

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1776

SHORT TITLE: Voter Registration Rewrite

SPONSOR(S): Representative Luebke

FISCAL IMPACT: **Expenditures:** **Increase (x)**-Federal Mandate
 Revenues: **Increase ()** **Decrease ()**
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: **General Fund (x)** **Highway Fund ()** **Local Govt. (x)**
 Other Funds ()

BILL SUMMARY: Repeals existing art. 7, GS Ch. 163 (registration) and replaces it with new art. 7A to conform state registration procedures with requirements of National Voter Registration Act of 1993. State Bd. of Elections is required to design new uniform application form for voter registration. Application to register may be made by mail to county bd. of elections until 25 days before election. Applicant may register and vote on election day if he becomes qualified to vote between 25th day and election day. "Qualified to vote: means persons becoming naturalized citizens or having citizenship restored; does not include persons who reach age 18 during that time but were qualified to register when 17. Registration applications received by mail must be approved if two notices are sent to applicant's address and are not returned by Postal Service. Wallet-sized voter registration cards may be issued to all registered voters in a county upon approval by the bd. of county commr's. Card may be used to change name, address, or party affiliation. Voter may not be required to present card in order to vote. A county bd. of elections that maintains its list of registered voters by computer shall be required to provide one free list to state chair of each political party and county chair of each political party. State Bd. of Elections is directed to implement a statewide computerized voter registration system that will enable each county bd. to verify whether an applicant has registered in another county. Beginning, Jan. 1, 1996, State Bd. Elections shall provide one magnetic copy of statewide registration list free of charge to chair of each political party; copies may be sold to others. Names shall not be removed from registration lists for failure to vote but shall be removed upon death or report of state or federal felony conviction. New locations and procedures for registering voters are that each drivers' license office is to include on the form for a new or renewed license application an application to register to vote or to change registration. Also, every office that accepts applications for public assistance, programs for the disabled, and unemployment benefits is to provide each applicant with a voter registration application form. Armed forces recruiting offices are to provide voter registration application forms. State Bd. Elections is directed to provide training programs in election law and procedures to all members of county boards of

elections and county elections supervisors within six months of their initial appointment and annually thereafter. Replaces the position of registrar with that of chief judge of elections. Makes numerous conforming amendments throughout election statutes.

EFFECTIVE DATE: January 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Employment Security Commission, county and state agencies supervised by the Department of Human Resources, and the Department of Environment, Health and Natural Resources, county and state Boards of Elections.

FISCAL IMPACT

	<u>FY</u> <u>94-95*</u>	<u>FY</u> <u>95-96*</u>	<u>FY</u> <u>96-97*</u>	<u>FY</u> <u>97-98*</u>	<u>FY</u> <u>98-99*</u>
TOTAL					
EXPENDITURES:	\$5,238,000	\$10,200,000	\$10,259,000	\$10,567,000	\$10,884,000

* Costs and assumptions specific to individual agencies are documented in the following attachments:

Attachment A: County and State Boards of Election (p. 5-6)

Attachment B: Department of Human Resources (p. 7-8)

Attachment C: Employment Security Commission (p. 9-11)

Attachments D1 and D2: Department of Environment, Health and Natural Resources (p. 12)

ASSUMPTIONS AND METHODOLOGY: The fiscal impact of this legislation on state and local funds is a result of the following factors: 1) provision of voter registration services at new agencies; 2) coordination of registration efforts among agencies and among counties; 3) printing and purchasing of additional voter registration forms; 4) improving record-keeping and list maintenance; 5) training election officials; 6) computerizing voter registration. This fiscal note focuses solely on these cost factors.

Provisions in this bill that restate current law or formalize procedures already in place are assumed to have no fiscal impact. Similarly, based on discussions with Cultural Resources, the Department of Motor Vehicles, the State Board of Elections, and the Fiscal Research Education team, we believe the provisions concerning voter registration at public libraries, drivers' license offices, military recruitment offices and public high schools would have no fiscal impact.

