



December 11, 2015

Honorable Debbie Wasserman Schultz
U.S. House of Representatives
Washington DC, 20515

Re: Proposal Regarding Use of the Presidential Election Campaign Fund

Dear Congresswoman:

As you requested CBO has reviewed draft legislation that would permit amounts in the Presidential Election Campaign Fund (PECF) to be used to make payments to defray expenses incurred with respect to Presidential nominating conventions held by political parties in 2016.

The PECF currently has a balance of about \$290 million. That balance was derived over several years from taxpayers who voluntarily earmarked a portion of their income taxes for the fund. Such a designation does not change a taxpayer's tax liability or refund. In recent years, taxpayers have designated about \$40 million for the fund annually. Those amounts were recorded as revenues and reduced federal budget deficits in the years when those taxes were paid; spending from the fund increases outlays and deficits when the amounts are disbursed.

Under current law, amounts in the PECF may be spent, without further appropriation, to match certain qualifying political contributions to Presidential campaigns. About \$1 million was spent from the fund to match qualifying campaign contributions in 2012, and a similar amount is projected to be spent in 2016 because the Presidential candidates of the major parties are not expected to seek such funds. Subject to provisions in appropriation acts, amounts in the fund may also be spent on certain pediatric health research activities. In 2015, \$13 million was appropriated for that purpose.

Prior to 2014, amounts in the PECF also could be used, without further appropriation, for qualifying expenses related to Presidential nominating conventions. However, the Gabriella Miller Kids First Research Act ended the authority to spend PECF funds for those purposes. Based on the amounts spent from the fund in 2012 for Presidential nominating conventions, CBO estimates that each of the major political parties would

Honorable Debbie Wasserman Schultz

Page 2

spend about \$20 million from the PECF in 2016 if the draft legislation was enacted. Because those amounts are not expected to be spent under current law, CBO estimates that this legislation would increase direct spending by \$40 million in 2016.

I hope this information is useful to you. If you wish further details, we will be pleased to provide them.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Hall". The signature is stylized and cursive.

Keith Hall
Director