

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 568 (2nd Edition)

SHORT TITLE: Superintendent of Public Instruction

SPONSOR(S): Senator Gulley

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
EXPENDITURES					
General Fund	\$2.2 M - \$5.2 M	\$0	\$0	\$0	\$0
	[See Assumptions and Methodology Section for detail]				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: State Board of Elections					
EFFECTIVE DATE: Act is effective upon enactment.					

BILL SUMMARY: This bill calls for North Carolinian voters to vote in a statewide referendum on November 4, 2003, on whether or not to amend the North Carolina Constitution [Article IX, sec. 4(2), and Article III, sec. 7(1)] to make the Superintendent of Public Instruction an appointee of the Governor. The bill also includes corresponding statutory changes if the referendum passes. The proposed amendments, if approved by a majority of the voters, would become effective Jan. 1, 2005, or the date a vacancy occurs in the office, whichever occurs earlier. Also, if the proposed Constitutional amendments as written in sections 1 and 2 of the act are approved, they shall apply to the 2004 election. Likewise, sections 3 through 9 of the act shall apply to the 2004 election if the Constitutional amendments are approved.

ASSUMPTIONS AND METHODOLOGY:

There is a fiscal impact on the state to hold a statewide general election for a referendum on proposed Constitutional amendments on November 4, 2003. The extent of the fiscal impact depends upon whether the proposed referendum is placed on a ballot on the same date that local elections are to be conducted.

Generally, for statewide elections that occur during a regular election cycle, the counties bear the cost of conducting the elections. When there is a statewide issue, such as a referendum on amending the State Constitution on the ballot, the State Board of Elections (State Board) reimburses the counties for the cost of notices, advertisements, and publications concerning the referendum and for programming the voting machines. The State Board estimates its

reimbursement to the counties for the legal notices for referendum elections to be approximately \$100,000 (100 counties x \$1,000 average county cost). This is true even if the election is an off-cycle election.

Statewide elections are generally not held in odd-numbered years. Therefore during an off-cycle election year when a statewide referendum is on the ballot, the state pays the difference between what the county pays for its local election cost and the cost the county incurs for a statewide referendum. Accordingly, in addition to the cost of the legal notices, the State Board reimburses the counties for the cost of opening the precincts that would only be opened, even during municipal or other local elections, for voting on the proposed referendum. For those precincts, the costs include payment for all the precinct officials (a minimum of 3 for each precinct), rent for polling places, payment to county board members for their attendance at/on the absentee ballot meeting, election day, and canvass day and for any other cost incurred for opening the precinct.

The total estimated cost of a statewide election, which is what is required by this bill, is approximately \$5.2 million based on the cost of the 2000 general election as reported by the counties to the State Board. If the counties or municipalities were to hold partisan elections also on November 4, 2003, then those county boards of election would bear the portion of the estimated \$5.2 cost related to their respective elections. The State Board would bear the difference. This difference is estimated to be in the range of \$2.2 to \$3.3 million if all counties were conducting elections on November 4, 2003.

At the present time, the State Board does not know which precincts would be opened on November 4, 2003 for local issues. Therefore, the State Board cannot estimate with much accuracy how much this proposed statewide referendum would cost the state on November 4, 2003.

Additional factors that may impact the cost of this Constitutional amendment referendum on November 4, 2003 are: (1) If this referendum coincides with some municipal elections already scheduled to be conducted, some voters maybe required to go to their municipal precinct to vote for the municipal offices and also go to their county precinct (which would be different) to vote for this statewide referendum. Cost savings from being able to use the open precincts for municipal elections may not be actualized in those types of situations; and (2) There is the possibility that some county boards of elections could decide to combine precincts for this one election only and would need to send notice by first class mail to each affected voter. Cost obviously would be dependent upon the number affected.

If the voters approve the Constitutional amendments, then there would be a loss of revenue to the General Fund of the filing fee the nominees for Superintendent of Public Instruction currently pay. The filing fee as set in statute is one percent (1%) of the annual salary of the office sought. In the 2000 general election, the filing fee for State Superintendent was \$1,003 per nominee. The total amount of filing fees not collected for candidates for Superintendent of Public Instruction for the 2004 election would be dependent upon the number of nominees filing.

SOURCES OF DATA: State Board of Elections

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