The section of HB 1776 concerning voter registration at other public agencies parallels a section of the federal National Voter Registration Act of 1993 which was recently signed into law by President Clinton. Under the federal law and HB 1776, agencies which provide public assistance and agencies which provide services to persons with disabilities are mandated to perform voter registration activities. Public assistance programs are defined by federal law to be agencies which administer the Food Stamp, Medicaid, Aid to Families with

Dependent Children (AFDC), and Women Infants and Children (WIC) programs. Although H 1776 omits the WIC program, this fiscal note includes the program in order to be consistent with federal law. Thus, costs in public health departments as well as county departments of social services are considered. This fiscal note also assumes, in the absence of guidance from the federal or state law, that agencies which deliver services to persons with disabilities include area mental health agencies, vocational rehabilitation offices, and those agencies which serve the blind, deaf and hard of hearing will be subject to the new law. Finally, the fiscal note includes the cost of requiring the Employment Security Commission to perform registration duties. Under federal law, ESC offices may be designated as voter registration agencies at State's discretion.

Costs for agencies are based on the following assumptions: 1) a number of annual "contacts" with clients for the purpose of application, recertification, renewal and/or change of address is estimated; 2) five to ten minutes of staff time will be required at each "contact" to offer clients the opportunity to register and to complete the required registration forms in the manner prescribed by the bill; 3) staff costs based on data provided by the respective agency. Costs are computed as follows: the number of contacts/yr. x estimated staff hours to fulfill registration duties x staff cost = total cost. An inflationary factor of 3% has been added to total cost in each subsequent year for changes in salary costs and/or contacts. FY 94-95 costs are estimated for 6 months.

This fiscal note may not capture the complete impact of this bill for the following reasons:

1. The National Voter Registration Act of 1993 and H 1776 do not define several key terms that are critical to identifying which agencies are subject to the new law. For example, although the term "disability" is not defined, agencies who serve persons with disabilities are required to perform registration duties. In the absence of a definition of disability, the assumptions regarding which agencies are subject to the provisions of the new law may be incomplete or inaccurate.

2. Given the level of information currently available, computerization costs to the State Board of Elections cannot be determined at this time. After a study has been conducted on the information and data sharing needs of the State Board and the county boards of elections, the costs associated with computerization should be clearer.

3. Over time, a federal Commission on the National voter Registration Act is expected to provide states with additional guidance regarding states responsibilities under the Act, including the procedural requirements for agencies and for state and county boards of election. As guidance is provided to states, the assumptions on which this fiscal note has been developed regarding the level of effort associated with these new duties may need to be reconsidered.

4. The implementation of the voter registration program at the Employment Security Commission will require a computerized system to register activity and substantiate charges to the program. No cost

estimates can be provided in the absence of system requirements. It is likely that the program will incur administrative costs in such areas as forms design, duplication, postage and handling which will exceed the one minute per contact that has been included in the calculations.

SOURCES OF DATA: Department of Human Resources, Department of Environment, Health, and Natural Resources, State Board of Elections, Employment security commission, County Boards of Elections, Legislative Automated Systems, the Information Resource Management Commission

TECHNICAL CONSIDERATIONS:

Women, Infants and Children Program.

Unlike the federal Act, H 1776 does not make reference to agencies who provide Women, Infants and Children's services. If H 1776 is to act as enabling legislation for the federal legislation, a reference to the statutes governing programs in the Department of Environment, Health and Natural Resources will need to be included in the bill. The statutory cite for the WIC program is GS 130A-161.

Employment Security Commission. As required by federal law, Section 303(a) (8) of the Social Security Act prohibits the Employment Security Commission from using existing resources to fund projects such as this. This restriction was reaffirmed in the U.S. Department of Labor's regional office on June 1, 1994. Additional funding from state or federal resources will be required to provide voter registration services. Furthermore, while special funding would allow the Employment Security Commission to provide voter registration services to the extent supported by those funds, no further services could be provided upon exhaustion of such funds. For example, an unexpected rise in eligible interviews early in the year could easily preclude the agency from offering voter registration services for some portion of the remainder of the fiscal year due to a lack of funds.

**FISCAL RESEARCH DIVISION
733-4910**

PREPARED BY: Evan Rodewald, Nina Yeager, Michele Nelson

APPROVED BY: Tom Covington **TomC**

DATE: June 7, 1994

Attachment A

STATE AND COUNTY BOARDS OF ELECTIONS

	<u>FY</u> 94-95*	<u>FY</u> 95-96*	<u>FY</u> 96-97*	<u>FY</u> 97-98*	<u>FY</u> 98-99*
EXPENDITURES:					
STATE ELECTIONS BOARD					
Registration Forms:	\$120,000	\$124,000	\$127,000	\$131,000	\$135,000
Computerization:	N/A	N/A	N/A	N/A	N/A
Personnel & Postage:	\$189,000	\$214,000	\$221,000	\$227,000	\$234,000

COUNTY ELECTIONS

BOARDS: (100) \$891,000 \$1,595,000 \$1,396,000 \$1,438,000 \$1,481,000

* Inflation factor of 3% is added for each year. County elections boards costs for FY 94-95 are based on a six-month estimate.

