

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0868-01
Bill No.: HB 339
Subject: Elections
Type: Original
Date: February 17, 2015

Bill Summary: This proposal specifies that a copy of a current utility bill, bank statement, government check, paycheck, or other government document shall not be used to verify a voter's eligibility.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 16 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

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 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** stated if voter photo-ID requirements are re-established, §115.427.7 and §114.428 will require development of a nondriver license for voting affidavit as part of the Missouri Electronic Driver License system (MEDL) nondriver license application; development, programming and testing of changes to MEDL and supporting programs to allow issuance of the no fee document; development, programming and testing of new mobile processing system equipment and software for purposes of issuing nondriver licenses for voting to eligible applicants; completion of end-user testing by internal staff of all MEDL application updates and new mobile processing systems. This will require overtime from existing staff in order to perform the required testing; development of new procedures related to issuance of a nondriver identification card for voting purposes, including the required affidavit, in local license offices and through mobile processing systems; development of a tracking and reimbursement process for distribution of license office fees waived at the time issuance to those offices processing a nondriver license at no fee for voting purposes; communication to the public through website updates and other potential sources to make the public aware of the availability of the nondriver identification card for voting purposes; development of a new processing area for inquiries, applicant request reviews, scheduling of mobile processing system and communication with eligible facilities and other locations for appointment scheduling; development of procedures for mobile processing system scheduling analysts and technicians; drafting communications and website updates related to new nondriver for voting processing; and development of required reports.

FY 17

Update Webpage - Administrative Analyst III	40 hrs @ \$23.00 = \$920
Develop Affidavit - Management Analysis Spec I	40 hrs @ \$21.00 = \$840
Develop Procedures - Management Analysis Spec I	120 hrs @ \$21.00 = <u>\$2,520</u>
	Total = \$4,280

Oversight assumes DOR is provided with core funding to handle a certain amount of procedure updating activity each year and will not reflect these costs in the fiscal note.

Requirements, testing and procedure development for field office and mobile processing systems by DLB:

Administrative Analyst II -	320 hrs @ \$29 00 (1 1/2) per hr =	\$9,280
Management Analyst Spec. II -	480 hrs @ \$24.00 per hr =	\$11,520
Revenue Band Manager Band II -	80 hrs @ \$31.00 per hr =	<u>\$2,480</u>
		Total = \$23,280

ASSUMPTION (continued)

To determine an estimated number of potential applicants who may be eligible for a nondriver license (photo identification) at no cost, DOR compared the voter records on file with the Office of the Secretary of State (SOS) to the current document holders on record with the DOR. This comparison was completed in March 2009. According to SOS on January 6, 2012, the 2009 numbers have not statistically changed.

253,496	Estimated number of individuals registered to vote who do not have photo identification on file with the Department of Revenue as of March 2009.
125,795	Estimated number of individuals with an expired photo identification document on file with the Department of Revenue, who may need to obtain an updated nondriver license for voting purposes.
379,291	Total estimated number of those who may be eligible for a nondriver license (photo identification) document at no cost.
<u>x 50%</u>	Estimated number of individuals who would apply for a nondriver license for voting purposes (based on average voter turnout for Missouri derived from 2006 information).
189,645	Potential nondriver license applicants in the first year of implementation (FY2017).
189,646	Remaining number of registered voters who may be eligible for a photo identification document after first year of implementation. Based on 2009 counts.
<u>÷ 2</u>	
94,823	Estimated number of registered voters who may apply during subsequent fiscal years (FY2018).

In addition, because the language allows a person to apply for a nondriver license at no cost by signing an affidavit indicating they do not have a valid photographic identification document, applicants who have held a document previously and have lost it, allowed it to expire, or other reasons, may now obtain a nondriver license at no cost.

137,750	Total new and renewal nondriver licenses issued in FY2014
<u>x 25%</u>	Estimated number of applicants with prior document on file that would utilize the affidavit for a new, renewal or duplicate nondriver license, indicating they do not have any other acceptable form of photographic identification for voting purposes, making them eligible for a nondriver license at no cost to the applicant.
34,438	Estimated annual nondriver license applicants with prior document on file.

