 Commission, I've seen the polling that we do, the

18 research that we do afterwards that says that, you know,

19 this is the amount of people that understand Clean

20 Elections.

21 That number, from my understanding, hasn't

22 changed but more than 1 to 2 percent each year. Am I

23 wrong?

24 MR. BECKER: In terms of?

25 COMMISSIONER DANIELS: Peoples' understanding
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1 program worked.

2 In addition, we have used in the past focus

3 groups to -- to try and fine tune the message that the

4 Commission has. Happy to put that back in the plan.

5 It's not in currently, but that is something that we

6 have done previously, and I look for the Commission's

7 direction in terms of that.

8 Lastly, love to have any and all Commissioners

9 involved in creating the new educational spots. I know

10 Commissioner Hoffman has said he would love to be

11 involved, and we'd love to have that. And we look

12 forward to any input from any of the Commissioners in

13 terms of what the message should be and how -- how it

14 should be conveyed.

15 And with that, I'll answer any questions and...

16 CHAIRPERSON FAIRMAN: Mr. Lang.

17 MR. LANG: One of the challenges -- goes to

18 Commissioner Daniels' question of Mike. One of the

19 challenges we have is because Arizona's population

20 changes so often. There are so many people moving in

21 and moving out. And -- and so that's probably our

22 biggest challenge in educating the voters. If we were

23 in North Dakota, I think -- I think it would be an

24 easier job because the population doesn't change as

25 much. But we constant- -- we constantly have new people
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1 of what Clean Elections is, knowing where the funding

2 comes from. Have -- have the numbers changed? I

3 thought we were always right in the 70s, if I was

4 correct.

5 MR. BECKER: That's -- that is correct.

6 COMMISSIONER DANIELS: Okay.

7 MR. BECKER: That is correct. We have been

8 able to stay consistent with the amount of information

9 out there to let people know about Clean Elections.

10 COMMISSIONER DANIELS: Thank you.

11 CHAIRPERSON FAIRMAN: Please keep going.

12 MR. BECKER: I'm also working with Daniel to

13 create some more eye-catching pieces for the website,

14 for the Commission's website, to give the person that

15 goes on to the website quick information about what

16 Clean Elections is, where the funding comes from, how

17 much funding is allocated, things like that, so that

18 it's -- it's something they don't have to delve into a

19 lot of different links to find it. We simply have

20 something, a quick link, boom, there's the information

21 they're looking for.

22 And, again, as you -- as you mentioned, I am

23 recommending we do another survey at the end of the

24 year, at the end of 2012, to gauge, once again, the --

25 where we are and how we -- how we did and how the
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1 moving in and folks moving out and -- very transient

2 population, so that's one of our challenges.

3 CHAIRPERSON FAIRMAN: Mr. Hoffman.

4 COMMISSIONER HOFFMAN: Mr. Chair. I have a

5 couple comments. First of all, thank you Mike and Todd,

6 for developing the plan. And it does seem similar to --

7 or, updating I should say, seems similar to what we've

8 done in previous election cycles and seems quite

9 appropriate.

10 Second of all, I think it should be delegated

11 to your discretion as to whether to work with the

12 Phoenix Suns or -- or, you know, maintain the particular

13 placements, depending on what you conclude about their

14 effectiveness and, you know, compared to costs and so

15 forth.

16 And third, as you did mention, I would be -- am

17 quite happy to assist in -- in looking at the ads and

18 trying to make sure that the spots are as effective as

19 possible.