POSITIONS:

State Elections: 5 5 5 5 5

ASSUMPTIONS AND METHODOLOGY:

State Board of Elections

Registration Forms: Based on consultations with other agencies that will be impacted by this legislation, the State Board of Elections estimates that roughly 3,000,000 additional state forms would be printed annually. Fiscal Research estimates these forms would cost approximately \$80,000. The State Board of Elections estimates it will also be required to purchase 80,000 federal forms at a cost of \$40,000. The Federal Election Commission estimates that the cost per federal form will be as much as fifty cents.

Computerization: Costs of computerization are costs associated with collecting and storing voter registration data and transmitting or transferring that data among county elections boards and the State Board of Elections. Neither the State Board of Elections, the Legislative Automated Systems Division nor the Information Resources Management Commission (IRMC) feel qualified to project the cost of computerization until a formal needs assessment and requirements analysis has been conducted. However, the IRMC believes the costs of computerization could range from \$1,000,000 to \$10,000,000.

Personnel & Postage: Estimates for personnel and postage costs were provided by the State Board of Elections. The State Board believes it will need to add a Voter Registration Coordinator (grade 74) to coordinate the implementation of this legislation among the counties and among state agencies. The Board also believes it will need two Clerk Typist IV positions to process the large number of applications that would be routed from participating state agencies through the State Board of Elections Office to the county elections boards. An Education Training Specialist and a Research and Education Director would also be needed to train county election personnel and personnel at state agencies to comply with agency-based registration requirements. The State Board estimates postage would increase \$37,000.

The cost estimates are based on the assumptions that the Clerk Typist positions would start January 1, 1995 and that all other positions would start September 1, 1994.

County Boards of Elections

Estimates of the costs to county election boards are based on cost data from a small sample of 11 counties, and voter registration data from

all North Carolina counties. The data was obtained by the State Board of Elections in telephone interviews with county elections boards. Using statistical analysis, the data was analyzed to determine the relationship between the projected cost per county and the number of voters per county.

Although the sample size is limited, the analysis suggests that costs in the first full year should be between \$1,291,000 and \$2,284,000 with the most probable value being \$1,781,000 (Costs for FY 94-95 would be for six months, or \$891,000). Costs in the second full year of implementation should be between \$819,000 and \$1,813,000, with the most probable value being \$1,316,000 (FY 95-96 costs would include six months from the first year of implementation and six months from the second year of implementation).

The cost formula derived by the statistical analysis is \$6,050 for each county plus \$.34 for each registered voter in the first year of implementation. The cost formula for the second year is \$5,439 for each county and \$.22 for each registered voter.

SOURCES OF DATA: State Board of Elections; county boards of elections for the counties of Greene, Washington, Gaston, Dare, Guilford, Mecklenburg, New Hanover, Orange, Pitt, Wake and Transylvania; Legislative Automated Systems; the Information Resources Management Commission.

PREPARED BY: Evan Rodewald

Attachment B

**DEPARTMENT OF HUMAN RESOURCES
FISCAL IMPACT**

	<u>FY</u> 94-95*	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u> 98-99
Total					
Expenditures	\$2,728,887	\$5,621,507	\$5,790,152	\$5,963,857	\$6,142,773
Recurring					

* Inflation factor of 3% is added for each year since cost figures are based on 92-93 data. FY 94-95 is 6 months estimate.

ASSUMPTIONS AND METHODOLOGY: For agencies within the purview of the Department of Human Resources, the fiscal note assumes: 1) a number of annual contacts with clients for the purpose of application, recertification, review and/or change of address; 2) five minutes with all contacts for explanation of opportunity to register and completion of a registration screening form; 3) 25% of each agency's contacts are expected to require an additional five minutes for assistance with completion of voter registration form, as required by the bill ; 4) staff costs based on data provided by the respective Division. Affected

state and local agencies are assumed to include: the Division of Social Services, the Division of Mental Health, Mental Retardation and Substance Abuse, the Division of Vocational Rehabilitation, the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. **In the absence of information about which unit of government will be expected absorb these costs, the fiscal note does not allocate costs to state or county government.** This is a policy decision to be made by the General Assembly.

Costs are computed as follows: The number of contacts/yr. x estimated staff hours to fulfill registration duties x staff cost = total cost. An inflation factor of 3% has been added to total cost in each successive year for changes in salary costs and/or contacts.

