

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-4149/1	Introduction Number AB-0689
Description Transferring responsibility over biennial updating of voter registration list to the Government Accountability Board	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Agency/Prepared By GAB/ Michael Haas (608) 266-8005	Authorized Signature Kevin Kennedy (608) 266-8005
Date 2/6/2014	

Fiscal Estimate Narratives

GAB 2/6/2014

LRB Number	13-4149/1	Introduction Number	AB-0689	Estimate Type	Original
Description Transferring responsibility over biennial updating of voter registration list to the Government Accountability Board					

Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation would authorize and require the Government Accountability Board ("G.A.B."), after each general election, to identify each registered and qualified elector who has not voted within the previous four years. The legislation would also require the G.A.B. to mail a notice to each such elector advising that their voter registration will be suspended unless they apply for continuation of their registration within 30 days by returning the postcard to their municipal clerk. This process is known as the "Four-Year Maintenance" of the Statewide Voter Registration System (SVRS).

The proposed legislation changes the deadline for the G.A.B. to identify electors who are subject to the Four-Year Maintenance process to June 15 following each general election, rather than 90 days after the general election as provided under current law. The proposed legislation also requires that the G.A.B. change the status of each elector who does not apply for continuation of their registration from active to inactive in SVRS. The proposed legislation permits the G.A.B. to delegate to a municipal clerk or local board of election commissioners the responsibility to change the registration status of electors who do not apply for continuation of their voter registration. It also requires the G.A.B. to post certain statistics related to the Four-Year Maintenance on its website.

The G.A.B. has developed the information technology tools necessary to accomplish these tasks and refined and implemented a process for completing this process following recent general elections. The G.A.B. has used existing resources to develop functions in SVRS to identify electors who must receive a Four-Year Maintenance notice, communicate with clerks regarding identified electors in specific municipalities, and run a program to change the status of electors who do not apply for continuation of their voter registration. The G.A.B. estimates that, following the 2012 General Election, it invested approximately \$29,000 in staff and contractor resources to create the IT processes to accomplish the mailing of Four-Year Maintenance notices and communicate with local election officials, and to test the system and develop training materials for local election officials. That IT structure may be used to complete the same tasks after future general elections, although it will be necessary to invest staff time in maintaining and updating that system, to complete testing of the process, and to provide training and customer service to local election officials.

Under the proposed legislation, G.A.B. program and IT staff would develop the criteria for the SVRS query to identify electors who should receive the notice mailing, create the notice mailing, complete the bid process to secure a printer to produce the notice mailing, transmit the file containing elector address information to the printer, and coordinate the review of proofs and validation of addresses with the contracted printer. G.A.B. staff would create and distribute training materials to local election officials and conduct a training webinar. Due to constant turnover of local clerks and the fact that the Four-Year Maintenance process is completed only every other year, focused training and customer service is required after each general election. After the G.A.B. mails the postcard notice to targeted electors, staff will need to respond to inquiries from local election officials and electors who received the notice. After the G.A.B. changes the status of electors who do not respond to the notice within 30 days, staff will also field calls from local election officials with questions about individual issues arising from the inactivation process.

The IT contractor and staff costs to accomplish these tasks in 2015 and in each subsequent odd-numbered year are summarized as follows:

IT Contractor and Staff Costs

IT Solution Architect 40 Hours X \$85.00 per hour = \$3,400
UAT Lead 90 Hours X \$24.75 per hour = \$3,095
SVRS Training Officer 40 Hours X \$20.20 per hour = \$1,123
SVRS Elections Specialist 25 Hours X \$28.08 per hour = \$702

The total costs related to IT contract services and program staff, therefore, is estimated at \$8,320 for each year that the Four-Year Maintenance Process is completed.

It is important to note that the G.A.B. has accomplished its tasks related to the Four-Year Maintenance following previous general elections with the use of federal funds pursuant to the Help America Vote Act of 2002 (HAVA) that are earmarked for the maintenance of the Statewide Voter Registration System. Depending upon new legislative directives, the G.A.B. currently projects that those federal funds will be completely spent sometime in the 2015 - 2017 biennium. HAVA funds currently pay for the compensation of 26 G.A.B. staff positions as well as all of the IT contractor services necessary to complete the Four-Year Maintenance process. In order to fulfill the responsibilities mandated by the proposed legislation years subsequent to 2015, this estimate assumes that the staff and IT resources will be funded with federal HAVA funds in 2015 and with GPR funds starting in 2017.

