

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-3535/1</b>	<b>Introduction Number</b> <b>SB-295</b>	
<b>Description</b> Electronic voter registration, verification of certain registrations, proof of residence for voting in an election, authorizing Wisconsin to enter into agreements to share information related to the registration and voting of electors; election registration officials; testing election officials after training; electronic poll lists; election equipment approval; overvoted ballots; voter registration proof of residency for an individual in a residential care facility; counting of absentee ballots; witness address required for valid absentee ballot; and granting rule-making authority		
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" 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		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue      5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input checked="" type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" 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		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <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		
<b>Agency/Prepared By</b> GAB/ Michael Haas (608) 266-8005	<b>Authorized Signature</b> Kevin Kennedy (608) 266-8005	<b>Date</b> 2/3/2016

## Fiscal Estimate Narratives

GAB 2/3/2016

LRB Number	<b>15-3535/1</b>	Introduction Number	<b>SB-295</b>	Estimate Type	<b>Original</b>
<b>Description</b> Electronic voter registration, verification of certain registrations, proof of residence for voting in an election, authorizing Wisconsin to enter into agreements to share information related to the registration and voting of electors; election registration officials; testing election officials after training; electronic poll lists; election equipment approval; overvoted ballots; voter registration proof of residency for an individual in a residential care facility; counting of absentee ballots; witness address required for valid absentee ballot; and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

#### I. General Assumptions

In this Fiscal Estimate, references to the Government Accountability Board (G.A.B.) include the Elections Commission effective June 30, 2016.

A significant assumption in this Estimate is that the requirements to implement online voter registration and participation in the Electronic Registration Information Center (ERIC) can be accomplished while the G.A.B. has remaining federal funds resulting from the Help America Vote Act of 2002. Those funds are projected to be spent by mid- to late-2017, and they fund most of the program staff and IT developers who would be involved in those initiatives.

In addition, this Estimate assumes that the progress on those initiatives is not delayed or disrupted either by the transition to the Elections Commission, or by the departure of a significant number of current program staff and IT contractors who possess detailed knowledge of the intricacies of G.A.B. IT systems and program requirements, a risk created by the lack of available funds and position authority to continue their employment beyond June 30, 2017.

The calculations in this Fiscal Estimate apply to both the original version of Senate Bill 295 and to Senate Substitute Amendment 1.

#### II. Electronic Voter Registration

The proposed legislation would permit a qualified elector who has a current and valid driver license or identification card issued by the Department of Transportation (DOT) to register to vote for an election electronically using a secure Internet site maintained by the Government Accountability Board (G.A.B.). Under this bill, a qualified elector enters the same information that appears on the current registration form and authorizes DOT to forward a copy of his or her electronic signature to GAB. G.A.B. shall obtain the electronic signature from the DOT and maintain the application on file, but is not required to store the applicant's electronic signature. The bill permits an elector who is currently registered to vote and who has a current and valid driver license or identification card to enter a name change or address change using a similar procedure. The bill also requires that an electronic registration be completed no later than the 20th day before an election.

Under current law, a registrant must provide proof of residence when registering unless the registrant is a permanent overseas voter. This bill provides that a registrant does not need to provide a separate proof of residence document if the individual provides his or her Wisconsin driver license or identification card number and his or her name and date of birth when registering electronically, and the G.A.B. is able to instantly verify the information electronically by accessing the records of the DOT.

The bill directs G.A.B. and DOT to enter into an agreement that permits G.A.B. to verify the necessary information instantly by accessing DOT electronic files. The bill also requires G.A.B. and DOT to report quarterly to the legislature until implementation is complete, which must occur no later than the 2017 Spring Primary Election.

This fiscal estimate does not include the anticipated costs or savings to DOT related to implementation of

electronic voter registration.

The proposed legislation requires the G.A.B. to modify its existing electronic interface with DOT. In addition, G.A.B. would need to modify the existing secured registration portal to allow a voter to complete a registration application without submitting a paper form. G.A.B. would need to obtain access to the applicant's signature from DOT. Voter applications entered on the secured portal would need to be transmitted into the Statewide Voter Registration System (SVRS), now known as WisVote, immediately upon completion of the instant verification from DOT.

Based upon the requirements outlined in the legislation, G.A.B. would need to develop additional elements in the WisVote, including an online voter registration module capable of real-time validation against DOT records, as well as a module to capture electronic signatures. These new components would require ongoing maintenance and support beyond the initial development.

#### A. Initial Infrastructure Costs

In prior fiscal estimates related to online voter registration, the G.A.B. has determined that initial infrastructure costs of approximately \$32,000 and annual ongoing infrastructure costs of approximately \$32,000 would be required. Due to recent enhancements to the IT infrastructure and capability of the statewide voter registration system, the G.A.B. anticipates that implementation of electronic voter registration will not require additional infrastructure costs.

