

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (07-13)**

Subject

Initiative petition from Phil Lindsey and "Show Me The Vote!!" regarding a proposed constitutional amendment to Article VIII, Section 3. (Received July 31, 2007)

Date

August 20, 2007

Description

This proposal would amend Article VIII of the Constitution of Missouri by revising Section 3 to change election procedures. It requires that all elections conducted in the state after January 1, 2009 be conducted using hand-marked and serially numbered ballots that identify the precinct in which the ballots are cast. It limits the size of each precinct to 600 registered voters and provides that the number of ballots printed for each precinct cannot exceed 160 percent of the number of registered voters in that precinct.

Further, the amendment provides that all ballots at a precinct shall remain in public view at all times, including being placed on a table prior to being cast and being placed in a transparent ballot box after being cast. This amendment requires that all ballots shall be tallied at the precinct prior to being removed to another location. In addition, all ballots must be retained permanently and must be made available within ten working days of a written request for inspection and duplication purposes.

In addition, the amendment requires that all absentee ballots be mailed to the proper precinct, but be held by the United States Post Office until election day at which time they should be delivered by a United States Postal Service employee into the locked, transparent ballot box prior to the poll closing to be counted along with all other ballots cast in that precinct.

The amendment is to be voted on in November, 2008.

Public comments and other input

The State Auditor's Office requested input from the **Attorney General's Office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the

Governor's Office/Office of Administration, the Missouri House of Representatives, the Department of Conservation, the Office of State Courts Administrator, the Department of Transportation, the Missouri Senate, the Secretary of State's Office, the State Tax Commission, the State Treasurer's Office, Boone County, Clay County, Cole County, Greene County, Jackson County, Jasper County, St. Charles County, St. Louis County, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kansas City, the City of St. Louis, the City of Springfield, Cape Girardeau 63 School District, Hannibal School District #60, Rockwood R-VI School District, Linn State Technical College, Metropolitan Community Colleges, the University of Missouri, and St. Louis Community College.

Phil Lindsey, Chairman of Show Me the Vote!! provided information to the State Auditor's Office.

Assumptions

Officials from the **Attorney General's Office** indicated that implementing the proposed initiative petition would not directly affect their office. However, they assumed that because this proposal has the potential to be the subject of state and federal litigation, potential costs are unknown.

Officials from the **Department of Economic Development** indicated this proposal would have no administrative or fiscal impact on their agency.

Officials from the **Department of Higher Education** indicated that if enacted, this constitutional change would potentially have an unknown fiscal impact on their agency. The department administers voting on initiatives that address the creation of new community college districts. The main impact of this constitutional change would be adding an additional level of cooperation with local elections officials to ensure that community college district elections were conducted in accord with the new legal requirements. The fiscal impact of this cooperation is currently unknown.

The **Department of Health and Senior Services** indicated no impact as a result of this initiative petition.

The **Department of Insurance, Financial Institutions and Professional Registration** indicated this proposed amendment will have no cost to the department.

Officials from the **Department of Mental Health** indicated no impact on their agency as a result of this petition.

Officials from the **Department of Corrections** indicated the initiative petition would have no impact on their agency.

The **Department of Revenue** indicated this petition will not affect their agency.

The **Department of Public Safety** indicated there is no fiscal impact for this petition on the director's office.

Officials from the **Department of Social Services** indicated no fiscal impact on their agency as a result of this initiative petition.

Officials from the **Governor's Office/Office of Administration** indicated this proposal should not result in additional costs or savings to their agencies. Upon inquiry by the SAO, OA indicated that their estimate did not consider any possible state implications pursuant to Article X, Section 21 of the Missouri Constitution.

Officials from the **Missouri House of Representatives** anticipates no fiscal impact from the initiative petition.

The **Department of Conservation** indicated no fiscal impact expected to their agency as a result of proposal.

Officials from the **Missouri Senate** indicated no fiscal impact on their agency.

Officials from the **Secretary of State's Office** indicated their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.6 million historically appropriated in even numbered fiscal years and \$100,000 appropriated in odd numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2007, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$1.2 million to publish (an average of \$193,000 per issue). Therefore, the Secretary of State's office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. The SOS also assumed that the proposed initiative petition will have an impact on local election authorities when conducting an election. The SOS also assumed an unknown state fiscal impact related to sporadic special elections. Upon inquiry by the SAO, SOS indicated that their estimate did not consider any possible state implications pursuant to Article X, Section 21 of the Missouri Constitution.