Assumptions for Specific Divisions are as follows.

Division of Social Services: Assumes 1,852,000 contacts with clients for application, recertification, review or address change for Aid to Families With Dependent Children, Medicaid, Energy Payment Programs, Food Stamps and Child Support Enforcement programs @ staff cost \$16.29/hr.

Division of Mental Health, Mental Retardation, Substance Abuse Services: Assumes 226,250 contacts annually (no recertification process) @ staff cost of \$24.00/hr.

Division of Vocational Rehabilitation: Assumes 71,250 contacts (no recertification process) @ staff cost of \$14.25/hr.

Division of Services for the Blind: Assumes 73,750 contacts (no recertification process) @ staff cost of \$10.58/hr.

Division of Services for the Deaf and Hard of Hearing: Assumes 750,000 contacts (no recertification process) @ staff cost of \$20./hr.

Sec 163-82-20 of HB 1776, which parallels the National Voter Registration Act, gives the State Board of Elections the authority to designate agencies that provide services to "persons with disabilities" as voter registration agencies. In the absence of a list of designated agencies, this fiscal note assumes that all DHR agencies serving persons with physical, developmental or mental disabilities are to perform registration activities.

SOURCES OF DATA: Department of Human Resources, Office of Budget and Analysis, Division of Social Services, Division of Mental Health Developmental Disabilities, Substance Abuse Services, Division of Vocational habilitation, Division of Services for the Blind, Division of Services for the Deaf and Hard of Hearing.

PREPARED BY: Nina Yeager

Attachment C

	FY <u>1994-85*</u> <u>1998-99*</u>	FY <u>1995-96*</u>	FY <u>1996-97*</u>	FY <u>1997-98*</u>	FY
Expenditures					
Recurring	\$1,307,350	\$2,641,899	\$2,721,156	\$2,802,791	\$2,886,875

* An inflation factor of 3 percent is added for each year since the cost figures are based on 1992-93 data. This increase may be adequate to cover average increase in personnel, but does not allow for an increase in the service population. FY 1994-95 covers a six month period. Training costs are included only for FY 1994-95.

ASSUMPTIONS AND METHODOLOGY: House Bill 1776 designates, among other agencies, "every office in the State which accepts:...Claims for benefits under Chapter 96 of the General Statutes, the Employment Security Law; ...as a voter registration agency." In North Carolina, the designee is the Unemployment Insurance (UI) Division of the Employment Security Commission (ESC) which processes unemployment benefits. It is assumed that HB 1776 does not require voter registration assistance for clients applying for employment assistance only--the Employment Services Program--since Chapter 96 refers only to the Unemployment Insurance (UI) Program. Therefore, in accordance with the bill, voter registration service or assistance is to be offered under the following conditions or at each of the following events: (1) application - initial claims or additional initial claims; (2) renewal or recertification - eligibility review interviews; and (3) change of address.

For purposes of estimating costs for the legislation the Employment Security Commission used transaction counts, specifically the number of visits that would necessitate informing clients of the provisions of the National Voter Registration Act. Transaction counts contained in this fiscal estimate summarize activity for all unemployment insurance programs, including Unemployment Insurance, Unemployment Compensation for Federal Employees, Unemployment Compensation for Detached Military, Emergency Unemployment Compensation, and interstate agent claims. Transitional claims are included. No data was available regarding the number of claimants who report to the local office for the sole purpose of reporting address changes. This omission should be viewed as an under count of the mandated services. Furthermore, should registration services be required in other instances, such as fact finding interviews or claim hearings, the estimate provided here will require significant upward adjustment.

Amount of Time/Man-Hours to Provide
Voter Registration Assistance

Costs are estimated at the rate of \$21.00 per hour (\$43,500 per year) to cover the total expense of an Interviewer I at the mid-range of the current salary scale. It is assumed that each contact will require an average of five (5) minutes to complete and that 25 percent of those contacts will require an additional five (5) minutes. A minimum of one (1) additional minute per contact will be required to account for time charging, recording services, mailing forms and other related administrative functions. A 3 percent inflation rate is added for each

year since cost figures are based on 1992-93 data. FY 1994-95 estimates anticipate a beginning date of January 1, 1995 and reflect costs for six months plus two hours of training for each of the 575 employees.