20 I was -- as probably everybody here knows -- a

21 person who was involved with the drafting of the Clean

22 Elections Act and served on the committee that

23 established the initiative -- or, served the committee

24 that established the initiative, I should say, as I was

25 their attorney, in effect.
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1 One of the concerns which is stated in one of
 2 the findings and declarations is that the current system
 3 of public finance -- I mean, of private finance,
 4 undermined public confidence in the integrity of -- of
 5 election -- of politicians and elected officials. And
 6 it was a significant concern that people -- to the
 7 people in the committee, that the public understand
 8 that -- that there is an alternative and that candidates
 9 can run with public funds through the Clean Elections
 10 Act, and that -- and that they understand that many of
 11 the candidates who are serving in the legislature with
 12 distinction, are people who are not there because they
 13 had to raise money from private finance -- or, private
 14 entities.
 15 And, so, I think it's important that we
 16 continue to educate the public concerning Clean
 17 Elections and what the Clean Elections system does. In
 18 the Act, we are required to spend at least 10 percent of
 19 our available funds for that purpose, and that includes
 20 telling people about who the candidates are who are
 21 running for office, through the -- which we do through
 22 the publicity pamphlet and the debates that we sponsor.
 23 But it also includes telling people about what Clean
 24 Elections is and what its purpose is.
 25 And, so, I'm strongly supportive of the
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1 the 2012.
 2 COMMISSIONER HOFFMAN: I thought it was \$2.7.
 3 MR. LANG: There's \$2.2 in the program and then
 4 \$500,000 set aside for -- for -- if the Commission
 5 decides it wants to change the ads.
 6 CHAIRPERSON FAIRMAN: For opportunities that
 7 may arise?
 8 MR. LANG: Right.
 9 COMMISSIONER HOFFMAN: Okay. And then the \$2.7
 10 appears also to include the debate management and other
 11 expenses as well? So, you're saying this is \$2.2 --
 12 MR. LANG: No. No. The total -- the total
 13 budget for the education plan is -- is \$6.5 million,
 14 because that includes the candidate statement pamphlet,
 15 the debates.
 16 COMMISSIONER HOFFMAN: Well, it's says "debate
 17 management, \$7,000" --
 18 MR. LANG: On the right.
 19 COMMISSIONER HOFFMAN: -- to the right of the
 20 2.7.
 21 MR. LANG: That's right. But if you'd look at
 22 "other operating expenses," \$2.8 is for the candidate
 23 statement pamphlets, and then there's debate sponsors
 24 and candidate debate videos.
 25 COMMISSIONER HOFFMAN: Right. Okay.
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1 education plan and continuing what we're both obligated
 2 and -- and should be doing as a state agency. Thank
 3 you.
 4 CHAIRPERSON FAIRMAN: Commissioner Daniels.
 5 COMMISSIONER DANIELS: And this may be for
 6 Todd. What percentage of our budget is this, the \$2.2?
 7 I should have it, but I don't right in front of me.
 8 MR. LANG: It's in Agenda Item X, I believe.
 9 COMMISSIONER DANIELS: Yeah. I'm looking at,
 10 but I was just -- if you could just tell me the
 11 percentage.
 12 MR. LANG: It's about 50 percent of our budget.
 13 COMMISSIONER DANIELS: 15 or 50?
 14 MR. LANG: Yeah.
 15 COMMISSIONER DANIELS: 15?
 16 MR. LANG: Oh, the \$2.2?
 17 COMMISSIONER DANIELS: Yeah.
 18 COMMISSIONER HOFFMAN: Right.
 19 MR. LANG: That's about 20 percent.
 20 COMMISSIONER DANIELS: Okay.
 21 COMMISSIONER HOFFMAN: What is the \$2.2, by the
 22 way?
 23 COMMISSIONER DANIELS: That's the proposed for
 24 this year.
 25 MR. LANG: That's what Mike is proposing for
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1 MR. LANG: So, the total is \$6.5 million out of
 2 a -- so it's a little over 50 percent of our budget if
 3 you include, you know, all that stuff.
 4 MR. BECKER: Commissioners, what that \$770,000
 5 for debate management is simply listed in "professional
 6 outside services," that's the category it's in. It does
 7 not -- it's not included in the \$2.7 million. It's just
 8 -- it's just -- it's just listed in that same category.
 9 CHAIRPERSON FAIRMAN: Did you have a question,
 10 Commissioner?
 11 COMMISSIONER DANIELS: I -- I have a comment,
 12 if that's okay.
 13 CHAIRPERSON FAIRMAN: Please.
 14 COMMISSIONER DANIELS: I know we're going to
 15 make a motion to vote on this. And I voted no last year
 16 and I'm going to vote no again this year, but it is not
 17 anything directed at what you've been doing. I think
 18 you do a marvelous job; I think you're very qualified
 19 for what you do.
 20 My issue has always been this amount of money
 21 to educate seems -- in tough times with the state, I
 22 think it seems like it's a lot of money to me.
 23 And the second thing that always comes back to
 24 me, and I understand what Todd is saying, that the
 25 people move in and out of the state a lot. But, I think
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1 we haven't changed much percentage-wise on how many
 2 people understand what Clean Elections is and does.
 3 And, personally, I think I'd like to see us spend maybe
 4 just 10 percent one year and see if that number changes,
 5 if we -- if we actually do go below 70 percent or 72, to
 6 see if it really is making a difference.
 7 So, that's just my personal opinion, and I -- I
 8 don't want anybody to take that as I -- I disagree with
 9 what you're doing or how you're doing it, because it's
 10 not. I do respect you a lot for what you've done.
 11 CHAIRPERSON FAIRMAN: And my own thoughts are
 12 that 10 percent to me is not the relevant part here.
 13 But what's relevant to me is -- is finding the venues
 14 that are going to start to increase that number as well.
 15 I would hate to decrease to see if we fail; I would
 16 rather use our money differently to see if we can do
 17 better in other ways. So, that's -- that would be my
 18 counterpoint to -- to -- to that as well.
 19 You know, Mike, I think -- I think you've
 20 actually put together a very good plan here. As I said
 21 earlier, I've gotten a lot of positive responses back
 22 from the plan when I'm out and about; and some good and
 23 some bad, and most of them saying, why in the world
 24 would you want to be a part of the Clean Elections.
 25 And I tell them very plainly: It's because I
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1 and all of that.
 2 And so, I would strongly encourage staff to
 3 somehow be able to include us through timing it with
 4 regard to meetings or whatever, so we can play a more
 5 direct and better role in the future, so.
 6 MR. BECKER: Certainly.
 7 CHAIRPERSON FAIRMAN: With that, I would --
 8 COMMISSIONER HOFFMAN: Let me just say, I
 9 wasn't trying to hog the --
 10 CHAIRPERSON FAIRMAN: No. That's --
 11 COMMISSIONER HOFFMAN: -- commenting on the
 12 content, but I'm certainly happy to help.
 13 CHAIRPERSON FAIRMAN: I gave you your due. I
 14 gave you your due. I appreciate that.
 15 With that, any other comments or thoughts as we
 16 move forward at all?
 17 Mr. Collins, you have this questioning look on
 18 your face.
 19 MR. COLLINS: I didn't know if you wanted to
 20 take public comment, or anything like that, if there was
 21 any.
 22 CHAIRPERSON FAIRMAN: Oh. I'm always happy to
 23 take public comment. That's a great suggestion.
 24 Are there any comments from the public
 25 regarding the -- the 2012 education plan? I would love
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1 do it, you know, for the glory. So, but...
 2 COMMISSIONER DANIELS: It's that per diem.
 3 CHAIRPERSON FAIRMAN: Yeah. The per diem is
 4 really great.
 5 So, anyway, with that, are there other
 6 questions of Mike or Mr. Lang regarding the -- regarding
 7 the education plan?
 8 COMMISSIONER RECKART: So -- I'm sorry, if I
 9 may?
 10 CHAIRPERSON FAIRMAN: Please. Please.
 11 COMMISSIONER RECKART: So, Mike, really what it
 12 is, is we're not really -- we're just addressing more
 13 the strategic approaches here, we're not addressing the
 14 particular content, right?
 15 MR. BECKER: That's correct, yes.
 16 COMMISSIONER RECKART: Okay.
 17 CHAIRPERSON FAIRMAN: You do -- Commissioner
 18 Reckart, you do bring up a really good point, though.
 19 And I think, Mike, you mentioned earlier, I know for one
 20 -- and I appreciate Commissioner Hoffman wanting to --
 21 to help and look at some of the content. I think we all
 22 would like to be part of that in a -- in a bigger way
 23 than we have in the past. Not for any other reason
 24 other than it's kind of the sexy part of what you do.
 25 You know, it's kind of the fun part of -- of the message
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1 to hear them if you do.
 2 MR. WILSON: Yeah, I would like to just make a
 3 point about decreasing the budget.
 4 CHAIRPERSON FAIRMAN: Please. Please come --
 5 MR. WILSON: I'm sorry. I'm Chad Wilson. I'm
 6 with Moses Anshell, agency of record.
 7 CHAIRPERSON FAIRMAN: And please come up.
 8 MR. WILSON: I just wanted to make a comment
 9 about your option to decrease the budget to see how
 10 the -- the numbers would go down or up. Typically, when
 11 you take share of voice out of the market place, it will
 12 go down, without a doubt. And that's just a standard
 13 marketing industry trend. So, I understand your point
 14 about just to see how that number would change.
 15 Inevitably, it would, if you stopped speaking -- stop
 16 talking about what you guys do and educating the public,
 17 it would go down, so.
 18 CHAIRPERSON FAIRMAN: Very good. Thank you.
 19 That's good input. Anything else?
 20 COMMISSIONER HOFFMAN: If you speak more, it
 21 goes up.
 22 CHAIRPERSON FAIRMAN: Seeing that there's
 23 nothing else, I would entertain a motion on Item VI of
 24 our agenda.
 25 COMMISSIONER RECKART: So moved. Or, I move to
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1 --