ASSUMPTION (continued)

Licensing Cost

FY 2017

189,645	Potential nondriver license applicants first year of implementation FY2017.
<u>34,438</u>	Estimated annual nondriver license applicants (previous document).
224,083	Total
<u>x \$2.25</u>	Includes OA ITSD cost of \$1.81 and mailing cost of \$0.44 per card
\$504,187	Total estimated vendor cost FY2017 for licensing material and mailing cost.

FY2018

94,823	Estimated number of current registered voters who may apply during subsequent fiscal years FY2018.
<u>34,438</u>	Estimated annual nondriver license applicants (previous document).
129,261	Total
<u>x \$2.25</u>	Includes OA ITSD cost of \$1.81 and mailing cost of \$0.44 per card.
\$ 290,837	Total estimated vendor cost FY2018 for license document materials and mailing costs.

Direct Public Inquiries

While SOS is responsible for notifying individuals of the requirement to obtain photo identification for voting purposes, it is assumed that the majority of inquiries would be directed to DOR as the document issuing agency.

Estimating a 50% potential applicant inquiry, DOR assumes that approximately 112,042 ((189,645 + 34,438) / 2) inquiries through the central office will be received during the first implementation year and approximately 64,631 (94,823 + 34,438 / 2) calls in subsequent years based on estimated applicant estimates. To provide the best call-in service for Missouri citizens DOR will need to add 4 FTE to handle the additional telephone inquiries. Since the next general election would be November 2016, additional FTE required by the fiscal note will be calculated to begin in November 2016 (FY 2017).

112,042	Total potential applicant/inquiries first year of implementation.
<u>÷ 264</u>	Total days of service per annual period
424	
<u>÷ 100</u>	Estimated # of calls expected per TIO
4	Estimated # of TIO's required to handle increased call volume FY 2017

ASSUMPTION (continued)

Revenue Impact

Officials at **DOR** assume the revenue impact of this proposal states "the total cost associated with nondriver license photo identification under this subsection shall be borne by the state of Missouri from funds appropriated to the department of revenue for that specific purpose". This money would have to be appropriated to DOR for distribution to the license offices as required.

It is assumed the DOR would be required to develop a tracking and processing fee distribution process to credit license offices with processing fees waived at the time of application for each nondriver license issued for voting purposes under this proposal. Depending on the definition of 'total cost', the revenue impact could be increased or decreased.

FY 2017	
224,083	Total Estimated NDL applicants FY 2017.
<u>x \$6.00</u>	Nondriver License Fee
\$1,344,498	Total estimated potential loss of revenue in FY 2017.

FY 2018	
129,261	Total estimated NDL applicants FY 2018.
<u>x \$6.00</u>	Nondriver License Fee
\$775,566	Total estimated potential loss of revenue in FY 2018.

DOR will have to reimburse the license offices the loss in revenue from processing fees. The estimated initial loss in license office processing fees, which would have to be reimbursed to the offices by the State of Missouri, is shown below.

FY 2017	
224,083	Total Estimated NDL applicants FY 2017.
<u>x \$5.00</u>	Nondriver License Office Processing Fee.
\$1,120,415	Total estimated potential loss of revenue in FY 17.

FY 2018	
129,261	Total estimated NDL applicants FY 2018.
<u>x \$5.00</u>	Nondriver License Office Processing Fee.
\$646,305	Total estimated potential loss of revenue in FY 18.

ASSUMPTION (continued)

Mobile Processing

The mobile processing system would be made available to persons in facilities licensed under Chapter 198 and other public places accessible and frequented/visited by disabled and elderly persons. DOR will provide advance notice of the times and places when the mobile processing system will be available.

The total cost for processing and issuing any nondriver license photo identification must be paid for by the state of Missouri from funds appropriated to the DOR for that specific purpose.

The proposed language includes changes allowing for DOR to enter into a contract with the local election authority to assist in the issuance of nondriver license photo identification.

Based on statistics obtained from the Missouri Department of Health and Senior Services there are 1,150 facilities licensed under Chapter 198 as of 01/13/2015.

55,831	The number of persons residing within these facilities as of 01/13/2015.
<u>x 15 %</u>	Based on prior fiscal note information it is assumed for purposes of this fiscal note that approximately 15% of these individuals may be eligible and may apply for a no cost nondriver license for voting.
8,375	Estimated nondriver license applicants who may be eligible for processing through proposed mobile systems.
<u>x 50%</u>	Estimated percentage of applicants who may request a nondriver through mobile system in the first year.
4,188	Potential Applicants of mobile system first year FY 2017.
8,375	
<u>- 4,188</u>	
4,187	Remaining applicants who may be eligible and apply in subsequent fiscal years.
<u>/2</u>	
2,094	Estimated number of applicants who may apply through mobile systems in FY 2018.

