

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (20-134)**

Subject

Initiative petition from Mary Ann Sedey regarding a proposed constitutional amendment to Article VIII. (Received November 6, 2019)

Date

November 26, 2019

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2020.

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 and Workforce Development, the Department of Health and Senior Services, the Department of Commerce and Insurance, 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, the Missouri House of Representatives, the Department of Conservation, the Department of Transportation, the Office of Administration, the Office of State Courts Administrator, the Missouri Senate, the Secretary of State's office, the Office of the State Public Defender, the State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Greene County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kansas City, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, Metropolitan Community College, University of Missouri, St. Louis Community College, the St. Louis County Board of Elections, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, the Clay County Board of Election Commissioners, and the State Auditor's office.

Andrew Bergerson and Jared Wight provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated a total estimated net effect on all state funds of \$0 for fiscal year 2020, \$0 for fiscal year 2021, and \$0 for fiscal year 2022.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they assume this will have no fiscal impact on their department.

Officials from the **Department of Revenue** indicated this initiative petition will have a fiscal impact on their department. It would cause increased operating costs in the General Revenue Fund of \$40,034 for fiscal year (FY) 2021 for salary costs and Office of Administration - Information Technology Services Division (OA)-ITSD costs.

OA-ITSD cost estimate equals 298.08 hours x \$75 = \$28,318

Section Total Other Costs:		-	-	-	-	-
Section Total Expenditures:				28,318	-	-
General Revenue				28,318		-
Federal					-	-
Other						
Section Funding:				28,318	-	-
Should be \$0				0	-	-
2. Does this proposal duplicate any other program?						
No						
8a. Provide narrative on how this bill would affect anything IT related. (program expansion, new program, consolidation, etc.)						
This bill impacts the Online Address Change website to collect change of addresses by citizens						
8b. Explanation of assumptions and methodology used in arriving at the impact; Please reference and/or attach any/all supporting documentation to email.						
Language in the IP is already being implemented in a rewrite of the online address change website process						

Section 5 (1)

The proposed language requires the Department to provide, on at least a weekly basis, a list of eligible citizens who have applied for, applied to renew, or changed the address related to a driver license or nondriver license, are citizens of the United States, residents of Missouri, and meet the legal criteria to be eligible to vote in the state of Missouri. Such list shall contain any information required to register to vote and any available electronic signature information.

The Department assumes it will provide a regularly scheduled file of all driver license, nondriver license, and permit applicants who meet the minimum age criteria and who, based on application data entered, have submitted documents verifying United States citizenship. This file would include applicants who responded that they were currently registered to vote, applicants who responded that they were not registered and did not want to register to vote, and applicants who completed the voter registration applications at the time of license or permit application.

The "necessary" information is not defined, however the Department assumes that it will be required to send name, date of birth, address, at a minimum the last 4 digits of the social security number, and a copy of the applicant's signature for final voter registration processing.

The proposed language will require the Department to amend the current data files posted to the Secretary of State or develop a new file specific to automatic voter registration to include the digital image of the signature.

The requirement to submit a copy of the individual's signature will require the Department to amend or discontinue current programs for on-line requests for change of mailing address since identity verification and signature collection are not required in this process.

The Department would be required to:

- Coordinate with the Secretary of State to develop requirements for the data and signature file specifications and file submission schedule.
- OA-ITSD must develop a data pull process for defining records for submission to Secretary of State.
- OA-ITSD must develop a secure process for tying the required signature file to the data file for submission to the Secretary of State.
- Test the file generation and transfer process to ensure all required data elements and signature are sent as required.
- Develop website information to link inquirers to the Secretary of State for information regarding the new automatic voter registration and provisions for declining automatic registration.
- Amend current programs for on-line requests for change of mailing address since identity verification and signature collection are not currently required in this process.

Administrative Impact

To implement provisions of Section 5 (1) the administrative cost may be estimated as:

Personnel Services Bureau FY 2021

Update Webpage - Administrative Analyst III

$$10 \text{ hrs.} \times \$19.80 = \$198.00$$

Driver License Bureau FY 2021

Requirements development and testing:

Administrative Analyst II –	240 hrs. x \$17.13 per hr. =	\$4,111.20
Management Analyst Spec. II –	320 hrs. x \$20.57 per hr. =	\$6,582.40
Revenue Manager -	40 hrs. x \$20.59 per hr. =	\$ 824.00

Total = \$11,715.60

OA-ITSD Impact

ITSD - DOR						
Bill Number	IP 20-134	FN #	IP 20-134			
Bill Section(s)	5.2					
Application Name:	DMVC/MyDMV			FY 2021	FY 2022	FY 2023
IT Consultants	On-going Yes/No	Rate	Hours	\$	\$	\$
Requirements Gathering		95	17	1,615	-	-
Analysis		95	17	1,615	-	-
Design		95	17	1,615	-	-
Development		95	168	15,960	-	-
Test		95	50	4,750	-	-
Implementation		95	7	665	-	-
Project Management		95	22.08	2,098	-	-
On-going support		95		-	-	-
Section Total IT Consultants:		95	298.08	28,318	-	-

Other Costs:	Cost Per	Number	\$	\$	\$
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Section Total Other Costs:			-	-	-
Section Total Expenditures:			28,318	-	-
General Revenue			28,318	-	-

The department also provided the following comments:

Section 5 (1)

For purpose of this fiscal note the Department assumes that it will apply the same requirements related to automatic voter registration specified for new and renewal applicants to individuals applying for a duplicate, reprint or replica driver license, nondriver license, instruction permit, or commercial learners permit. If it is not the sponsor's intent to include duplicate transactions, the Department recommends the sponsor amend the language to specifically prohibit.