2 CHAIRPERSON FAIRMAN: Can you say the motion?

3 COMMISSIONER RECKART: Yeah. Thank you. I

4 move to approve the -- the Citizens Clean Election

5 Commission 2012 education plan.

6 CHAIRPERSON FAIRMAN: Do I have a second?

7 COMMISSIONER KOESTER: I second.

8 CHAIRPERSON FAIRMAN: We have a motion and a

9 second. Any discussion before we take a vote?

10 All those in favor of the motion signify by

11 saying, "aye."

12 COMMISSIONER HOFFMAN: Aye.

13 COMMISSIONER RECKART: Aye.

14 COMMISSIONER KOESTER: Aye.

15 CHAIRPERSON FAIRMAN: Aye.

16 Any opposed?

17 COMMISSIONER DANIELS: Nay.

18 CHAIRPERSON FAIRMAN: Okay. We have 4 to 1.

19 Thank you very much.

20 Let's move on to Item VII -- thank you,

21 Michael.

22 Item VII is the discussion and possible action

23 on the transfer of excess monies to the General Fund.

24 Mr. Lang.

25 MR. LANG: Thank you, Mr. Chair and
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1 lower-than-expected revenues, or if there's legislative

2 changes or the like, and that's where we are right now.

3 Assuming you transfer \$10 million, as

4 recommended, to the General Fund today, that will leave

5 us with a fund balance of -- of \$9.5 million going into

6 next year. And as you can see, that fund balance won't

7 increase significantly over the years, and so there

8 won't be a lot of money to transfer to the General Fund

9 except for one important thing, remember what I told

10 you, we don't spend up to the cap. But this is how --

11 so, there will be plenty of money, we hope, to allow us

12 to transfer the fund.

13 I would also note that our projected revenue

14 is -- is not as strong as it used to be. It's -- we are

15 projecting a 1 percent increase. We actually had a

16 20 percent decrease in civil fines and penalties in 2011

17 -- at least that's what it appears to be in November as

18 we speak now -- which is unprecedented, and a reflection

19 I think of our economy and the fact that our population

20 is not increasing.

21 And so our projected revenue is -- is

22 optimistic in that we -- we do think this will be an

23 aberration. Obviously, next year, though, if it turns

24 out it's not an aberration, we have enough money on hand

25 to account for that. We need to have enough money on
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1 Commissioners. You have before you two charts put

2 together by Colleen McGee regarding our -- the first one

3 just simply informs you as to what we've transferred in

4 the past; and as you can see, starting in 2007 when the

5 State's budget crisis began, the Commission has been as

6 aggressive as possible in transferring money to the

7 General Fund.

8 The next chart is an -- is the

9 statutorily-required chart under 16-954(D), that

10 projects how much we will spend, what our revenue will

11 be, and what we'll have in excess. The thing to keep in

12 mind regarding this chart is it's -- there are some

13 limitations to it, the most obvious one being that we

14 don't spend up to the cap in non-election years. Never.

15 As you know, you can exceed the cap in an election year

16 as long -- or in any particular year -- as long as it's

17 offset by reduced spending below the cap in other years

18 within that four-year cycle. Our -- our current

19 four-year cycle is 2011 through 2014.

20 And so, the point -- the function of this

21 statute -- or, of this chart and -- and the statute is

22 to allow you to see how much money we are going to need.

23 The most important, I think, column for you is the fifth

24 one, which is the fund balance. We always keep a fund

25 balance on hand in order to protect against
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1 account -- to account for, of course, not only a

2 20 percent decrease, but an even greater decrease, but

3 we're hopeful that that won't happen. But should it

4 happen, there'll be enough money on hand that we can

5 adjust -- when we do this budget adjustment next year,

6 we can adjust for that.