Mobile System Processing Administrative Staff - Central Office

DOR will be required to hire one (1) supervisor and three (3) administrative analysts to contact facilities and other locations, schedule appointments, review applicant requests and finalize application processing for mobile system processing.

It is estimated during the first and subsequent years that the average number of transactions from

ASSUMPTION (continued)

the mobile system processing regionally could be finalized by existing staff and cross-trained staff in our central office processing area to cover the possible 349 per month/17 per day in the first 6 months prior to the 2017 election and the estimated extra 9 applications per day in subsequent fiscal years.

3,431	Monthly mid-range salary for a Revenue Section Supervisor
x 6	Estimated number of months employed during FY 2017
\$20,586	Estimated salary for Revenue Section Supervisor FY 2017

3,431	
x 12	
\$41,172	Estimated annual salary for one Revenue Section Supervisor subsequent fiscal years

2,812	Monthly mid-range salary for one Administrative Analyst I
x 3	Number of FTE
\$8,439	Estimated monthly salary for three (3) Administrative Analyst I

\$8,439	
x 6	Estimated number of months employed during FY 2017
\$50,616	Estimated cost for Administrative Analysts 1 FY 2017

\$50,616	
x 12	
\$607,392	Estimated annual cost for three (3) Administrative Analysts 1 in subsequent fiscal years

Equipment Costs - Central Office

\$18,400	4 Cubicles (\$4,600 each with work surface and file)
\$ 2,016	4 Chairs (\$504 each)
\$ 2,956	4 Desktop Computers (\$739 each)
\$ 1,144	4 Cisco Telephones - Standard 2 line (\$286 each)
\$ 1,000	5 Data Line Pull (\$200 each) (4 phones and 1 fax)
\$ 900	1 Fax Machine

Recurring Costs - Central Office

\$ 1,420	4 Expendable Supplies annual (\$355 each)
\$ 960	4 Telephone Recurring Charge (\$240 each annually)
\$ 68	4 Leased Floor Space (\$17 each annually)
\$ 240	1 Monthly Recurring Charge for Fax Machine phone line

ASSUMPTION (continued)

Mobile System Processing Costs - Regional

The Department will be required to hire fourteen (14) full-time Revenue Processing Tech 1's to visit and process the nondriver license application requests for eligible applicants residing within the 1,150 eligible facilities.

\$2,221	Monthly mid-range salary for a Revenue Processing Tech 1
x 14	Estimated number of new hires
\$31,094	Monthly total cost for Revenue Processing Tech
x 6	Number of months hired during FY 2017
\$186,564	Total estimated cost FY2017

\$186,564	
x 12	
2,238,768	Total estimated cost for Revenue Processing Tech's subsequent fiscal years

Phone Cost

It will be imperative for the central office to be in contact with these mobile processing technicians for relay of scheduling information for the mobile processing systems. The Department will incur costs for fourteen (14) mobile phones.

\$294	Estimated average initial cost for each iPhone
x 14	
\$4,116	Estimated average initial one time iPhone cost incurred FY2017

\$73	Estimated monthly cost for each iPhone service with voice, text and data
x 14	
\$1,022	Estimated total monthly cost for iPhone service plans

x 2	Number of months during FY2017
\$2,044	FY2017 phone cost
\$1,022	Monthly recurring iPhone service plan cost for 14 plans
x 12	
\$12,264	Estimated total recurring iPhone service plan costs for 14 subsequent fiscal years

ASSUMPTION (continued)

Vehicle Cost for Mobile Processing Technicians

\$18,519 Estimated base cost for one (1) mid size sedan - 2015 Chevrolet Malibu
x 14
\$259,266 Estimated initial cost for fleet of 14 mid-size sedans purchased FY2017

15,000 Estimated annual mileage for state vehicle
/25 Estimated mpg for Chevrolet Malibu
600 Estimated number of gallons of fuel
x \$2.00 Estimated cost per gallon based on current national average
\$1,200 Estimated annual fuel cost for one vehicle
x 14
\$16,800 Estimated annual fuel cost for fleet of 14 vehicles

It is assumed the vehicles must undergo regular annual maintenance, assuming oil changes every 5,000 miles and tire rotation.