In addition to staff time, the G.A.B. would incur the costs of printing of, and postage for, the postcard notices. The costs of the printing and postage vary depending upon the number of electors who are identified as not having voted in the previous four years, and that calculation depends upon a number of factors, including the rate at which electors relocate and the relative voter turnout over the course of three general elections. Below is a chart describing the printing and postage costs, and the number of Four-Year Maintenance notices mailed by the G.A.B. following the last three general elections:

Four-Year Voter Record Maintenance Costs

Year/	Printing/	Postage/	Total/	Card Count
2009	\$8,692	\$62,732	\$71,424	313,205
2011	\$10,779	\$50,809	\$61,588	240,225
2013	\$11,163	\$79,329	\$90,492	299,748

Under the proposed legislation, the next Four-Year Maintenance mailing will occur in mid-2015, and then in the same timeframe during every subsequent odd-numbered year. As illustrated, the number of notices mailed has varied, with the average over three cycles being 284,392. Printing costs vary, as illustrated by the fact that the printing rate in 2013 (3.7 cents per card) was higher than in 2009 (2.7 cents per card) but lower than in 2011 (4.5 cents per card). The average postage rate for 2013 was 26.4 cents per card, which reflects both the bulk postage rate as well as higher postage for notices that could not be sent at the bulk rate. Given the recent increases in the bulk and pre-sort rates, this estimate assumes an average postage rate of 27.5 cents per card for future Four-Year Maintenance efforts.

This estimate assumes that the number of notices to be mailed in 2015 will be approximately the average of the previous three mailings, or 284,390, that the per card printing rate will also be the average of the previous three mailings, or 3.6 cents per card, and that the average postage rate will be 27.5 cents per card. Therefore, the estimated costs of printing and postage for the Four-Year Maintenance Process in 2015 are summarized as follows:

Year/	Printing/	Postage/	Total/	Card Count
2015	\$10,238	\$78,207	\$88,445	284,390

This estimate assumes that printing and postage costs for notice mailings in 2017 and subsequent odd-numbered years will be comparable, although they are dependent upon competitive bids for printing as well as increases in postage rates.

G.A.B. staff believes that the overall cost savings to municipalities would exceed the costs to the G.A.B. to identify electors who have not voted in the previous four years, print the notice postcards, and pay for postage. This would be so because of efficiencies in the process used by the G.A.B. which would not be available to local municipalities. The overall price of printing and postage is most likely reduced when the mailing is conducted at the State level due to the structure of printing contracts as well as the ability to utilize bulk postage rates to a greater degree. In addition, even if all municipalities executed the notice mailing on their own, the G.A.B. would need to modify functions of the SVRS to allow local election officials to run the query necessary to identify electors who should receive the notice, and to create a sample mailing to be used by municipalities.

In 2013 one municipality, the Village of Richfield in Washington County, elected to send the Four-Year Maintenance notices to electors listed on its poll book after the G.A.B. identified those who had not voted in the previous four years. The Village Clerk reported that, in addition to requiring about five staff hours, the

printing and postage costs totaled \$261 for approximately 400 notices, or an average cost of 65 cents per postcard. As a rough measure, if that average cost is applied to all municipalities statewide, the projected cost of local election officials completing the mailing in 2015 would be \$184,853, excluding staff hours. This represents an overall increase of \$96,408 more than the G.A.B.'s projected printing and postage costs, and \$88,088 more than the G.A.B.'s total projected costs in 2015 for the Four-Year Maintenance Project. The estimate of cost savings for local municipalities does not include staff costs for completing the notice mailing.

Please note that, while the fiscal estimate worksheet requests costs to be stated in annualized terms, the attached worksheet lists costs that would occur every other year.

Long-Range Fiscal Implications

Based upon the calculations above, G.A.B. staff believes the increased cost to the State will be \$96,765 in each odd-numbered year to complete the printing and mailing of Four-Year Maintenance notices, and that the overall savings to municipalities will be \$185,000 in the same years.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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Description Transferring responsibility over biennial updating of voter registration list to the Government Accountability Board			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$4,920	\$
(FTE Position Changes)			
State Operations - Other Costs		91,845	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$96,765	\$
B. State Costs by Source of Funds			
GPR			
FED		96,765	
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$96,765	-\$185,000
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
GAB/ Michael Haas (608) 266-8005		Kevin Kennedy (608) 266-8005	2/6/2014