The Department assumes it is not the sponsor's intent to forward record updates derived from other mailing address updates sources such as National Change of Address files, courts or documentation received from sources other than the applicant.

The proposed language will require the Department to amend the current data files posted to the Secretary of State or develop a new file specific to automatic voter registration to include the digital image of the signature when the application or request for update included collection of the individual's signature.

The requirement to submit a copy of the individual's signature will require the Department to amend current programs for on-line requests for change of mailing address since identity verification and signature collection are not required in this process.

Officials from the **Department of Public Safety - Office of the Director** indicated they see no fiscal impact due to this initiative petition.

Officials from the **Department of Social Services** indicated this initiative petition should have no fiscal impact to their department.

Officials from the **Governor's office** indicated there should be no added costs or savings to their office.

Officials from the **House of Representatives** indicated no fiscal impact to their office.

Officials from **Department of Conservation** indicated no adverse fiscal impact to their department would be expected as a result of this proposal.

Officials from the **Department of Transportation/Missouri Highways and Transportation Commission** indicated this initiative petition should not have a fiscal impact to their department/Missouri Highways and Transportation Commission. The reporting of a list of citizens for voting is not eligible to be paid for with State Revenue Derived from Highway Users (SRHU), and further, Article IV, Section 30(b), Missouri Constitution limits the Department of Revenue (DOR) to its actual costs to collect SRHU and caps the amount of SRHU that DOR may receive to no more than 3% of the proceeds of SRHU collected.

Officials from the **Office of Administration** indicated this proposal amends Article VIII of the Constitution of Missouri by amending Sections 5, 7, and 22 and adopting three new sections.

This proposal requires the Secretary of State to establish a process to conduct automatic voter registration. The Department of Revenue shall provide to the Secretary of State lists of citizens eligible to vote, any available electronic signature information, and any other information required to register to vote. The Secretary of State shall provide lists of citizens who are presumptively eligible to vote to local election authorities. Local election authorities shall include such presumptively eligible voters on voter registration lists subject to existing verification procedures for voter eligibility. Individuals automatically registered to vote shall be provided an opportunity to decline registration. Individuals automatically registered to vote who are not eligible to vote shall not be subject to any penalty, and the local election authority shall remove any such individuals from the voter registration list. The deadline for voter registration shall be no earlier than 5:00 p.m. on the second Tuesday prior to the election, except with regard to covered voters and intrastate voters. Intrastate voters may vote in their new jurisdiction if they are registered to vote in Missouri.

This proposal provides that all qualified voters of the state may vote by absentee ballot without providing a reason starting 42 days before an election and specifies how local election authorities are to administer absentee ballots. An absentee ballot of an overseas or uniformed services voter shall be counted by the local election authority so long as the ballot is dated on or before election day and received by the election authority within 7 days of election day.

This proposal requires the Secretary of State in conjunction with the State Auditor to provide a recommendation to local election authorities for the best method to conduct a risk-limiting audit of election returns. Each local election authority shall adopt a method of risk-limiting audit for auditing election returns.

This proposal provides that every qualified, registered voter shall have the right to vote using a secret ballot.

This proposal should not result in additional costs for their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would implement an automatic voter registration program. The bill would require the Department of Revenue (DOR) to transmit to the Secretary of State (SOS) records containing information of eligible voters, based on agency records (such as driver's license applications). This information is then made available to each local election authority, which will then send notice to each person giving them the opportunity to decline to be registered. For the purposes of this fiscal note, their office assumes that this information will be transmitted in an electronic format.

To implement these requirements, significant programming changes would need to be made to the centralized voter registration database (MCVR) to develop a new interface, to allow electronic transmission of electronic agency data, to sync agency data with currently existing voter information in MCVR, to allow local election authorities to generate and send notices of opportunity to decline registration, to create a queue of individuals who have been sent notice of opportunity to decline registration, and to allow information to be transferred between counties. Based on the implementation of similar systems in other states, this section would result in an estimated one-time cost of \$1,000,000 in fiscal year (FY) 2021.

This bill requires local election authorities to send notice of opportunity to decline registration to each individual that is not currently a registered voter. This is a new responsibility that must be funded by the state under Article X, Section 21 of the Missouri Constitution. Based on a recent comparison of voter records to driver's license records, a total of 743,280 individuals were found to have a driver's license but were not identified as registered voters. Sending notice to each individual would cost \$0.90 to mail (\$0.55 for

outgoing postage as of January 2019, \$0.35 for the endorsement on the paid return postcard) plus the costs of printing. Postage would amount to \$668,952 and printing is estimated at \$33,270, for a total that could reach or exceed \$702,222 (depending on the specific number of persons identified by DOR and other agencies) beginning in FY 2021.

Future notice mailings would incur costs to the state of Missouri. The cost of notice mailings in future fiscal years is unknown due to several variable factors including voter registration rates and postage cost increases.

Additionally, this petition also requires local election authorities to maintain one or more locations for eight hours on the Saturday and Sunday before each election to facilitate absentee voting. While each local election authority already maintains four hours of Saturday operation as required by current law, this increase would require additional staffing costs for the equivalent of 348 judge-days statewide (two judges for 1.5 days in 116 jurisdictions). Assuming an average payment of \$125 per judge-day, this would amount to \$43,500 per election beginning in FY 2021.

Their office is being conservative in assuming all new costs will be subject to Article X though there may be some legal uncertainties on this point.

Officials from the **Office of the State Public Defender** indicated this initiative petition will not have any impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated the following estimate is based on U.S. Census Data that estimates current county population at 291,923. It is estimated that 20.9% of the population is under 18 years old, which accounts for 60,957 residents. They have on average 190,000 registered voters, of which about 30,000 (16%) are inactive, meaning their address is no longer verified but registered nonetheless and so they are included as part of the number below.