7 So, the bottom line of all this verbiage is --

8 is that we recommend the transfer, and we are more -- we

9 are certainly confident that there's enough money on

10 hand to do that and still fulfill our educational

11 functions and our candidate funding functions as well.

12 If legislation is passed that changes the way we fund

13 candidates, there will be enough money on hand to

14 account for that.

15 There is legislation out there that would

16 increase the funding to account for the loss of matching

17 funds. There's also a legislation out there that would

18 provide funding for judicial races. I've not seen the

19 bill yet, but I've heard that one is coming. And it's

20 not our bill. But, anyway, that's what this all

21 accounts for.

22 COMMISSIONER DANIELS: And Mr. Chairman?

23 CHAIRPERSON FAIRMAN: Yes, please.

24 COMMISSIONER DANIELS: And Todd, I believe that

25 bill for judicial has been out there a lot, and I think
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1 every time they see the price tag, they kind of back off
 2 on it.
 3 Do we know, on the penalties and fines that we
 4 get, is December usually a high month just because it's
 5 the holiday spirit, and people are getting - no, it
 6 isn't?
 7 MS. MCGEE: That's usually January, because
 8 it's collected in December, it's transferred in January.
 9 That's why your January months are so high, it's from
 10 December.
 11 COMMISSIONER DANIELS: Okay. That's what I was
 12 curious.
 13 CHAIRPERSON FAIRMAN: Other questions?
 14 So, just quickly, a summary, how much are we
 15 talking about transferring to the General Fund?
 16 MR. LANG: We are recommending a balance of --
 17 a transfer of \$10 million.
 18 COMMISSIONER DANIELS: Mr. Chairman, I would
 19 move that we would transfer excess monies to the General
 20 Fund of \$10 million.
 21 CHAIRPERSON FAIRMAN: Do we have a second?
 22 COMMISSIONER RECKART: Second.
 23 CHAIRPERSON FAIRMAN: Discussion?
 24 COMMISSIONER HOFFMAN: I just wanted to say I
 25 believe the term is "surplus."
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1 CHAIRPERSON FAIRMAN: Oh. I'm sorry.
 2 MR. LANG: I'm sorry, Mr. Chair.
 3 CHAIRPERSON FAIRMAN: Please. We're on
 4 No. VIII.
 5 (Whereupon a discussion is held off the record
 6 between Mr. Lang and Ms. McGee.)
 7
 8 MR. LANG: Commissioners, as you can see,
 9 Colleen McGee has put together, again, the expenditure
 10 cap, which is a simple mathematical calculation: \$5
 11 times the number of Arizona personal income tax returns,
 12 and you see the number there. Our 2012 expenditure cap
 13 is a little over \$12 million. We are not exceeding that
 14 in this year's budget recommendations, even though --
 15 and by "this year," I mean 2012. Even though it is an
 16 election year, we'll be just under it, which is unusual.
 17 But that's how it's done.
 18 If you have any questions, Colleen and I are
 19 happy to answer them.
 20 CHAIRPERSON FAIRMAN: Any questions? And --
 21 COMMISSIONER DANIELS: Motion?
 22 CHAIRPERSON FAIRMAN: Entertain a motion.
 23 COMMISSIONER DANIELS: Mr. Chairman, I move the
 24 adoption of the 2012 expenditure cap.
 25 CHAIRPERSON FAIRMAN: We have a second?
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1 COMMISSIONER DANIELS: Surplus funds.
 2 CHAIRPERSON FAIRMAN: Thank you for that
 3 clarification.
 4 COMMISSIONER DANIELS: It says "excess monies."
 5 MS. MCGEE: It is. The statute calls it
 6 "excess money."
 7 COMMISSIONER DANIELS: That's what it said on
 8 the agenda. I read it right there.
 9 MS. MCGEE: It's in the statute.
 10 CHAIRPERSON FAIRMAN: I have never heard of
 11 "excess money." I like it. I wish I had it.
 12 We have a motion and a second.
 13 COMMISSIONER HOFFMAN: I guess it will be if
 14 you find a surplus.
 15 COMMISSIONER DANIELS: It's okay.
 16 CHAIRPERSON FAIRMAN: All of those in favor of
 17 the motion, signify by saying "aye."
 18 (Chorus of ayes.)
 19
 20 CHAIRPERSON FAIRMAN: Any opposed? No. Thank
 21 you. Passes unanimously. Thank you very much.
 22 Next on the agenda is Item VIII, which is the
 23 discussion and possible action on the 2012 expenditure
 24 cap. Mr. Lang?
 25 MR. LANG: One moment.
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1 COMMISSIONER HOFFMAN: Second.
 2 CHAIRPERSON FAIRMAN: We have a motion and
 3 second. All those in favor say "aye."
 4 (Chorus of ayes.)
 5
 6 CHAIRPERSON FAIRMAN: Any opposed? No. Passes
 7 unanimously.
 8 Item No. IX, discussion and possible action on
 9 the four-year 2012 to 2015 revenue projections. Mr.
 10 Lang?
 11 MR. LANG: Thank you, Mr. Chair.
 12 Commissioners, I alluded to this a little bit earlier.
 13 But you see the projections there, they're based on a 1
 14 percent increase for the -- this period. You'll notice,
 15 even though we're projecting a 1 percent increase,
 16 you'll notice that in election years -- non-election
 17 years, the numbers are slightly off. For instance, we
 18 go from an income of -- of tax check-off income of
 19 \$2,364 to \$2,420 -- oh, that actually does go up. Okay.
 20 The bottom line totals. That's where -- thank
 21 you, Colleen. You'll notice the totals don't always go
 22 up. They're -- they're rather consistent, actually, but
 23 they don't always go up. And the reason for that is
 24 because we don't -- in the non-election years, we don't
 25 get the \$5 contribution slips that everyone turns in,
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1 and we don't get some of that -- those smaller sources