#### B. Implementation Project Team

In previous fiscal estimates, the G.A.B. has concluded that implementing electronic voter registration would require initial personnel costs of over \$423,000 and annual personnel costs of approximately \$63,960. Given that the bill would permit development of electronic voter registration after the completion of most of WisVote development, it will not be necessary to request funding for additional program staff or IT developers

G.A.B. estimates that implementing the legislation would require the following use of staff:

One week of analysis and requirements definition (\$4,600)

- a. 1 Program staff at \$30 = \$1,200
- b. 1 IT Developer at \$85= \$3,400

Two weeks of database design, application design, user interface definition, and data interchange design (\$9,200)

- a. 1 Program staff at \$30= \$2,400
- b. 1 IT Developer at \$85= \$6,800

Four weeks of application development and system testing (\$13,600)

- a. 1 IT Developer at \$85= \$13,600

Four weeks of integration and user acceptance testing (\$9,600)

- a. 2 Program staff at \$30= \$9,600

Four weeks of implementation, training (\$9,600)

- a. 2 Program staff at \$30= \$9,600

Two weeks of Implementation Start-up and Break Fix (\$6,800)

- a. 1 IT Developer at \$85 = \$6,800

The total estimated G.A.B. personnel costs to initially implement the legislation are \$53,400, which the G.A.B. anticipates can be absorbed in the agency budget. G.A.B. estimates that the legislation would require at least a six-month effort to complete the full design, development, testing, and implementation phases of the project. This estimate includes the time required to coordinate IT and implementation efforts with DOT, in addition to the G.A.B.'s own design and implementation efforts.

### III. Electronic Registration Information Center

The bill requires the G.A.B. to enter into an agreement with the Electronic Registration Information Center (ERIC) in order to improve the quality of data in the statewide voter registration system, to detect possible

instances where an individual may be registered in or vote in multiple states, where voters have moved within or out of the state or who have died, and to identify individuals who are eligible electors but who have not registered. Participation in ERIC also requires that the G.A.B. send a mailing to identified individuals providing information about registering to vote at least once every two years prior to every federal general election.

This initiative will require a modest amount of IT development and coordination with ERIC, the costs of which can be absorbed in the agency budget. Each member state must pay a one-time fee of \$25,000 to join ERIC, and must pay annual dues based on a formula which includes voting age population as a factor. In early 2015, the G.A.B. received a preliminary estimate for Wisconsin's annual dues to be between \$40,000 and \$45,000. The annual dues are prorated in the first year of membership. This estimate assumes the 2016 annual dues would be set at \$45,000 and that the G.A.B. would enter into the agreement effective March 1, 2016, resulting in prorated annual dues in 2016 of \$37,500. The annual dues are likely to remain the same or decrease slightly, as additional states join ERIC. The agency budget cannot absorb the increased costs of the one-time fee or the annual dues to join ERIC.

Based on the experiences of other states, ERIC officials have also estimated that the postage cost of the initial biannual mailings to the following categories of individuals, which would need to be completed in September 2016, are as follows:

Approximately 1.45 million potentially eligible but unregistered individuals at 20 cents per mailing = \$290,000.

Approximately 162,242 individuals with an updated in-state address at 20 cents per mailing = \$32,448.

Approximately 19,668 individuals with an updated out-of-state address at 20 cents per mailing = \$3,934.

The total estimated cost of the initial ERIC mailings in 2016 is approximately \$326,000. The Pew Center for the States has offered a grant to the G.A.B. in the amount of \$150,000 to cover a portion of the 2016 mailings. The agency budget cannot absorb the remaining postage cost of approximately \$176,000 for the 2016 mailings. ERIC officials report that mailings in subsequent years are substantially smaller due to the improved accuracy of data in the voter registration system, but that cost is unknown at this time. Assuming that, on average, the cost is reduced by half, the total estimated cost of the mailings would be approximately \$163,000 in every even-numbered year.

#### IV. Electronic Poll Books

The original version of SB 295 requires the G.A.B. to develop and maintain electronic poll lists including entering into contracts with vendors and development and testing. Senate Substitute Amendment 1 permits but does not require the G.A.B. to implement electronic poll book technology.

Electronic poll books are currently being used in more than 25 states for checking-in pre-registered voters, recording voter signatures, processing Election Day registrations, updating voting history, or looking up a voter's correct polling place. Election officials in several states report that electronic poll books facilitate faster check-in by pre-registered voters and significant time-savings post-election due to the ability to upload voter registrations and voter participation directly into their electronic voter registration lists. The Presidential Commission on Election Administration (PCEA) also noted that in a national survey of election officials, electronic poll books was one of the most frequently identified innovations that respondents desired.

The bill would make the use of electronic poll books optional for municipal clerks. In recent years municipal clerks have requested that the G.A.B. develop standards and processes for approving electronic poll books which would be connected to the statewide voter registration system, and which would create many benefits and efficiencies in the conduct of elections. The Government Accountability Board has adopted general standards for the testing and performance of electronic poll books and directed staff to conduct a cost-benefit comparison of relying on private vendors to supply a variety of technology to municipalities throughout the state, or developing a uniform system to be made available to local election officials.

