



2. Campaign Finance Platform

Description of issue and how recommending the agency's request furthers the agency's mandates: Campaign Finance is not only an election year issue; it is an every-year issue. Filing obligations continue for many committees in the off-election year. Transparency is just as important for interim years as statewide and legislative campaign finance in the general election years.

Beacon, the current electronic online filing system, is old and broken. Users tell us it is cumbersome and counterintuitive, and our office agrees it is outdated and subpar. It was created by a previous administration in 2016, using an outdated filing system that contains overly complex code developed and managed solely by AZSOS developers. Staff turnover and retirements have jeopardized the system's longevity, and this staffing model is unsustainable and threatens operational continuity. Currently, only one IT staff member can address Beacon issues, and if unavailable, AZSOS would have no choice but to revert to fillable PDFs for campaign finance filers until a new system could be implemented. This situation is untenable and must be improved.

Arizona deserves a campaign finance system whose ease of use enables easy compliance with filing requirements and accessibility, transparency and accountability for the public. User support requests, troubleshooting and complaints, which have existed since its inception, continue unabated. This includes an inability to understand how the system works, the reason errors occur, and the regular filing challenges that prevent filers from previewing or submitting reports that require significant staff investigation to enable filer compliance. Separately, from the public's point of view, the public-facing website, See The Money, lacks intuitive design, resulting in a frustrating user experience, even for users who are familiar with the site.

For all of the reasons above, AZSOS has determined it is time to pivot to an off-the-shelf Software as a Service (SaaS) that will meet Arizona's needs while providing ongoing, robust support to AZSOS, filers, and the public.

Proposal: Appropriate \$2 million to AZSOS from the state general fund in FY2026 and \$500,000 thereafter to enable AZSOS to acquire and operate a new campaign finance system.

Alternatives considered and reasons for rejection: The alternative is the status quo to continue with the existing Beacon/See The Money systems. Over this election year, it has become clear that, due to attrition, there is only one IT staff member who understands and can address Beacon issues as they arise. If he could not continue to do this work, AZSOS would be forced to return to fillable PDFs until the purchase and implementation of a new online filing system. This is an untenable situation that cannot continue.

Impact of not funding this fiscal year: At worst, the possibility of the loss of the online filing system due to circumstances beyond AZSOS control. At best, continued use of the current system, which regularly prevents filers from the ability to fully comply with requirements and blocks the public from understanding what our laws currently require: who spends money in Arizona elections, what candidate or issue is being supported or opposed, when the money is spent, and where the money comes from.

Statutory reference: Title 16, Chapters 6 and 6.1.

Equipment to be purchased: N/A

Classification of new positions: N/A

Annualization: \$500,000