R's = Residents

RV's = Registered Voters

yrs = Years

PV's = Potential Voters

MC = Mailing Cost

CPC2P = Cost Per Card to Process

FTH = Fulltime Hire

AP = Annual Pay

291,923 R's – 60,957 R's under 18 yrs = 230,966 R's 18 yrs or older

230,966 R's 18 yrs or older – 190,000 RV's = 40,966 PV's

40,966 PV's x .50 MC = \$20,483

40,966 PV x 1.06 CPC2P = \$43,423.96

If they have approximately **40,966 PV's** not registered based on the number above, and a Voter ID card is mailed to each voter as stated in the petition language at **.50** apiece, it will be a **\$20,483 MC**. How will that cost be delineated in subsequent mailings is very hard to predict, but they do anticipate it will be reduced over time from the original estimate as more residents become registered.

The actual time spent to fully process any new Voter ID card is estimated at **\$1.06 CPC2P**. This adds an additional **\$43,423.96** to the cost when it is multiplied by the estimated **40,966** voters eligible to be registered.

There is also in the petition language additional requirements. This includes allowing new voters to register up to 2 weeks prior to an election, absentee mailing changes and risk-limited auditing requirements post-election. These additional requirements will at a minimum require an additional **2 FTH** for the office to ensure the ongoing administrative duties the petition requires will be completed on time for voters. This additional cost will be **\$24,689.60** per hire for their annual pay. The total annual cost for two fulltime hires will be **\$49,379.20**.

40,966 PV's x .50 MC	= \$20,483
40,966 PV's x 1.06 CPC2P	= \$43,423.96
<u>2 FTH x \$24,689.60 AP</u>	= \$49,379.20
Total:	= \$113,286.16

The total estimated initial cost for Greene County for IP **20-134** proposing to amend Article VIII, version 6, will cost Greene County **\$113,286.16** with a minimum ongoing cost of **\$49,379.20** for personnel. There will be other ongoing cost to include COLA increases, Step increases for employee pay as well as anticipated ongoing administrative cost that cannot be predicted at this time.

Officials from **St. Louis County** indicated they do not foresee a substantial fiscal impact on the operations of St. Louis County Government.

Officials from the **City of Kansas City** indicated this amendment will have no fiscal impact on their city.

Officials from **Wellsville-Middletown R-1 School District** indicated with regards to petitions 20-129 through 20-139, which all appear to pertain to the establishment of an automatic voter registration process; admittedly they did not read each of these word for word, however the two they did read (20-129 and 20-138) did not appear to have any specific fiscal impact unique to their school district other than the cost this process may have to the state's general revenue. In which case there will be slightly less money available for all other state funded services, including their school.

Officials from **State Technical College of Missouri** indicated there is no fiscal impact to their college.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis County Board of Elections** indicated they predict this amendment would have a fiscal impact of \$60,000 per County-wide election, with an additional \$9,000 annual cost. Having each of four satellite offices open for an additional 12 hours on the weekend, and at a rate of \$5,000 per every 8 hours, this would cost \$30,000. The additional absentee costs in the amendment are also estimated to be about \$30,000. They pay a vendor to print and mail their absentee ballots, so the no-excuse absentee portion of the petition would include additional absentee costs for printing and mailing. The annual cost of sending voters postage cards to decline automatic registration would be about \$9,000. It is important to note that a significant portion of all of these costs could be offset by the reduced need for polling places due to early voting.

Officials from the **Kansas City Election Board** indicated additional costs of \$80,000 per year and \$43,500 per election for this initiative petition. The spreadsheet on the next page shows the anticipated costs for all 11 versions of this fiscal note. This estimate was based on one election per year, would range from \$110,500 to \$123,500 depending on the services provided. Two additional staff would need to be hired to process the additional affidavits for \$80,000, including benefits, (fixed expenses). There would variable costs for each election for postage, printing, staff overtime, temporary expense, election services fee of 5% and other miscellaneous expenses ranging from \$30,500 to \$43,500.

Kansas City Election Board Fiscal Notes 11/15/2019	Two Voter Services											Parking & Other Services	Election Services		Early Absentee	Risk-Limit Auditing	Sat & Sun Extended Hours	Secret Ballot
	Employees w/ Benefits	Postage	Supplies & Printing	Overtime	Temporaries		Fee	Total	DMV									
Fiscal Notice 20-129	\$80,000	\$7,500	\$5,000	\$5,000	\$5,000	\$3,000	\$5,000	\$110,500	x	x	x							
Fiscal Notice 20-130	\$80,000	\$7,500	\$5,000	\$7,500	\$7,500	\$6,000	\$5,000	\$118,500	x	x	x						x	
Fiscal Notice 20-131	\$80,000	\$7,500	\$5,000	\$7,500	\$7,500	\$6,000	\$5,000	\$118,500	x	x	x						x	
Fiscal Notice 20-132	\$80,000	\$7,500	\$5,000	\$5,000	\$5,000	\$3,000	\$5,000	\$110,500	x	x	x							
Fiscal Notice 20-133	\$80,000	\$7,500	\$7,500	\$5,000	\$7,500	\$3,000	\$5,000	\$115,500	x	x	x						x	
Fiscal Notice 20-134	\$80,000	\$7,500	\$7,500	\$7,500	\$10,000	\$6,000	\$5,000	\$123,500	x	x	x					x	x	
Fiscal Notice 20-135	\$80,000	\$7,500	\$7,500	\$7,500	\$10,000	\$6,000	\$5,000	\$123,500	x	x	x					x	x	
Fiscal Notice 20-136	\$80,000	\$7,500	\$7,500	\$5,000	\$7,500	\$3,000	\$5,000	\$115,500	x	x	x						x	
Fiscal Notice 20-137	\$80,000	\$7,500	\$5,000	\$5,000	\$5,000	\$3,000	\$5,000	\$110,500	x	x	x							
Fiscal Notice 20-138	\$80,000	\$7,500	\$7,500	\$5,000	\$7,500	\$3,000	\$5,000	\$115,500	x	x	x						x	
Fiscal Notice 20-139	\$80,000	\$7,500	\$5,000	\$5,000	\$5,000	\$3,000	\$5,000	\$110,500	x	x	x							

Officials from the **Platte County Election Board** indicated they anticipate \$2,000.00 of additional expense per election.