G.A.B. staff has consulted with several states which have implemented electronic poll books and found that the cost of doing so varies widely depending upon the implementation choices made by the state, including the ease with which electronic poll books may be connected with and transfer data to the statewide voter registration system. Because those fundamental policy decisions have not been made yet, the cost of developing and maintaining electronic poll lists for the use of municipalities cannot be estimated.

at this time.

## Long-Range Fiscal Implications

### I. Electronic Voter Registration

To maintain and operate online voter registration, G.A.B. estimates that maintaining and operating the online voter registration system would require the following use of staff in the second and subsequent years. The first position listed is IT contract staff and the remaining position is G.A.B. program staff.

Position	Weeks	Hours/Week	Rate	Total
IT Support	52	5	\$85	\$22,100
Elections Specialist	52	5	\$30	\$7,800
Total Annual Personnel Costs (including contractors)				\$29,900

The G.A.B. anticipates that the ongoing personnel costs can be absorbed in the agency budget, assuming that the agency continues to be funded at its current level following the expiration of the federal funds in 2017.

### B. Decreased Costs

G.A.B. staff anticipates that this proposed legislation would substantially decrease costs to municipal and county governments immediately and on an ongoing basis. These savings would be realized through the reduction of time and resources required to process paper-based voter registration forms and to correct errors resulting from a paper-based system. The amount of cost savings depends upon the percentage of voter registrations that are completed by voters using the online system rather than by submitting paper applications. Between the 2008 Presidential and General Election and the 2012 Presidential and General Election, there were 1,518,876 voter registrations in the State of Wisconsin. This translates to an average of 379,179 voter registrations processed annually.

The G.A.B. collaborated with the LaFollette School of Public Affairs at the University of Wisconsin – Madison to conduct a cost-benefit analysis of online voter registration during the fall 2013 semester. The in-depth report is available on the agency's website and concluded that the legislation would result in cost savings to municipalities of \$1,701,500 over the initial ten-year period, summarized as follows:

1. Savings of \$13,200 due to reduced need for paper and ink.
2. Savings of \$1,326,500 in staff time in municipal clerks' offices to process registration forms, including incomplete or illegible forms.
3. Savings of \$361,500 in election inspector costs due to reduced number of voters registering on Election Day.

The cost-benefit analysis report concluded that implementing online voter registration would likely result in an overall net benefit for Wisconsin of \$1.01 million over the first 10-year period, when taking into account the costs and benefits related to the State (both G.A.B. and DOT), municipalities, and the public.

### II. Electronic Registration Information Center (ERIC)

Beginning in 2017, annual dues to ERIC are estimated at \$45,000, the cost of which cannot be absorbed in the agency budget. Additionally, the G.A.B. anticipates that the undetermined cost of mailings required as a participant in ERIC, while substantially less than that of the 2016 mailings, cannot be absorbed in the agency's current level of funding. Assuming that, on average, the cost is reduced by half, the total estimated cost of the mailings would be approximately \$163,000 in every even-numbered year. The worksheet for this estimate includes \$163,000 in annualized costs but that cost would occur every other year.

Member states report savings derived from more efficient and effective data matching and cleaner voter rolls. This savings come from less mail returned as undeliverable, streamlined voter list maintenance, and data that are more accurate. As of March 2015, ERIC had identified nearly 374,000 cross-state movers, nearly two million in-state movers, and approximately 90,000 deceased voters. Online voter registration could also magnify the potential savings for the state and local jurisdictions, as the ERIC

mailings could direct recipients to the online registration portal. Wisconsin could realize significant savings by joining ERIC in lieu of independently paying for access to the National Change of Address database and other databases to conduct voter registration list maintenance.

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-3535/1</b>	<b>Introduction Number</b> <b>SB-295</b>	
<b>Description</b> Electronic voter registration, verification of certain registrations, proof of residence for voting in an election, authorizing Wisconsin to enter into agreements to share information related to the registration and voting of electors; election registration officials; testing election officials after training; electronic poll lists; election equipment approval; overvoted ballots; voter registration proof of residency for an individual in a residential care facility; counting of absentee ballots; witness address required for valid absentee ballot; and granting rule-making authority		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  The total implementation costs of the legislation are estimated as: 1. \$53,400 for electronic voter registration, which can be absorbed in the agency budget. 2. \$388,500 for joining and participating in the Electronic Registration Information Center (ERIC) in 2016, \$238,500 of which cannot be absorbed in the current agency budget.		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs      Decreased Costs	
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs	208,000	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$208,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	208,000	
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$208,000	-\$170,150
NET CHANGE IN REVENUE	\$	\$

Agency/Prepared By	Authorized Signature	Date
GAB/ Michael Haas (608) 266-8005	Kevin Kennedy (608) 266-8005	2/3/2016