The **State Tax Commission** indicated this petition will not impact their organization.

Officials from the **State Treasurer's Office** indicated that there is no fiscal impact on their agency as a result of this petition.

Officials from **Boone County** assumed that if that if the initiative petition were to become law they will continue to have to comply with federal law to provide “second chance” voting and accessible voting equipment. The 600 registered voters per polling place results in an additional 84 polling places per election for Boone County.

Boone County estimates that \$10,400 per poll in start-up costs would be needed for 1 voting device that is accessible to disabled voters, 1 precinct ballot counter, 1 laptop and 1 pager resulting in a total of \$873,600.

Further, Boone County estimates that ongoing costs for additional 84 places to be \$67,200 per election. Their estimate for 2008 costs provide for a 4-election year and average costs per year based on 3-election year, resulting in 2008 costs of \$268,880 and on-going average costs per year of \$201,600.

Boone County estimates that numbered ballots cost \$.03 per ballot resulting in costs of \$35,784 for 2008 and an average cost per year of \$26,838.

With regard to hand counting of ballots, Boone County assumes that each race must be counted 2 times until matched. The estimate provided is based on current time taking to count 600 ballots in post election hand count audits. Boone County estimated 3 hours per race per precinct with 2 bipartisan teams counting at a cost of \$8.22 per hour. Examples of these estimates are below:

Presidential primary – 1 race 160 precincts 30% turnout \$5,300
April Municipal – 5 races 160 precincts 20% turnout \$15,782
August Primary – 23 races 160 precinct 20% turnout \$73,600
November General – 23 races 160 precincts 75% turnout \$276,000

In total, the hand counting of ballots is estimated to cost \$370,682 in 2008 and average \$278,010 in subsequent years.

Boone County estimated total costs for 2008, including \$873,600 in one-time startup equipment, to be \$1,548,946 with the total average cost per three-election year to be \$506,448.

No estimated cost is provided relating to the permanent storage of ballots.

Officials from **Cole County** indicated that if this proposed amendment passed that it would cost every county more than what they could afford. For Cole County, they would go from 38 precincts to 84 precincts. This would increase poll workers from 152 per election to 336 poll workers. These changes would cost an additional \$13,040. The cost of renting polling place facilities would increase from \$1,900 to \$4,200. New ballot boxes would have to be purchased at a cost of \$7,140. Further, they estimate that the cost for the printing of ballots would be \$45,000 with a miscellaneous cost of \$3,500. The total cost of running an election according to these provisions would be \$91,760.

The average cost of running an election now is \$48,000 resulting in an increase cost to the county of an extra \$43,760.

Cole County indicated that they could not afford the increase of \$43,760 in election costs and that they would have a difficult time finding an additional 184 poll workers.

Officials from **Jackson County** estimate the following annual costs if this constitutional amendment were to be voted into law:

Section #3 Paragraph #2: Jackson County would have to create an additional 75 precincts. These precincts cost about \$3,150 each for staff and operating expenses. For 75 precincts they estimate the increase to Jackson County to be \$236,250.

Section #3 Paragraph #3: -Jackson County would have to purchase 375 new transparent ballot boxes \$66,000. Jackson County would have to purchase an additional 225,000 ballots at \$0.23 each costing \$32,000.

Section #3 Paragraph #5: They do not have a cost estimate for #5 which states that Jackson County would have to maintain permanently and forever all ballots. The first few elections after this law were enacted would not create a hardship for Jackson County, but ten to fifteen years from now, they indicated they would have to have a new warehouse built simply to maintain the log of ballots.

They estimate the on-going per election costs to be \$268,250 with an unknown but substantial cost for maintaining all ballots into perpetuity.