Officials from the **State Auditor's office** indicated this initiative petition proposal should have no fiscal impact on their office and any impact can be absorbed through current appropriations.

Andrew Bergerson and Jared Wight provided the following information:

5601 Locust Street & 5711 Holmes Street
Kansas City, MO, 64110
15 November 2019

Hon. Nicole Galloway, CPA
Missouri State Auditor's Office
P. O. Box 869
Jefferson City, MO 65102
moaudit@auditor.mo.gov

Re: Fiscal-Cost Estimates for Ballot Initiatives in 11 Variations 20-129 through 20-139

To the Honorable Nicole Galloway, CPA, Missouri State Auditor:

Pursuant to Title IX Section 116.175 of the Missouri Constitution, we hereby submit this statement of fiscal impact to advise you and your office in estimating the fiscal cost of petition-based ballot initiatives to amend the Missouri Constitution in 11 variations: 20-129 through 20-139.

Drew Bergerson is a Professor of History and Jared Wight is a System Administrator, both at the University of Missouri-Kansas City. Although we submit this opinion purely as private citizens, we used our experience as social and computer scientists to do so.

We surveyed the relevant legislation proposed to the Missouri General Assembly for ten or more years, focusing especially on any associated fiscal notes from the State Auditors. We analyzed the fiscal note for petition 20-072, on which these petitions are based. We interviewed local election officials in the Kansas City and St. Louis areas. We reviewed the reports of major think tanks, non-profit organizations, and scholars who specialize in electoral practices. Finally, we considered reports provided by counties and states like California, Colorado, Michigan, and North Carolina that recently implemented similar policies.

Below we summarize our research in seven points, including information particular to one or more variations of the ballot language where relevant.

1. Automatic voter registration will likely incur one-time infrastructural costs of \$0 to the State of Missouri.

In the fiscal note for the recent bill with the most detailed description of one-time costs (HB 1934 McCann Beatty, 2018; see also HB29, Stacy, 2019; HB 731 Manlove 2019; HB994, Price, 2019), the State Auditor anticipated significant one-time expenses for extensive technological improvements to the Missouri Voter Registration Database (\$1,000,000)¹, software programming (\$27,540-\$85,050), administrative costs for impacted departments (\$7,228-\$8,700), and employee training (\$0-unknown). In the fiscal note for a similar version of this petition (20-072), the State Auditor predicted a similar figure for modernizing the Missouri Centralized Voter Registration (\$1,000,000) with modest figures for programming software updates (\$34,072).

As we emphasized in our earlier letter to your office, however, Missouri has *no reason to rely solely on its own resources* for modernizing its election technologies. In 2018, Missouri received \$7,230,625 for these express purposes from the Federal Government.² Moreover, the 5% matching funds required of the State have already been provided, according to the Federal Financial Report, so it is also not necessary to budget an additional sum of approximately \$50-60,000 for those matching funds. According to the U. S. Election Assistance Commission, states may use those funds to improve elections by adding cybersecurity systems, cybersecurity training, new voting equipment with paper ballots, and post-election risk-limiting audit systems (see #2 below). In the Missouri 2018 HAVA Program and Budget Narrative submitted to the U. S. Election Assistance Commission in July 2018, Secretary of State John Ashcroft specifically mentions that his office plans to use these Federal resources to “modernize” the MCVR and upgrade both physical and electronic security, among other things.

¹ According to Common Cause-Massachusetts, *Automatic Voter Registration Cost Report*, 05.24.2018, similar one-time improvements cost approximately \$200,000 in Oregon and \$434,117 in Vermont. According to WBUR News, MA State Representative John Mahoney estimated in 2018 that implementation of the Massachusetts automatic voter registration legislation would cost \$500,000 up front. In the fiscal cost analysis of the Voter Access and Modernized Elections Act (HB13-1303), Colorado anticipated \$644,000 to update SCORE, its Statewide Voter Registration System. The larger figure of \$1,000,000 for Missouri is reasonable given the relatively backward state of our election technologies (also as per the Fiscal Note for HB.731 Manlove 2019).

² According to the U.S. Election Assistance Commission's Grant Expenditure Report for Fiscal Year 2018, published April 4, 2019, Missouri has spent all of the funds plus interest distributed starting in 2003 by the EAC to states under Section 101 of HAVA 2002: \$6,829,277. Section 251 funds, known as Requirements Payments, were distributed to States using a formula found in HAVA based on a percentage equal to the quotient of the voting-age population of each State and the total-voting age population of all States. Missouri has spent \$54,177,399, leaving a balance of \$472,833 including interest. In March 2018, however, Congress provided an additional \$380,000,000 through the Consolidated Appropriations Act of 2018. According to the report from 2018, Missouri has currently spent \$224,922 of \$7,230,625 requested, leaving a balance of \$7,037,285 including interest. Missouri has until March 22, 2023 to spend these funds.

In other words, these expenses are already accounted for. To be sure, new needs may arise in the course of making these improvements, but they are unknown. The most accurate estimate for new infrastructural costs *due to the petition would therefore be “\$0 to unknown”*.