 2 of income. That's why there's a slight -- slight
 3 difference than what you might expect from a 1 percent.
 4 COMMISSIONER DANIELS: Mr. Chairman. Do we
 5 do an adoption of this, is that required of this?
 6 MS. MCGEE: Yes.
 7 COMMISSIONER DANIELS: I was curious because
 8 revenue projections are just that. But for your budget
 9 --
 10 MS. MCGEE: It's required.
 11 COMMISSIONER DANIELS: Go ahead.
 12 COMMISSIONER RECKART: Yeah. Sorry. Same
 13 question. Is it just back- -- isn't it just background
 14 for what we approved under Item No. VII, or is it -- do
 15 we have to do it separately?
 16 MS. MCGEE: It's two separate items. In the
 17 statute you're required to adopt the -- you have to give
 18 -- you have to give back the excess money; you have to
 19 approve the expenditure cap; you have to approve the
 20 four-year revenue projections. They're all separate
 21 items with -- by the statute. So, we have them all as
 22 different --
 23 MR. LANG: It may have been -- go ahead.
 24 COMMISSIONER HOFFMAN: Yeah. I was going to
 25 say, we might have got them in a different order, but
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1 pay us for that. This coming year, candidates who buy
 2 assets with their campaign funds and at the end of
 3 campaign they want to keep it, they have to pay
 4 50 percent, so that's included in the "other revenue."
 5 COMMISSIONER KOESTER: Okay.
 6 CHAIRPERSON FAIRMAN: Any other questions for
 7 staff?
 8 With not -- if not, I would entertain a motion
 9 regarding the 2012-2015 revenue projections.
 10 COMMISSIONER DANIELS: Mr. Chairman, I move the
 11 adoption of the four-year 2012-2015 revenue projections.
 12 CHAIRPERSON FAIRMAN: We have a second?
 13 COMMISSIONER RECKART: Second.
 14 CHAIRPERSON FAIRMAN: We have a motion -- yes,
 15 Mr. Lang.
 16 MR. LANG: Just -- I forgot to point out the
 17 chart that was done on the next page. As you can see,
 18 it's been a steady increase in revenue over the years,
 19 and then we have the precipitous drop this past year,
 20 but you also see that we're holding steady in our
 21 projections from here on out. We're not projecting an
 22 increase other than the 1 percent, and we're not
 23 projecting a decrease.
 24 CHAIRPERSON FAIRMAN: If only my business
 25 projections were quite that good.
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1 it's --
 2 MR. LANG: Okay. We should have done these
 3 first and then the -- and then the transfer of excess
 4 funds.
 5 COMMISSIONER RECKART: All right. Thank you.
 6 Because I sort of assumed this was just the background
 7 for what was the revenue in Tab VII that was approved.
 8 COMMISSIONER HOFFMAN: Right.
 9 MS. MCGEE: The reason we -- we have the
 10 transfer first is because it's for 2011. All the other
 11 information is for 2012. The transfer is for 2011, the
 12 excess funds we have as of 2011. So, that's why it's
 13 the first agenda item --
 14 CHAIRPERSON FAIRMAN: Commissioner --
 15 MS. MCGEE: -- to go in order.
 16 CHAIRPERSON FAIRMAN: Commissioner Koester.
 17 COMMISSIONER KOESTER: I just had one question
 18 on the "other revenue." Is that the interest that the
 19 money earns?
 20 MS. MCGEE: No. We don't receive the interest
 21 our money earns, that goes to the State. The State
 22 earns the money.
 23 The "other miscellaneous," candidates have to
 24 buy back assets that they currently have, Commissioner.
 25 If they're going to use it for the next election, they
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1 COMMISSIONER HOFFMAN: Mr. Chair?
 2 CHAIRPERSON FAIRMAN: Yes.
 3 COMMISSIONER HOFFMAN: I would like to comment
 4 that this is a particularly uncertain year because of
 5 the events in the last several years and the effects on
 6 the State's, you know, elections; and, really, all
 7 activities. And I think if you -- that that chart that
 8 Todd alluded to, shows fairly steady change over the
 9 first -- you know, over the previous decade, and yet,
 10 you know, there's been much greater uncertainty in the
 11 last couple of years and it makes these kind of
 12 projections particularly difficult to do. But it looks
 13 like we're doing the prudent thing in keeping enough
 14 funds on hand and -- but trying to be as good as
 15 possible to -- to return money to help the State's
 16 budgetary situation, so.
 17 CHAIRPERSON FAIRMAN: Okay.
 18 COMMISSIONER HOFFMAN: Appreciate staff's --
 19 Colleen, I appreciate your work on the --
 20 MS. MCGEE: Oh. You're welcome.
 21 COMMISSIONER HOFFMAN: -- putting these
 22 together.
 23 CHAIRPERSON FAIRMAN: Thank you, Commissioner
 24 Hoffman.
 25 We have a motion and second. All those in
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1 favor of the motion, signify by saying, "aye."
 2 (Chorus of ayes.)
 3
 4 CHAIRPERSON FAIRMAN: Those opposed? None. It
 5 carries unanimously. Thank you very much.
 6 Let's go onto Item No. X -- we're just clicking
 7 through these right now -- and that is discussion and
 8 possible action on the Commission's 2012 calendar year
 9 budget. Mr. Lang?
 10 MR. LANG: Thank you, Mr. Chair.
 11 Commissioners, you see the budget before us, and it's
 12 about -- just under \$12 million. Our administrative and
 13 enforcement budget cannot exceed 10 percent. The
 14 language is quite clear in the statute, that we're
 15 allowed to spend up to 10 percent on administrative and
 16 enforcement costs; and as you can see, the budget for