Officials from **Jasper County** estimate that it would cost their entity at least \$750,000 to implement the provisions of the proposed amendment to Article VIII, Section 3 of the Missouri Constitution. They report that they would be required to add an additional 72 polling places to accommodate the 600 voter precinct provision. This would require the purchase of two times the voting equipment currently in use and an increase of 288 election judges. They would also have to purchase 125 transparent ballot boxes compatible with their current election equipment. To store ballots for each election permanently, in addition to storing added equipment, would require them to obtain additional facilities specifically for that purpose. There would also be an additional cost for the printing of ballots due to the required serialization of each ballot to match the precinct. Further, the implementation of this amendment could require that the county purchase all new voting equipment at a cost of close to a million dollars. Taking all of this into consideration, the county concludes that the passage of this amendment will result in initial implementation costs anywhere from \$750,000 to \$1,250,000 and could add, on an annual basis, an additional cost of \$50,000 to each election.

Jasper County provided the following additional breakdown of their estimated costs: \$10,000 per new polling place for voting machines for a total of \$720,000 and \$12,500 for transparent ballot boxes for a total of \$732,500 in one-time costs; \$28,800 for

additional election judges and \$115,984 for printing of required ballots for each election; \$6,000 per year for storage of additional voting machines.

The **City of Jefferson** indicated that after discussing this matter with the County Clerk and considering the number of shared and city only elections, the city anticipates a fiscal impact of \$32,000 per year.

The **City of St. Louis** indicated that they consulted with the city’s Board of Election Commissioners to determine the fiscal impact this amendment to the Missouri Constitution would have on the city if adopted. The information below from this Board provides detail on their calculations; the following table summarizes the Board’s calculations. In summary, they estimate that the one-time immediate fiscal impact of this initiative petition will be \$272,537 and that the recurring average annual fiscal impact will be \$305,502 per year.

CITY OF ST. LOUIS BOARD OF ELECTION COMMISSIONERS COST ESTIMATES
FOR IMPLEMENTATION OF "SHOW ME THE VOTE"--INITIATIVE PETITION 07-13

	ELECTION DATES			TOTAL ANNUAL
	Feb-08	Aug-08	Nov-08	
RECURRING COSTS:				
Cost of Additional Ballots Required:	\$905	\$905	\$2,500	\$4,310
Cost of Additional Election Judges Due to Adding Precincts:	\$57,672	\$57,672	\$57,672	\$173,016
Other Additional Costs Due to Adding Precincts:	\$2,160	\$2,160	\$2,160	\$6,480
Additional Polling Place Supervisors Required Due to Adding Precincts:	\$11,232	\$11,232	\$11,232	\$33,696
Cost of Paying Postal Workers to Deliver Absentee Ballots:	\$42,500	\$42,500	\$42,500	\$127,500
Cost of Hiring Staff to Make Original Ballots Available:	\$7,200	\$7,200	\$7,200	\$21,600
Total Annual Cost for 3-Election Year:				\$366,602
Total Annual Cost for 2-Election Year:				\$244,401
Average Annual Cost Assuming 2 or 3 Elections Per Year:				\$305,502
ONE-TIME COSTS:				
Cost of Purchasing Transparent Ballot Boxes:				\$156,000
Cost of Additional Printing Plates Required Due to Adding Precincts:				\$116,537
Total One-Time Costs:				\$272,537

Subsection (1) requires all ballots to be cast by a hand-marked paper ballot. This would eliminate the use of touchscreen machines to cast ballots and would increase the number of paper ballots we would need to purchase. Approximate cost of additional paper ballots (would need to order 8,500 additional ballots for 2/08 election; 18,900 additional ballots for 8/08 election, 42,500 additional ballots for 11/08 election) – \$4,111.00. (\$2,500.00 of this \$4,111.00 would be attributed to the 11/08 election).

Subsection (2) requires that all precinct should be no larger than 600 registered voters. There are a number of precincts that have over 600 registered voters. To ensure that every precinct had less than 600 registered voters, we would need to add approximately 216 precincts. This computation would require us to hire, at a minimum, approximately 3 extra election judges per additional precinct per election. 216 additional precincts * 3 election judges * 3 elections in 2008 * \$89/per judge per election = \$173,016.00

Subsection (2) requires that all precincts should be no larger than 600 registered voters. There are a number of precincts that have over 600 registered voters. To ensure that every precinct had less than 600 registered voters, we would need to add approximately

216 precincts. These additional precincts would require additional non-ballot printing costs and supplies for each election valued at approximately \$10 per precinct per election. 216 precincts * \$10 in additional printing/supplies * 3 elections in 2008 = \$6,480.00

Subsection (2) requires that all precincts should be no larger than 600 registered voters. There are a number of precincts that have over 600 registered voters. To ensure that every precinct had less than 600 registered voters, we would need to add approximately 216 precincts. This computation would require us to hire an extra team of 2 polling place supervisors for 25% of the new precincts per election. 216 precincts * 2 supervisors * 25% of precincts * \$104/supervisor * 3 elections in 2008 = \$33,696.00.