2. Risk-limiting audits will incur “unknown” up-front and ongoing costs.

The Federal grants (listed above) that cover upgrading our technology for cybersecurity etc.³ could also be used to cover infrastructural improvements for risk-limiting audits. These Federal grants have already been received and State matching funds have already been apportioned for those purposes.

Long-term, there may be ongoing costs or even net savings; but it is impossible to estimate them without knowing which specific kind of risk-limiting audits and what kinds of cybersecurity technologies will be implemented. *It makes the most sense to list them as “\$0 to unknown.”*

3. There will be no (\$0) up-front costs for “opt-out” mailings for automatic voter registration because the petitions no longer mandate an initial mailing to all non-registered voters.

Prior bills with fiscal notes (HB 1934 McCann Beatty, 2018; HB29, Stacy, 2019; HB 731 Manlove 2019; HB994, Price, 2019) offer a wide range of estimates for an initial set of “opt-out” mailings based on the number of eligible non-registered voters in government records.⁴ In the fiscal note for petition 20-072, the Secretary of State estimated that there are 743,280 eligible non-registered voters who could be contacted at a total expense statewide for local election officials of as much as or more than \$702,222. Yet this estimate of eligible voters is probably two times too high;⁵ and the current petitions 20-129 through -139 no longer mandate an initial mailing to allow all those non-registered voters to “opt-out” of voter registration beginning in 2021. These expenses should therefore be *removed entirely from the fiscal cost analysis* (\$0) and no other new expenses should be added.

³ *Ibid.*

⁴ The highest projections anticipate 743,280 individuals who, according to the Department of Motor Vehicles, have driver's licenses but are not registered voters, which makes the total cost for mailing and printing, as per the Secretary of State, \$668,952 + \$33,270 = \$702,222. Yet data from the United States Election Project suggests that this population estimate is two times too high. They estimate only 528,782 non-registered voters in 2018, and after removing ineligible voters, pegs the vote-eligible population at 357,583.

⁵ *Ibid.*

[Clarification: The new batch of petitions specifically stipulate in Section 5.2(5): "In no case shall any agency or the Secretary of State be required to provide lists of eligible voters who did not conduct a transaction with said agency or Secretary of State in the week prior to the production of the list." The former petitions mandated the creation of lists of *all potential* voters who are currently not registered. They would have required a large single mailing at the first implementation of these new procedures. The current petitions refer simply to lists of *new* voters identified each week through regular automatic voter registration procedures, for instance, when eligible voters seek to renew a license at the Department of Motor Vehicles.]

4. The long-term cost of automatic voter registration is "unknown."

Fiscal notes for prior legislation offer a wide range of estimates for long-term costs, mostly for printing and mailing costs. Kansas City was an outlier, anticipating new staff positions at much larger expense (\$180-260,000); but most local election authorities anticipated \$0 impact.⁶ In the fiscal note for a similar version of this petition (20-072), only St. Louis County listed ongoing costs of automatic voter registration at \$9,000 for printing and mailing costs.

[Clarification: The Secretary of State overestimates the number of non-registered eligible voters who would ultimately be registered through the automatic voter registration process. We know, for instance, that many voters self-register or are registered in voter registration drives by non-profit organizations. Moreover, this figure fails to consider opportunities to economize the voter registration process that typically come with automatic voter registration (see below). The Secretary of State draws a similar conclusion about ongoing costs in his comment for petition 20-072: "The cost of notice mailings in future fiscal years is unknown due to several variable factors including voter registration rates and postage cost increases."]

No additional staff was required for implementing automatic voter registration in Colorado, Oregon, and Vermont. Oregon, which has a comparable number of non-registered voters (539,532) to Missouri (528,782), has reported mailing a consistent number of 21,700 mailings per month for "opt-out" registrations at the cost of \$330,217 per biennium.⁷ In various states, however, automatic voter registration has

⁶ For prior bills with fiscal notes in Missouri (HB 1934 McCann Beatty, 2018; HB29, Stacy, 2019; HB 731 Manlove 2019; HB994, Price, 2019), local election officials have estimated the additional cost of printing and mailing postcards from \$0 to \$92,708 per year per election district but most anticipate being able to absorb the cost into their existing budgets.

⁷ Common Cause-Massachusetts, *Automatic Voter Registration Cost Report*. 05.24.2018.

reduced other costs, for instance, by reducing the number of provisional ballots.⁸ Arguably large cost savings for Missouri would come from replacing the current system of paper registration cards and manually reentering voter registrations from paper lists with digital voter registration systems.⁹ In the most detailed fiscal notes to two of the prior bills (HB 1934 McCann Beatty, 2018; HB 731 Manlove 2019), the Office of the Secretary of State explicitly stated their assumption that voter lists “will be transmitted in an electronic format,” no doubt in recognition of this opportunity to economize.

Without knowing the precise nature of the new technologies and given the likelihood of opportunities to economize, it is impossible to estimate the long-term costs of automatic voter registration. We therefore urge the State Auditor to describe these costs as “\$0 to unknown.”

5. Moving the final registration date to fifteen days before election day will cost \$0.

There are still no fiscal notes yet available for the two bills introduced into the Missouri General Assembly on this topic (HB 993 Price, 2019; SB 384, Schupp, 2019). In the fiscal note for petition (20-072), only Greene County mentions any additional costs whatsoever for moving back the last possible registration date, claiming that it requires the hiring of 2.5 additional employees at \$49,379.20 annually; but they justify these hires also on the basis of higher costs for administering absentee mailing and risk-limited auditing post-election. Most other counties do not report any need for additional expenditures.

