

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1426-03
Bill No.: HCS for HB 731
Subject: Elections; Probation and Parole; Prisons and Jails
Type: Original
Date: April 24, 2019

Bill Summary: This proposal provisions relating to elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	Unknown Could exceed (\$500,000)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	Unknown Could exceed (\$500,000)	(Unknown)	(Unknown)

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 8 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
Total Estimated Net Effect on 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	(Unknown)	(Unknown)	(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 HCS for HB 731 implements an automatic voter registration program for former felony offenders. The bill would require the Division of Probation and Parole within the Department of Corrections (DOC) 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. It also incorporates provisions from HB 368 allowing no excuse absentee voting, and HB 917 allowing absentee ballots cast by voters who subsequently die before election day to count, along with provisions requiring the Secretary of State to develop a voter registration training.

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 DOC data, to sync 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** anticipated 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 DOC database 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. 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. The total cost is unknown and likely to vary depending on DOC decisions regarding the probation or parole status of Missouri felony offenders.

Oversight notes future notice mailings would incur costs to the state of Missouri. The cost of notice mailings in future fiscal years is unknown due to factors including voter registration rates and the number of individuals completing felony conviction sentences who would receive mailings based on DOC records. Therefore, Oversight will reflect an unknown cost for postage and printing on the fiscal note.

Oversight notes according to Section 115.990 the SOS is to “develop a course on proper methods for registering voters for employees of state agencies that are required to offer voter registration in conjunction with the services they provide.” Employees must complete the course prior to being able to register voters. **SOS** stated that section 115.990 would be handled with existing resources. Oversight assumes there could be an unknown cost associated in implementing provisions of this section. Therefore, Oversight will reflect an unknown cost on the fiscal note.

ASSUMPTION (continued)

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)**, the **Department of Revenue (DOR)** and **Department of Social Services (DSS)** each assume the proposal will have no fiscal impact on their organization.

In response to similar legislation HB 992, officials from the **Kansas City Election Board** assume the fiscal impact of this proposal would be to hire 2 to 4 additional permanent staff at \$40,000 each including benefits to process the increased number of absentee requests. Also postage and printing would increase \$20,000 per election.

In response to similar legislation HB 992, officials from the **Jackson County Election Board** anticipate a 30% increase in mail outs within our jurisdictional boundaries if the proposal should pass. Jackson County Election Board has 240,000 who could qualify under this proposal.

Using Presidential Year 2016 as a guide, the increase in postage costs would be:

March Mail Outs	1,996	30% increase (599) x .70 cents =	\$419.30
April Mail Outs	918	30% increase (276) x .70 cents =	\$193.20
August Mail Outs	1,915	30% increase (575) x .70 cents =	\$402.50
November Mail Outs	11,025	30\$ increase (3,308) x .70 cents =	<u>\$2,315.60</u>
Total Postage			\$3,330.60

Additional part-time help to assemble additional mail-outs of absentee ballots:

\$12.00 per hour x 10 minutes per additional mail-outs (6 per hour) 793 hours = \$9,516.00

Reprinting of absentee ballot envelopes and instructions: = \$4,500.00

Total Fiscal Note for Jackson County Election Board = \$17,346.60

ASSUMPTION (continued)

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

Oversight notes there could be a potential increase in absentee ballots if this proposal were to be enacted. As well as additional costs for postage and processing. We are unable to determine how many additional individuals will cast an absentee ballot; therefore, Oversight will reflect an unknown fiscal impact for the additional cost to 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 Administration Improvement Fund - MCVR Programming (Section 115.970)	(\$500,000)	\$0	\$0
<u>Cost - SOS</u>			
Course for registering voters for state employees (Section 115.990)	(Unknown)	(Unknown)	(Unknown)
Printing and Postage (Section 115.970)	(Unknown)	(Unknown)	(Unknown)
<u>Total Cost - SOS</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	Unknown Could exceed <u>(\$500,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
TECHNOLOGY TRUST FUND (0266)			
<u>Cost - SOS</u>			
MCVR Programming (Section 115.970)	<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</u> - from General Revenue - MCVR Programming (Section 115.970)	\$500,000	\$0	\$0
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<u>Cost</u> - SOS MCVR Programming (Section 115.970)	<u>(\$500,000)</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON ELECTIONS ADMINISTRATION IMPROVEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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LOCAL ELECTION AUTHORITIES

<u>Cost</u> - processing additional absentee ballots, postage and printing	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill allows a properly registered voter to cast an absentee ballot without stating a reason.

This bill requires the Secretary of State to enable a system for automatic voter registration. 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.

FISCAL DESCRIPTION (continued)

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
Jackson County Election Board
St. Louis County Board of Elections
Platte County Board of Elections



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April 24, 2019

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April 24, 2019