

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1426-01
Bill No.: HB 731
Subject: Elections; Probation and Parole; Prisons and Jails
Type: Original
Date: April 2, 2019

Bill Summary: This proposal creates automatic voter registration, including those who are finally discharged from probation, parole, or incarceration without condition.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$1,268,854) to (\$1,287,272)	\$0 to (\$80,631)	\$0 to (\$81,312)
Total Estimated Net Effect on General Revenue	(\$1,268,854) to (\$1,287,272)	\$0 to (\$80,631)	\$0 to (\$81,312)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Technology Trust Fund (0266)	(\$500,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$500,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Elections Administration Improvement Fund (0157)*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Transfer-in and costs net to \$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

SOS also assumes HB 731 implements 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 driver's license records. Likewise, the Division of Probation and Parole within the Department of Corrections (DOC) would be required to transmit lists of individuals who have completed all aspects of their felony convictions, including probation and parole. 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, this 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 multiple new interfaces, to allow electronic transmission of electronic DOR/DOC data, to sync DOR driver's license data and DOC probation/parole 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 FY 2020.

ASSUMPTION (continued)

The SOS would split the funding for these changes between the Technology Trust Fund (TTF) and Elections Administration Improvement Fund (EAIF) as follows:

Fund 0266 (TTF) - \$500,000 in FY 2020
Fund 0157 (EAIF) - \$500,000 in FY 2020

Oversight notes the money used from Elections Administration Improvement Fund comes from an annually appropriated GR transfer. Therefore, Oversight will reflect the cost of \$500,000 for MCVR Programming to GR. The Elections Administration Improvement Fund will net to zero.

The **SOS** anticipates no new decision item (NDI) will be necessary for this software change. The money used from Fund 0157 (designated by OA as a federal fund) comes from an annually appropriated GR transfer. Should this transfer be withheld or not fully funded, or if the total cost of MCVR changes from multiple pieces of legislation exceeds the money available, the SOS reserves the right to offset or request additional resources for estimated fiscal note impacts during the budget process.

This bill also requires local election authorities to send notice of opportunity to decline registration to each individual in the DOR or DOC databases with a driver's license 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, \$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 of up to \$702,222 beginning in FY 2021. This number may increase depending on the number of voters who would receive mailings based on DOC records.

Future notice mailings would also 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, the number of individuals applying for drivers and non-drivers licenses, and the number of individuals completing felony conviction sentences.

Fund 0101 - \$702,222 in FY 2020

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** assume:

§115.970 - Requires the Department to periodically provide the Secretary of State with information they determine is necessary to conduct recommendations for automatic voter registrations, including those who are discharged from probation, parole, or incarceration without condition.

The provisions of this section with regard to the secretary of state, department of revenue, and local election authorities shall be subject to the appropriation and payment of funds necessary to conduct automatic voter registration and verification procedures.

Since there is not a specific time frame defined within the proposed language, the Department assumes we 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 the 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 also not defined, however the Department assumes that it will be required to send name, date of birth, address, and at a minimum the last 4 digits of the social security number. The Department also assumes there may also be a requirement to send a copy of the applicant's signature for final voter registration processing.

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Coordinate with the Secretary of State to develop requirements for the data and signature file specifications and the 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 sending 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; and
- 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.

ASSUMPTION (continued)

FY 2020 - Driver License Bureau

Administrative Analyst II	160 hrs. @ \$17.13 per hr.	= \$2,741
Management Analysis Spec II	240 hrs. @ \$20.57 per hr.	= \$4,937
Revenue Manager	40 hrs. @ \$20.59 per hr.	= \$ 824
Total		= \$8,502

FY 2020 - Personnel Services Bureau

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
Total Costs		= \$8,700

Oversight assumes that DOR will be able to accomplish the work with existing resources; however, if multiple bills pass, the cumulative impact may require additional FTE.

OA-ITSD services will be required at a cost of \$85,050 (1,134 hours x \$75 per hour) in FY 2020.

Oversight also notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to the MODL and MEDL systems. ITSD estimates the project would take 1,134 hours at a contract rate of \$75 per hour for a total cost to the state of \$85,050. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal impact from the cost of contracting out the work (\$85,050) to hiring an additional FTE IT Specialist (roughly \$80,000 per year).

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Department of Corrections (DOC)** assume the proposal will have no fiscal impact on their organization.

Officials from the **Kansas City Election Board** assume the proposal will have an estimate of \$5,000 per year for postage, printing, and staff time.

ASSUMPTION (continued)

Officials from the **St. Louis County Board of Elections** assume the proposal will have no fiscal impact on their organization.

Oversight assumes this proposal will require local election authorities to have additional costs for postage and processing therefore, Oversight will reflect a \$0 or unknown cost to the local election authorities.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Transfer Out</u> - to Elections	(\$500,000)	\$0	\$0
Administration Improvement Fund - MCVR Programming p. 4			
<u>Cost - SOS</u>			
Printing p. 4	(\$33,270)	\$0	\$0
Postage p. 4	<u>(\$668,952)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost - SOS</u>	<u>(\$702,222)</u>	<u>\$0</u>	<u>\$0</u>
Cost - DOR - ITSD costs (ranged from contracting out programming (\$85,050) to hiring one (1) additional FTE IT Specialist) p. 6	(\$66,632) to <u>(\$85,050)</u>	\$0 to (\$80,631)	\$0 to (\$81,312)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(\$1,268,854) to <u>(\$1,287,272)</u>	\$0 to (\$80,631)	\$0 to (\$81,312)
Estimated Net FTE Change for General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2020	FY 2021	FY 2022
(continued)	(10 Mo.)		

TECHNOLOGY TRUST FUND (0266)

<u>Cost - SOS</u>			
MCVR Programming p. 4	<u>(\$500,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON TECHNOLOGY TRUST FUND	<u>(\$500,000)</u>	<u>\$0</u>	<u>\$0</u>

ELECTIONS ADMINISTRATION IMPROVEMENT FUND (0157)

<u>Transfer In - from General Revenue -</u>	(\$500,000)	\$0	\$0
MCVR Programming p. 4			
<u>Cost - SOS</u>			
MCVR Programming p. 4	<u>(\$500,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON ELECTIONS ADMINISTRATION IMPROVEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020	FY 2021	FY 2022
	(10 Mo.)		

LOCAL ELECTION AUTHORITIES

<u>Cost - Postage and printing</u>	\$0 to	\$0 to	\$0 to
	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES	<u>\$0 to</u>	<u>\$0 to</u>	<u>\$0 to</u>
	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires the Secretary of State to enable a system for automatic voter registration that will make use of driver's license information from the Department of Revenue to register voters. Those eligible for registration will receive notice and a chance to decline registration. Local election authorities will retain the ability to screen voters for eligibility, to conduct notice for registration, and to remove ineligible voters from registration lists.

Those eligible to vote upon release from incarceration, probation, and parole are included in the automatic voter registration process and the Board of Probation and Parole is required to provide the requisite information to the Missouri Secretary of State's office.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Revenue
Joint Committee on Administrative Rules
Department of Corrections
Kansas City Election Board
St. Louis County Board of Elections



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April 2, 2019

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April 2, 2019