Subsection (2) requires that all precincts should be no larger than 600 registered voters. In addition, subsection (2) requires all ballots to “identify the precinct in which the ballots are to be cast.” There are a number of precincts that have over 600 registered voters. To ensure that every precinct had less than 600 registered voters, we would need to add approximately 216 precincts. This would bring our total number of precincts to approximately 425. Notwithstanding the increase in the number of paper ballots that would need to be processed under subsection (1), the printer would have to create and print paper ballots from 216 extra plates to accommodate the requirement that each ballot “identify[] the precinct in which the ballot [is] to be cast.” This requirement would increase any printing costs by 75%. Our printing costs increases due only to the extra plates that would be required would be \$16,697.25 for 2/08 election, \$29,329.00 for 8/08 election, and \$70,511.00 for the 11/08 election. Total increased ballot printing costs in 2008 due to extra plates = \$116,537.25

Subsection (3) requires ballots to be cast “into a transparent locked ballot box visible to the public.” Approximate cost of transparent ballot box – no less than \$1,200 per ballot box * 130 ballot boxes = \$156,000.00

Subsection (4) requires that a U.S. Postal Service employee would need to deliver all absentee ballots to their respective precincts on election day. The cost of this is difficult to ascertain, however, assuming the City would be required to increase our precinct number to 425, we would need one postal worker to deliver the absentee ballots to each precinct on election day. Assuming the cost to have one U.S. Postal worker sort and personally deliver the absentee ballots to one precinct is \$100.00, our cost would be 425 precincts * \$100 per U.S. Postal Worker * 3 elections in 2008 = \$127,500.00.

Subsection (5) requires that each local election authority shall make available all original ballots for inspection and duplication purposes to all interested parties within 10 working days of a request. This would require us to hire two bi-partisan teams (4 temporary employees) for forty hours per week at approximately \$9/hour for five weeks following an election to supervise and monitor any such inspection. 4 employees * 40 hours per week * 5 weeks * \$9/hour * 3 elections in 2008 = \$21,600.00.

2008 COSTS FOR ADDITIONAL BALLOT PRINTING - \$4,111.00 (\$2,500 for 11/08 election)

2008 COSTS FOR ADDITIONAL ELECTION JUDGES - \$173,016.00 (\$57,672.00 for 11/08 election)

2008 COSTS FOR ADDITIONAL POLLING PLACE SUPPLIES - \$6,480.00 (\$2,160.00 for 11/08 election)

2008 COSTS FOR ADDITIONAL POLL SUPERVISORS - \$33,676.00 (\$11,225.33 for 11/08 election)

2008 COSTS FOR ADDITIONAL BALLOT PRINTING DUE TO PLATE CHANGES - \$116,537.25 (\$70,511.00 for 11/08 election)

2008 COSTS FOR TRANSPARENT BALLOT BOXES - \$156,000.00 (one time cost)

2008 COSTS FOR U.S. POSTAL WORKERS - \$127,500.00 (\$42,500.00 for 11/08 election)

2008 COSTS FOR BALLOT INSPECTION - \$21,600.00 (\$7,200.00 for 11/08 election)

APPROXIMATE 2008 ADDITIONAL COSTS IF INITIATIVE PETITION 07-12 WAS IN EFFECT: \$638,920.25

APPROXIMATE ADDITIONAL COSTS FOR 11/08 ELECTION IF INITIATIVE PETITION 07-12 WAS IN EFFECT (including full price of ballot boxes): \$349,768.33

These are all estimates (especially the cost of the ballots) and depend upon such factors as the paper market at the time of an election, the number of registered voters that move in and out of any given precincts, the cost of labor at the time of an election, and the cost of outside required employment (i.e. U.S. Postal Service).