 17 that in that case is a little over \$1 million, which
 18 constitutes about 9 percent of the expenditure cap.
 19 Our voter education expenses are projected at
 20 \$6.5 million -- a little over \$6.5 million. And that,
 21 again, is largely due to the candidate statement
 22 pamphlet, which is very expensive; the debates; and then
 23 the education program as well.
 24 And then candidate funding, we are projecting
 25 \$4.2 million in funding, and you can see the assumptions
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1 they're in office as an incumbent, it's much easier.
 2 And with that, I think that's one of the reasons why you
 3 find that people who got into office using Clean
 4 Elections no longer use it after they get into office,
 5 because they find it's much easier to raise money.
 6 If incumbents are running against each other,
 7 though, they will find it more difficult, and I think
 8 you will find some incumbents running clean. So,
 9 this -- these numbers are based on a -- a conservative
 10 estimate of the participation levels; but my point is, I
 11 think it could go up.
 12 CHAIRPERSON FAIRMAN: Commissioner?
 13 COMMISSIONER DANIELS: Just one question. We
 14 saw the lobbying budget of \$78,000. How long is that
 15 contract for? I think you told me last year, I just
 16 didn't remember.
 17 MR. LANG: It -- it -- it's for another year.
 18 It can be terminated, though, on a month-to-month basis.
 19 MS. MCGEE: It's for services rendered on a
 20 month-to-month basis, that can be terminated at any
 21 time.
 22 CHAIRPERSON FAIRMAN: Before I ask for a
 23 motion, there's some really groovy charts on the next
 24 page.
 25 MR. LANG: Yeah. Thank you, Mr. Chair.
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1 that -- that staff made when we put this together, you
 2 know. All the staff put that together, and discussed
 3 their thoughts on what races will be contested and --
 4 and how seriously. As you know, only corporation
 5 commission -- the corporation commission is the only
 6 statewide office up, but we do think there will be some
 7 contested races.
 8 The big -- our quest- -- you know, every year
 9 this is, of course, an estimate -- but, in this year, it
 10 is particularly challenging because of redistricting.
 11 And depending on the maps that come out, you can see a
 12 big change in the participation rate with Clean
 13 Elections. As you know, Clean Elections traditionally
 14 has had about a 70 percent participation rate with
 15 matching funds. Without matching funds, last cycle we
 16 had just under 50 percent participation rate. And I've
 17 told folks that I project 50 percent projection rate in
 18 the future.
 19 But given the legislative districts, some of
 20 them that we've seen are quite competitive. Not
 21 necessarily in terms of voter make-up, but in terms of
 22 incumbents running against each other. Should that be
 23 the case, fundraising will be more difficult because, as
 24 you know, what folks have found is it's very hard to
 25 raise money when they're running for office, but once
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1 COMMISSIONER DANIELS: Groovy? Where do we get
 2 that?
 3 MR. LANG: This is just to simply allow you to
 4 see -- allow you to see where the money goes, in a nice,
 5 colorful form. You'll note, one thing that's
 6 interesting about 2012 is that voter education is higher
 7 than candidate funding, that's the first time, and the
 8 reason for that is quite simple, there are no matching
 9 funds. Should the districts be competitive in the way I
 10 just described, the red -- the green number could go up,
 11 but we have enough cash on hand to cover that -- that
 12 possibility with this proposed budget.
 13 CHAIRPERSON FAIRMAN: Any questions of Mr. Lang
 14 or staff? Yes.
 15 COMMISSIONER RECKART: Todd and Colleen, just,
 16 so, looking at 16-949, which talks about an up to 10
 17 percent on administration enforcement, the items that we
 18 have that refers to 16-956(A), paragraphs III through
 19 VII, I just want to make sure we're clear on the record
 20 on this. Items III through VII, do not include the
 21 candidate statement pamphlets, so we're clear on that.
 22 Right?
 23 MS. MCGEE: That's correct.
 24 COMMISSIONER RECKART: So that the candidate
 25 statement pamphlet would be within the authorization in
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1 16-949(C), which is the -- just the "shall apply 10
 2 percent," which I interpret is an "at least" number; is
 3 that -- is that a fair statement?
 4 MS. MCGEE: Yes.
 5 COMMISSIONER RECKART: Okay. Thanks.
 6 MR. LANG: It's accurate. And it's also
 7 important, because the voter education pamphlet required
 8 by statute itself exceeds 10 percent, by itself.
 9 COMMISSIONER RECKART: And that's --
 10 MR. LANG: And that's why it's important that
 11 it fits into (C).
 12 COMMISSIONER RECKART: Yeah. That's exactly
 13 why. Thank you.
 14 CHAIRPERSON FAIRMAN: Other questions? No
 15 other questions, I'd entertain a motion regarding this
 16 issue.
 17 COMMISSIONER RECKART: So, I'd move to approve
 18 the 2012 calendar year budget as presented to the
 19 Commission.
 20 COMMISSIONER HOFFMAN: Second.
 21 CHAIRPERSON FAIRMAN: Second? We have a motion
 22 and a second. Any discussion?
 23 All those in favor, signify by saying "aye."
 24 COMMISSIONER HOFFMAN: Aye.
 25 COMMISSIONER RECKART: Aye.