This conclusion is demonstrated by comparative evidence from other states who have implemented *same-day* registration: they either report *no* increase in long-term cost for new technology and staff, or report a reallocation of existing resources to absorb those expenses.¹⁰ In 2012, California approved Conditional Voter

⁸ National Conference of State Legislatures, Automatic Voter Registration, 04.22.2019. See also Sawyer, *Early Voting Business Case for Mecklenburg County, NC*, ca. 2015.

⁹ In its Election Initiative issues brief “Inaccurate, Costly, and Inefficient Evidence that America’s Voter Registration System Needs an Upgrade” from 02.2012, the Pew Center on the States argues that paper registration systems are expensive compared to electronic. Where Oregon spent \$4.11 per active voter to process registrations and maintain their voting list or \$7.67 per transaction (new or updated registration), Canada spent \$0.35 per voter to process registrations and Maricopa County, AZ reduced costs from \$0.83 for paper registration to \$.03 for online registration. In California, the introduction of Conditional Voter Registration was delayed from 2012 to 2017 until VoteCal, California’s statewide voter registration database, was operational (see California Secretary of State and Santa Clara Registrar of Voters).

¹⁰ According to the National Conference of State Legislators, additional technology is not required even for same-day registration. Whereas the additional administrative work can be time consuming, many states report a reallocation of existing costs and resources rather than additional costs. In 2015, Project Vote reported that most states experienced “minimal” incremental costs in the long term. Iowa introduced SDR with only a \$40,000 onetime statewide expense. In 2011-12, Demos conducted a survey of counties in Iowa and North Carolina and found that a large majority reported little to no additional costs for same-day registration.

Registration (AB 1436) that allowed unregistered voters to register and vote within fifteen days of and including election day using a provisional ballot, and it became operational in 2017 (see California Secretary of State and Santa Clara Registrar of Voters). Their State Legislature anticipated increases in cost of \$5-10,000 per county but only due to the provisions of the law related to *same-day* registration.¹¹ The policy proposed in Missouri sets the registration deadline at fifteen days before election day as well but *without* the option for same-day registration.¹²

It is therefore reasonable to assume that *no additional expenses (\$0) would be incurred.*

6. The cost to allow all eligible voters to vote “without excuse” by absentee ballot is “unknown” if not \$0.

The number of absentee ballots cast in Missouri fluctuated between 5.7% and 9.6% in 2008-2012.¹³ According to the fiscal notes associated with past bills in the Missouri General Assembly (HB173, Conway, 2017; HB644, Smith, 2017; HB29, Stacy, 2019; HB202, Shull, 2019) as well as proposed constitutional amendments (HJR 90, Dugger, 2014), most local election officials did not respond with feedback or stated that the impact would be negligible on their expenses. By contrast, the local election officials from Audrain, Kansas City, Platt, and St. Louis Counties estimated increased costs ranging from \$1,700 to \$32,000 due to increased postage, printing, and staff. In more recent bills (HB368, McGaugh, 2019; HB527, Stevens, 2019; HB992, Price, 2019), however, the local election officials from Platt and St. Louis Counties estimate \$0 fiscal impact for similar policies.

Given such wildly different cost estimates from rural, suburban, and urban counties, the Committee on Legislative Oversight correctly notes that there could be a potential increase in costs but the actual fiscal impact is “unknown” if not \$0. In the

Most did not require additional staffing at the polls. Any new expenses were generally associated with additional printing and mailing of registration forms. North Carolina respondents most frequently cited additional staffing at one-stop sites as the most notable cost associated with same-day registration. This need tended to increase among smaller-sized counties. The increased expenses cited in North Carolina may not be entirely attributable to same-day registration, however. Most counties that reported adding staff were unable to disaggregate same-day registration costs from overall early voting expenses.

¹¹ The California Assembly predicted a modest cost increase of "\$5,000 to \$10,000 per county annually to accommodate voter registration, *principally on election day*, at county elections offices. This includes the costs for staffing, providing sufficient ballot types for a voter residing anywhere in the county, processing the additional voter registrations, and any additional handling associated with processing the ballots" (our *italics*). Yet they admitted that these costs will vary according to county, popularity of option, turnout, and other factors, including the number of existing provisional ballots.

¹² The other factor increasing anticipated costs in the California case was the need to process provisional ballots after election day. The Senate for instance predicted that an increase in last minute voter registration would necessitate additional labor, overtime, computers, ballots, networks, and security *on election day* and also in order to complete the processing of *more provisional ballots* during the 28 day canvas period after an election. In the proposed Missouri legislation, automatic voter registration should decrease the need for provisional ballots.

¹³ Christopher Mann, "Mail Ballots in the United States: Policy Choice and Administrative Challenges," in Barry Burden and Charles Stewart, *The Measure of American Elections* (Cambridge, 2014), p. 118.

fiscal note for 20-072, Greene County includes the expense of absentee ballots (along with other things) at \$49,379.20 annually; but the much larger St. Louis County set this figure at \$30,000; and Platt County at \$3,000. The reason: costs (i.e. for increased staff) may increase in the short term if voters suddenly switch to absentee voting before the necessary infrastructure has been created.

But it is far more likely that there will be a more gradual adjustment period because state- and even county-specific voting cultures are often strong predictors of future behavior, which suggests that there will be some inertia when it comes to voting practices.¹⁴ With the implementation of the Voter's Choice Act in California, for instance, Madera County saw an increase in voting by mail from 64% to 93% in 2018, but because VCA actually *required* ballots to be mailed in that county.¹⁵ By contrast, Mecklenburg County in North Carolina saw a more gradual increase in early voting but relatively stable percentages of no-excuse absentee ballots since the introduction of both.¹⁶ It thus seems reasonable to assume, given the fact that absentee ballots would be available during the 42 day early voting period, that most local election officials would be able to absorb this work using existing resources of staff and space.¹⁷

Moreover, the data from other states suggest that mail-in balloting significantly reduces the cost per vote of elections. Although it requires short-term increases in voter education programs and can incur expenses through trial and error with the number of voting centers, most local election officials who have made the transition to vote-by-mail systems anticipate long-term cost savings as a result of reduced labor costs by replacing many poll workers with fewer voter center workers as well as fewer voting machines.¹⁸ St. Louis County is anticipating that this reduction in costs from fewer polling locations on election day will offset some of the new costs.