MAN-HOUR CALCULATIONS

Registration

	Base Interview <u>Cost</u>	Extended Interview <u>Cost*</u>	Admin. <u>Cost**</u>	
<u>Total</u>				
Eligible transactions (event types 1,2, and 3 above)	1,249,432			
Electronic Filings (no local office visit)	-268,051			
Qualifying Events	981,381	981,381	981,381	
x 25% (interviews requiring extended services)	-	x.25*	-	
Total of Extended Interviews	-	245,345	-	
x Minutes/Interview or Admin.	<u>x 5</u>	<u>x 5*</u>	<u>x 1**</u>	
Total Minutes for Base Voter				
Registration Interviews	4,906,905	1,226,726	981,381	7,115,012
Divided by 60 to convert to Hours	<u>/60</u>	<u>/60</u>	<u>/60</u>	<u>/60</u>
Total Hours for Base Voter				
Registration Interviews	81,782	20,445	16,356	118,583
x \$21.00/Hour Cost of Service	<u>x21</u>	<u>x21</u>	<u>x21</u>	<u>x21</u>
Subtotal Interview/Reg. Cost	\$1,717,422	\$429,345	\$343,476	\$2,490,243
x 1.03 (3% inflation factor)	-	-	-	<u>x 1.03</u>
FY 1994-95 12-Month Total				\$2,564,950
Divided by 2 to Reflect 6 months of operation				<u>/2</u>
Cost for 6 Months of Operation in FY 1994-95				\$1,282,475

* Additional 5 minutes for 25% of base interviews to handle actual registration, extensive client questions, etc.

** Additional 1 minute for charging time, recording services, mailing forms and other administrative services.

TRAINING

Interviewers Requiring Voter Registration Training FY 1993-94	575
x 2 (hours of training per interviewer)	<u>x2</u>
Total Training Hours for FY 1993-94	1,150
x \$21.00 Per Hour Cost of Service	<u>x\$21</u>
FY 1993-94 Training Cost	\$24,150
x 1.03 (3% inflation factor)	<u>x1.03</u>
Cost for Training in FY 1994-95	\$24,875

Total Cost for ESC in FY 1994-95 **\$1,307,350**

PREPARED BY: Michele T. Nelson

D1

Fiscal Impact of House Bill 1776
on
DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES
Women's Infants, and Children Program (WIC)

	<u>FY</u> <u>1994-95</u>	<u>FY</u> <u>1995-96</u>	<u>FY</u> <u>1996-97</u>	<u>FY</u> <u>1997-98</u>	<u>FY</u> <u>1998-99</u>
Expenditures					
Recurring	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

ASSUMPTIONS AND METHODOLOGY: The WIC Program is funded primarily from federal funds. The provisions of the National Voter Registration Act do not apply to State funding authorized in the 1993 Session to support special program initiatives. According to staff with the State's Nutrition Services Section in the Department of Environment, Health, and Natural Resources, the US Department of Agriculture determined in early May, 1994 that "the costs associated with implementing the National Voter Registration Act by WIC State agencies will be considered allowable Nutrition Services and administration costs." Therefore, a special appropriation from the General Fund is not needed to cover WIC staff costs.

TECHNICAL CONSIDERATIONS: Unlike the federal act, HB 1776 does not make reference to agencies who provide WIC program services. If HB 1776 serves as enabling legislation for the federal legislation, a reference to the statutes governing the WIC program will need to be included in the bill. The statutory cite for the WIC program is GS 130A-161.

PREPARED BY: Michele T. Nelson

Attachment D2

Fiscal Impact of House Bill 1776
on
DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES

State Center for Health and Environmental Statistics

	<u>FY</u> <u>1994-95*</u>	<u>FY</u> <u>1995-96*</u>	<u>FY</u> <u>1996-97*</u>	<u>FY</u> <u>1997-98*</u>	<u>FY</u> <u>1998-99*</u>
Expenditures					
Recurring	\$2,020	\$4,039	\$4,039	\$4,039	\$4,039

*FY 1994-95 is six months only. Out years may decrease slightly due to adjustment in SIPs charges.

ASSUMPTIONS AND METHODOLOGY: The State Center for Health and Environmental Statistics estimates the direct cost to provide quarterly death listings to each county board of elections is approximately \$2,130 per year for data processing (\$2,000), mailing (\$116), and computer supplies (\$14). The current methodology for preparing information for the counties is a manual paper system, which presents costs related to staff time to operate the system. The estimated staff cost is \$1,909 per year for 80 days of services provided by a Statistician (\$1,217) and an Office Assistant (\$692).

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ER/NY/MN:ja



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