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1 for me, but there were a number of dates that -- that
 2 were not possible for me to make because they conflict
 3 with something else that is standing -- a standing
 4 meeting. So, just FYI.
 5 COMMISSIONER DANIELS: Mr. Chairman, are you
 6 wanting to propose some different dates?
 7 CHAIRPERSON FAIRMAN: Please. Let me just tell
 8 you, there are only two of those dates that I could
 9 possibly make, and that's the one in February and the
 10 one in June. So, I'm proposing that we move the balance
 11 one week -- one week out in every case. Well, not in
 12 every case.
 13 January 19th is what I would propose,
 14 February 9th is great, I would propose March 15th,
 15 April 19th, May 17th, and then June 21st is -- is okay.
 16 So those are my suggestions.
 17 COMMISSIONER DANIELS: I'm okay with those.
 18 COMMISSIONER RECKART: I don't think I've got
 19 plans that far out.
 20 COMMISSIONER DANIELS: I have plans in June and
 21 that works in June, so.
 22 COMMISSIONER HOFFMAN: Could you repeat the
 23 April and May dates?
 24 CHAIRPERSON FAIRMAN: Yes. I'd be happy to.
 25 April, I'm proposing the 19th; and then in May, the
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1 COMMISSIONER KOESTER: Aye.
 2 CHAIRPERSON FAIRMAN: Aye.
 3 Those opposed?
 4 COMMISSIONER DANIELS: Nay.
 5 CHAIRPERSON FAIRMAN: Thank you very much.
 6 Let's move on to Item XI.
 7 MR. LANG: Mr. -- Mr. Chair?
 8 CHAIRPERSON FAIRMAN: Let me announce the item
 9 first.
 10 MR. LANG: Okay. I'm sorry.
 11 COMMISSIONER DANIELS: Before we go to the next
 12 item, can I just make one quick explanation? I still
 13 want everybody to understand the reason I voted no on
 14 the budget is the voter education, it's not what staff
 15 is doing. I think they do a marvelous job with limited
 16 resources. And so, I want to be sure everyone
 17 understands that. Thank you.
 18 CHAIRPERSON FAIRMAN: We're now on --
 19 COMMISSIONER KOESTER: XI.
 20 CHAIRPERSON FAIRMAN: XI. Thank you,
 21 Commissioner Koester.
 22 -- discussion and possible action on the
 23 proposed January-June 2012 Commission meeting dates.
 24 And let me just say for the record that whatever happens
 25 toward the end of this meeting, it may not really matter
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1 17th.
 2 MS. MCGEE: I'm sorry. Could you start from
 3 the beginning so we make sure we have them down
 4 correctly?
 5 CHAIRPERSON FAIRMAN: January 19th,
 6 February 9th, March 15th, April 19th, May 17th, and
 7 June 21st.
 8 COMMISSIONER HOFFMAN: What day of the week is
 9 March 15th?
 10 CHAIRPERSON FAIRMAN: I believe these are all
 11 Thursdays.
 12 COMMISSIONER RECKART: Thursdays.
 13 MS. MCGEE: The calendar is right behind you.
 14 CHAIRPERSON FAIRMAN: They're all Thursdays.
 15 COMMISSIONER RECKART: Thank you.
 16 MS. MCGEE: You're welcome.
 17 COMMISSIONER DANIELS: Mr. Chairman, I'm
 18 prepared to go ahead and make a motion, knowing that
 19 even though we propose these dates and we try to keep
 20 these dates --
 21 CHAIRPERSON FAIRMAN: That's true.
 22 COMMISSIONER DANIELS: -- that sometimes other
 23 Commissioners, yeah, cannot make it, we do change.
 24 So, I move that we accept the following
 25 Commission meeting dates for January through June 2012:
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1 January 19th, February 9th, March 15th, April 19th, May
 2 17th, and June 21st be adopted.
 3 CHAIRPERSON FAIRMAN: Do we have a second on
 4 the motion?
 5 COMMISSIONER RECKART: Second.
 6 CHAIRPERSON FAIRMAN: A motion and a second.
 7 Discussion?
 8 All those in favor signify by saying, "aye."
 9 (Chorus of ayes.)
 10
 11 CHAIRPERSON FAIRMAN: Any opposed? Thank you
 12 very much.
 13 MR. LANG: Mr. Chair, I just wanted to explain
 14 the -- the sheet that was handed out.
 15 CHAIRPERSON FAIRMAN: Yes. I was just going to
 16 ask you.
 17 MR. LANG: That's just an FYI. It's not for
 18 any particular agenda item. It's just for you to have;
 19 there's no Commission action. It's a -- a graphic that
 20 Daniel put together based on the charts that Colleen put
 21 together that I just thought would be a good idea for
 22 you. And --
 23 COMMISSIONER RECKART: Does this go on the
 24 website?
 25 MR. LANG: It will, yes.
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1 If it's appropriate, Mr. Lang, I would like to
 2 nominate Lori Daniels for the Chair position of Clean
 3 Elections of 2012.
 4 MR. LANG: I don't think there's any bar on
 5 the -- on the Chair nominating. You're still a member
 6 of the Commission, so.
 7 CHAIRPERSON FAIRMAN: Thank you. So, with
 8 that, I would be open to any other -- any other
 9 recommendations or nominations. And feel free to
 10 nominate yourself, I have no problem with that
 11 whatsoever.
 12 COMMISSIONER RECKART: Point of information.
 13 So when does your term end, then?
 14 CHAIRPERSON FAIRMAN: Well, that's a great
 15 question. I asked that earlier today.
 16 Mr. Lang, what did you finally determine?
 17 MR. LANG: Your term ends at the appointment of
 18 your successor, which should be in January. However, if
 19 no successor is named, you will stay on until that
 20 replacement is made.
 21 COMMISSIONER DANIELS: For past history --
 22 CHAIRPERSON FAIRMAN: Yes.
 23 COMMISSIONER DANIELS: -- people have stayed on
 24 very long periods of time on the Commission, because the
 25 appropriate person appointing hasn't been done, because