¹⁴ Burden and Stewart, *Measure*.

¹⁵ Madera County, CA, Election Administration Plan 2018.

¹⁶ As per Hannah Sawyer, an intern who worked at the Mecklenburg County Board of Elections, who authored a Six Sigma study as part of her MPA entitled *Early Voting Business Case* (ca. 2015).

¹⁷ See for instance Sawyer, *Early Voting*.

¹⁸ In California, "the Nevada County Elections Office has determined that costs will exceed savings with the first implementation of the VCA. However, the Nevada County Elections Office predicts that over time conducting elections in accordance with the VCA will encourage savings based on evidence from Colorado who implemented a similar elections model." (Nevada County Election Administration Plan 2018; see also Madera County Election Administration Plan 2018, Napa County Election Administration Plan 2018, Sacramento County Election Administration Plan's Appendix J, 2018). According to the Pew Charitable Trusts' issue brief "Colorado Voting Reforms: Early Results 2013" from March 22, 2016, the statewide average cost per vote in Colorado decreased in the wake of their Voter Access and Modernized Elections Act of May 2013 from \$15.96 in 2008 to \$9.56 in 2014 due to reduced labor, printing, postage, and miscellaneous costs. On-demand ballot printing at vote centers reduced the total number of ballots that need to be printed. Moving from assigned polling places to fewer vote centers also required less staff.

Given the wide variation in reporting from counties, the likelihood of short-term cost fluctuations, as well as the likelihood of long-term savings, all of an indeterminate quantity, it makes the most sense to describe the fiscal impact as “\$0 to unknown.”

7. Early voting has an uncertain impact on the cost of elections ranging from “unknown” cost increases to “unknown” cost savings.

There are an unpredictably wide range of variables that could impact the cost of early voting, resulting in wildly disparate predictions of fiscal impact.¹⁹ It seems reasonable to presume that local election officials will use the flexibility inherent in this legislation to try to avoid new costs.²⁰ For both practical and financial reasons, we anticipate that local election officials would want to provide one voting center for approximately 50,000 registered (35,000 likely) voters.²¹ In the sixteen suburban, exurban, or urban districts in Missouri with 50,000 or more registered voters, including St. Louis with more than 750,000 registered (457,609 likely) voters, local election officials should be able to reallocate resources from their many precincts into consolidated early voting centers to actually incur cost savings.²² This consolidation would allow the local election officials to rely on their best workers and reduce the number of required voting machines (and associated costs for

¹⁹ For HJR 90 (Dugger, 2014), St. Louis County assumed that they would be required to open seven satellite sites at an estimated annual cost for the location, paper and labor of \$1,737,892 per election as well as non-recurring start-up costs to be \$1,195,678. Yet these estimates do not consider the cost savings of reducing precincts during election day, using less voting equipment, and other factors, which would have considerable impact on an election district with a large population of registered voters. By contrast, most local election officials did not even bother to respond to the request for a fiscal note, suggesting little concern for increased costs.

²⁰ For instance, Illinois mandates that early voting centers must be provided at public universities (Early Voting report from NYU's Brennan Center for Justice). Local election officials could save money by using the existing local election facility itself as one of their voting centers (such as the County Clerk's office) and using other publicly owned (municipal, county, and state) facilities for the auxiliary centers as needed (such as civic centers, firehouses, high school gymnasiums, or public university buildings). The latter are typically located in central locations, accessible by public transportation, open on a similar schedule as the local election officials office, provide public parking, and can be secured such that the machines do not need to be removed each day. Other popular alternatives in states with early voting include retail stores, bus stations, hotels, and supermarkets. (Robert Stein and Greg Vonnahme, "Polling Place Practices and the Voting Experience," in Burden and Stewart, *Measure*, p. 170-72)

²¹ Prior bills submitted to the Missouri General Assembly stipulated a range of formulae: one voting center for every three existing precincts (HB994, Price, 2019) which results in a very large price tag of \$9,764,250 in new election costs; one additional voting site for more than 175,000 registered voters (HB848, Neih, 2013) or a staggered scale thereafter for every 75,000 voters (HJR5, Merideth, 2019), which would only impact six local election officials; one voting center for every 50,000 residents (HB501, Newman, 2017; HB1550, Newman, 2018) which would require 49 voting centers statewide; or no formula at all (HJR 90 Dugger, 2014). See also Matt Blunt Early Voting Report, n.d., and Jason Kander, *Time for Early Voting*, 2013.

²² For instance, the Jackson County Election Board currently has 239 precincts for 254,769 registered and 151,029 likely voters that they currently open only on election day, for which they pay \$200.00 per precinct (for a total of \$47,800) plus 2 judges per site @ \$12.00 per hour for 8 hours per day (\$192 per precinct = \$45,888). If they chose to participate in early voting, the local election official might instead open 5 voting centers in public buildings including the local election official itself (at \$0 cost) which requires 2 judges per site @ \$12.00 per hour for 8 hours per day for 42 days before election day for a total of \$41,856, which is a reduction in cost. (See data from Secretary of State's Office and HB994, Price, 2019; compare to Sacramento County Election Administration Plan's Appendix J, 2018)

transportation and rental space), as has happened in other states.²³ It also reduces the number of provisional ballots.²⁴

If at all, the 102 rural counties in Missouri with fewer than 50,000 voters would incur costs only for overtime for its staff on the Saturday and Sunday before election day. In the fiscal note for petition 20-072, the Secretary of State anticipated that these additional weekend hours would require 348 judge-days statewide (two judges for 1.5 days in all 116 jurisdictions) for \$375 per jurisdiction or \$43,500 per election.