The following is a table compiled by the **State Auditor's Office** to summarize the costs as reported by the county entities and estimate the potential future statewide impact, and assumes no state implications pursuant to Article X, Section 21 of the Missouri Constitution:

County	Registered Voters			Est 2008	Costs		Annual Cost/Reg Voter (Est 2008)
	2000*	2004*	% Increase		One-Time	Annual**	
St. Louis City	244,995	281,316	14.83%	323,022	\$ 272,537	\$ 366,602	1.13
Boone	106,671	112,682	5.64%	119,032	\$ 873,600	\$ 506,448	4.25
Cole	47,898	51,284	7.07%	54,909	\$ 7,140	\$ 191,520	3.49
Jackson	215,574	236,269	9.60%	258,951	\$ 66,000	\$ 804,750	3.11
Jasper	67,251	80,344	19.47%	95,986	\$ 732,500	\$ 440,352	4.59
						AVG	\$ 3.31
Statewide	3,860,672	4,194,146	8.64%	4,556,425		Est 2008 Statewide Annual Total (excl. one-time)	\$15,102,703.11

*Secretary of State, Registered Voters in Missouri, 2000-2006,

<http://www.sos.mo.gov/elections/registeredvoters.asp?rvmID=0004>

**Costs estimated by each entity for a three-election year

Officials from **Rockwood R-VI School District** indicated that they are not qualified to comment upon the cost or savings related to this initiative petition.

Officials from **Linn State Technical College** indicated there appears to be no fiscal impact on their organization as a result of this initiative petition, however, they do believe that additional costs would occur at the county level.

The **University of Missouri** indicated this amendment would have no identifiable fiscal impact on their organization.

Mr. Phil Lindsey, Chairman of Show Me The Vote!! provided the following information:

Web site links:

http://www.democracyfornewhampshire.com/files/Hand_count_training_D-fest_July_5_2007.pdf

http://www.opednews.com/articles/opedne_sheila_p_070718_on_site_observations.htm

He also provided the following comments:

1) In special elections, as the upcoming one to fill Charles Gross' vacant Missouri Senate seat, or in the Independence, Missouri special sales tax, turnout is often thin and the population affected is often small. In such circumstances, Boards of Elections sometimes bemoan the cost of the elections because the preparation is often as costly as it is for a general election.

Using hand-marked paper ballots, the election authority needs to use only enough material and personnel to cover their actual needs. Consequently, they may choose to have fewer ballots printed and use fewer poll workers for those elections, thus saving money.

2) With hand-counted paper ballots, particularly in instances such as those in section 1), there are savings by not having to rely on the electronic voting machine vendors "specialists", "programmers" and other auxiliary personnel, in the event of malfunctions, loss of power, unexplained "glitches", memory or component failures, etc.

With hand-counted paper ballots, all the necessary expertise is constantly at the beck and call of the election officials, via their own staff and the efforts of those citizens who are called upon to do the precinct counting work.

3) The third component is the distribution of all election costs and their impact upon Missouri and its citizens.

With hand-counted paper ballots, the local election authorities will easily be able to find local Missouri-domiciled printers to produce the necessary serially-marked ballots, while the counting of those ballots will be done by Missouri citizens. Consequently, there will be no need to send any of our tax monies to out-of-state vendors in order to facilitate our elections. All monies spent for elections will, ultimately, inure to the benefit of Missouri citizens.

In short, whatever monies are necessary to run elections using the hand-counted paper ballots will be used to support Missourians and Missouri businesses. There is no "expertise gap" which would force the election authorities of our state to have to seek help, or vendors, from outside our own borders.

The State Auditor's Office did not receive a response from the **Department of Agriculture, Department of Elementary and Secondary Education, the Department of Natural Resources, the Department of Labor and Industrial Relations, the Department of Transportation, the Office of State Courts Administrator, Clay County, Greene County, St. Charles County, St. Louis County, the City of Columbia, the City of Joplin, the City of Kansas City, the City of Springfield, Cape Girardeau 63 School District, Hannibal 60 School District, Metropolitan Community College, and St. Louis Community College.**

Fiscal Note Summary

Most state governmental entities estimate no costs or savings, however, state costs related to special elections are unknown. Annual costs for local governments are estimated to exceed \$15,000,000 with additional unknown costs for permanent ballot storage. One-time costs for some local governments may be significant.