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1 COMMISSIONER RECKART: Good.
 2 COMMISSIONER DANIELS: It's -- it's a good
 3 proposal. Or --
 4 CHAIRPERSON FAIRMAN: How did you get this done
 5 so quick, knowing -- our decision, what it would be on
 6 the budget transfer?
 7 MR. LANG: We simply wouldn't have distributed
 8 it.
 9 CHAIRPERSON FAIRMAN: Yes.
 10 MR. LANG: Daniel is good.
 11 CHAIRPERSON FAIRMAN: Thank you very much for
 12 that.
 13 Okay. Next is discussion and possible action
 14 on the election of the 2012 Commission chairperson. I
 15 was -- let me start out by saying I was very surprised
 16 and shocked two days -- or, three days ago when I got
 17 this agenda and I realized that I've been doing this for
 18 five years and been chairman for at least the last year;
 19 and, according to the statute, after five years my time
 20 is up, which I really kind of hate to see.
 21 COMMISSIONER RECKART: Likewise.
 22 CHAIRPERSON FAIRMAN: These are exciting times;
 23 not all good, but exciting. So with that, I think -- I
 24 certainly have a motion for the -- the new Chair, but
 25 I'd also be willing to listen to anyone from the floor.
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1 you have the Governor and then the highest-ranking
 2 Democrat and so on.
 3 CHAIRPERSON FAIRMAN: My predecessor stayed on
 4 a year.
 5 COMMISSIONER DANIELS: Yeah.
 6 MR. LANG: Your replacement will be named by
 7 the Governor, and it will be someone who is not a
 8 Republican -- because we already have two Republicans on
 9 the Commission -- and who does not live in Maricopa
 10 County. So most likely an Independent.
 11 COMMISSIONER DANIELS: An independent.
 12 MR. LANG: Or a Democrat.
 13 COMMISSIONER DANIELS: Or a Democrat.
 14 COMMISSIONER HOFFMAN: That will be the
 15 Governor and the highest-ranking person of the opposite
 16 party --
 17 COMMISSIONER DANIELS: Right. Which is --
 18 COMMISSIONER HOFFMAN: -- which is not always
 19 necessarily a Democrat.
 20 COMMISSIONER DANIELS: Well, no. I just -- I
 21 didn't mean it -- I just meant it for the next one.
 22 MR. LANG: It always has been. It always has
 23 been.
 24 CHAIRPERSON FAIRMAN: Okay. Please. Anyone
 25 else?
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1 COMMISSIONER RECKART: I assume, Lori, this was
 2 not a surprise?
 3 COMMISSIONER DANIELS: No. He called and
 4 asked. Otherwise, I would be saying: No, I don't think
 5 so. No. I'm willing to do it.
 6 COMMISSIONER RECKART: I'll second the motion.
 7 COMMISSIONER DANIELS: Thank you.
 8 CHAIRPERSON FAIRMAN: Any other discussion on
 9 that?
 10 All those in favor of Commissioner Daniels
 11 ascending to the lofty height of Chairman of the Clean
 12 Elections Commission -- which will probably be the
 13 lowest office you've ever been a part of -- but please
 14 signify by saying "aye."
 15 (Chorus of ayes.)
 16
 17 CHAIRPERSON FAIRMAN: Any opposed? No. Thank
 18 you very much.
 19 This will be your seat next.
 20 COMMISSIONER DANIELS: Thank you, Mr. Chairman.
 21 Now, I have real quick --
 22 CHAIRPERSON FAIRMAN: Yes.
 23 COMMISSIONER DANIELS: -- before we go to
 24 public comment.
 25 If his replacement is appointed and the lawsuit
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1 And with that, I would entertain a motion to
 2 adjourn.
 3 COMMISSIONER DANIELS: So moved.
 4 CHAIRPERSON FAIRMAN: Second?
 5 COMMISSIONER RECKART: Second.
 6 CHAIRPERSON FAIRMAN: We have a motion and
 7 second. All those in favor, say "aye."
 8 (Chorus of ayes.)
 9
 10 CHAIRPERSON FAIRMAN: Any opposed? Thank you
 11 all very much. And have a great holiday and new year.
 12 COMMISSIONER DANIELS: Thank you, Mr. Chair.
 13 (Whereupon the proceeding concludes at 11:10
 14 a.m.)
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1 is still going on, will he be removed from the lawsuit
 2 and the new person come on? Because I might think about
 3 resigning if -- no, I'm just teasing.
 4 CHAIRPERSON FAIRMAN: I'd like my name to be
 5 replaced with Mr. Scaramazzo. I'd be okay with that.
 6 MR. COLLINS: Well, that's one of the issues
 7 with respect to the -- the reason you name somebody in
 8 their official capacity is so that whoever comes in the
 9 next -- the office next is -- is -- is -- is bound. I
 10 don't know what -- how -- quite how -- well, let's leave
 11 it at that.
 12 CHAIRPERSON FAIRMAN: We don't know.
 13 COMMISSIONER DANIELS: We don't know, okay.
 14 MR. COLLINS: Typically -- typical case, for
 15 example, in the matching funds case, that's how
 16 Mr. Reckart, for example, got his name in the Supreme
 17 Court docket.
 18 COMMISSIONER RECKART: Whatever for fame.
 19 Yeah, whatever for fame, you know.
 20 COMMISSIONER DANIELS: Well --
 21 CHAIRPERSON FAIRMAN: We'll finish up here with
 22 public comment.
 23 Public comment? Anything? Any comments from
 24 the public at all? No. Okay. Well, thank you very
 25 much for being here.
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1 C E R T I F I C A T E
 2
 3 I, Angela Furniss Miller, Certified Reporter,
 4 do hereby certify that the foregoing pages numbered 1
 5 through 60, inclusive, constitute a full and accurate
 6 printed record of my stenographic notes taken at said
 7 time and place, all done to the best of my skill and
 8 ability.
 9 DATED, at Phoenix, this 6th day of December,
 10 2011.
 11
 12
 13
 14 Angela Furniss Miller, RPR
 15 Certified Reporter (AZ50127)
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