[Clarification: Petitions 20-129, 132-133, and 136-139 do not mandate weekend hours, which should exclude these figures from the fiscal cost analysis.]

Overall, early voting has been proven in other states to *drastically reduce* costs in the long-term and/or allowed for the reallocation of scarce resources.²⁵ Crucial to estimating the fiscal impact of these ballot initiatives is the fact that they allow local election officials to determine the number of early voting centers and allows them to increase hours of operation beyond the minimum based on local circumstances. Opening a second early voting center may not make fiscal sense for a district with only 2-5,000 registered voters; but additional voting centers or longer hours may enable more populous jurisdictions to make better and more dynamic use of existing resources.²⁶ Doing so may require some trial and error, as other states have experienced.²⁷

²³ Between 1999 and 2001, North Carolina introduced no excuse absentee ballots and an eighteen-day early voting period. According to Sawyer's *Early Voting*, Mecklenburg County, NC, was able to significantly reduce the number of required machines at a cost savings of \$1,261,700 in purchase price and maintenance costs by using the same machines on both election day and during the early voting period. The more people who voted early (62% in 2012, 75% anticipated in 2016), the more they maximized existing infrastructure, halving the annualized cost of each machine from \$685.56 to \$309 over a ten-year period.

²⁴ Mecklenburg County NC (*ibid.*) recorded a reduction from 3,156 provisional ballots in 1996 to 1,522 in 2012 due to early voting. The Pew Charitable Trusts reported in "Colorado Voting Reforms: Early Results 2013" on March 22, 2016, that there was a remarkable 98% reduction in provisional ballots cast in Colorado.

²⁵ Between 2008 and 2016, voter transactions in Mecklenburg County NC (*ibid.*) cost \$2.48-\$3.57 per early vote in contrast to \$7.19-\$11.69 for election-day voting. See also Pew Charitable Trusts, "Colorado Voting Reforms: Early Results 2013", March 22, 2016.

²⁶ For instance, Buchanan County with 52,996 registered (30,117 current) voters in 2018 could process on average 1262 registered voters per 8-hour day or 158 per hour in an early voting period of 42 days if they restricted themselves to just the existing local election authority's offices as their voting center. Adding a second early voting center would reduce these rates to a more manageable 631 per day and 79 per hour. By contrast, Macon County with 10,805 registered (6,591 current) voters in 2018 could already process on average 258 registered voters per day or 33 per hour in a single voting center without having to open a second center.

²⁷ Colorado's General Assembly has passed a new bill HB19-1278 (2019) that would change the formula for determining how many ballot drop boxes and vote centers are required in order to address isolated instances of long lines on election day. In 2018, researchers from USC and UC-Riverside found elections officials faced a number of unexpected hurdles with the Voter's Choice Act. As John Myers of the Los Angeles Times reported on 21 April 2019: "Costs went up in some counties, as workers at vote centers needed additional training and counties replaced the often no-fee locations for polling places with buildings that had to be rented for a week or more. Some local officials said they needed more vote centers than the minimum required by the state law, especially on election day — for whatever reason, a number of voters didn't use the service until the last minute." The researchers concluded: "The culture of in-person voting on one single day will require more than one election cycle to change." In the long-term, however, the four original counties in California who implemented the Voter's Choice Act all anticipate long-term costs savings (Madera County Election Administration Plan 2018; Nevada County Election Administration Plan 2018; Napa County Election Administration Plan 2018; Sacramento County Election Administration Plan's Appendix J. 2018).

[Clarification: In the case of Petitions 20-130-131 and 134-135 which mandate weekend hours before election day, local election officers could easily reallocate existing staff to cover those hours.²⁸]

Given the flexibility in the legislation to adapt to local conditions, the fiscal impact cannot be precisely measured. It should be stated as “\$0 to *unknown*.”

These points, especially when taken together, indicate that there is a strong likelihood of new short-term expenses resulting from these petitions along with significant opportunities for long-term cost savings. This variation makes it impossible to estimate the net fiscal impact of this multifaceted legislation.²⁹ We therefore advise the State Auditor to summarize the potential cost to taxpayers as **\$0 to “unknown”** since that is the most accurate description of its overall fiscal impact.

Yours sincerely,

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²⁸ For instance, local election officials could ensure that there are two staff members available on the Saturday and Sunday of the weekend before election day either by creating a 46 minute daily reduction in a single staff member's daily schedule for the 42 days of early voting or offering two days day off during the week for two staff members during a period of low voter activity. Some local election officers already engage in such practices.

²⁹ The House Fiscal Agency in Michigan drew a similar conclusion regarding the 2018 ballot proposal 3 Promote the Vote, which included many similar features and is the foundation for the Missouri legislation. “The various rights proposed in the amendment would have *separate indeterminate costs*, but they will likely entail *marginal* increased costs for local units of government and *overall decreased* expenditures from the state, with some marginal cost increases for the Department of State (DOS).” (our *italics*)

The State Auditor's office did not receive a response from the **Department of Higher Education and Workforce Development, Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, University of Missouri, St. Louis Community College, the Board of Election Commissioners City of St. Louis, the Jackson County Election Board, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

State governmental entities expect one-time costs of at least \$1 million and possible ongoing costs. Local governments are expected to have costs of an unknown amount totaling at least \$746,000 in one-time costs, \$138,000 in annual costs, and \$149,000 in costs per election.