\$25.00 Estimated average cost for oil change and tire rotation
x 3 Estimated number of oil change/tire rotations per year
\$75 Estimated annual maintenance (regular)
x 14
\$1,050 Estimated annual maintenance (regular) fleet

OA-ITSD/vendor mobile system hardware and program development

Option 1 - DOR does not have mobile equipment to create a nondriver license, therefore, DOR will incur costs for purchasing the required equipment through the current driver license vendor (MorphoTrust U.S.A). The system is proposed to consist of a laptop/tablet, camera, signature capture device, blue photo backdrop with portable stand and options for an additional printer and scanner for each unit to submit mobile application information at a quality equal to what is issued in the license offices. It is assumed the photograph and signature will be electronically transmitted to the central office to finalize the application processing for printing and mailing to the applicant.

OA-ITSD will be required to complete the design, development and integration of a new application for entry and submission of applicant data from the vendor provided equipment.

\$240,000 Estimated initial purchase cost (current vendor) for 17 Base Mobile Units (laptop, camera, signature tablet, back drop w/carrier). This includes the additional cost of \$15,000 for the initial unit purchased to cover the tooling and fabrication for

ASSUMPTION (continued)

customized case which houses entire system and cabling for hardware protection, portability and ease of use.
 + \$49,000 Estimated optional initial printer and scanner cost - Includes an estimated \$2,000 for printer/scanner option and a initial unit cost of \$15,000 for tooling and fabrication of case for protection, portability and ease of use.
\$289,000 Total hardware procurement cost (current driver license hardware vendor)

This will also require 640 hours of programming at a cost of \$75 per hour for a total of \$51,840. DOR estimates a total cost of \$340,840.

Option 2 - OA- ITSD purchases hardware and develops mobile system application
 OA-ITSD has provided an estimate for procurement, design and development of a mobile solution for issuance of a nondriver for voting as an alternate option to DOR’s current vendor providing equipment.

Costs would include:

FY2017	
13,874 hours of programming at \$75 an hour-	\$1,036,800
17 iPad Air 2 128G at \$730 each -	\$12,410
17 Printers at \$500 each-	\$8,500
Data Plan/Monthly Charge Per Unit -	\$6,800
Contracted Project Manager at \$100 per hour (1,000 hrs)-	\$100,000
ITSD-DOR Staff at \$74 per hour (1,640)-	<u>\$123,000</u>
TOTAL=	\$1,287,510

FY2018	
2904.773 hours of programming at \$75 an hour-	\$217,858
Data Plan/Monthly Charge per Unit-	<u>\$8,364</u>
TOTAL=	\$226,222

Officials at the **Office of the Secretary of State (SOS)** assume implementation of these new identification provisions would require the state's election authority (the Secretary of State) and/or local election authorities to provide advance notice of the personal identification documents required to vote. The advance notice provided by the election authorities would include at a “minimum the use of advertisements and public service announcements in print, broadcast television, radio, and cable television media.”

ASSUMPTION (continued)

For fiscal year 2016 advance notice advertisements will be provided prior to the Presidential Primary and April 2016 elections. For fiscal year 2017 advance notice advertisements will be provided to voters prior to the August 2016 and November 2016 elections. For all subsequent years advance notice advertisements will be provided to voters prior to each federal primary and general election.

Assumptions include:

Production of radio and TV public service announcements-	\$2,000
Print ad to run twice before an election-	\$203,284
Cable television ad to run twice everyday for eight weeks-	\$299,472
TV and Radio ad to run through broadcast media-	<u>\$497,311</u>
Total-	\$1,002,067

Upon enactment of this proposal, the **SOS** will send a mailer to all registered voters to notify them of the new identification requirements at a cost of \$2,003,628. A similar mailer will be sent before the 2016 Primary Election. For all other elections, the Secretary of State's office will send mailings to newly registered voters prior to each election. Based on the estimated 355,007 newly registered voters in 2014, this mailer could cost \$173,953.

Mailing to all registered voters:

4,089,038 registered voters x \$0.49 postage, printing and processing= \$2,003,628

Mailing to newly registered voters prior to each election:

355,007 new registered voters x \$0.49 postage, printing and processing = \$173,953

Implementation of this measure's provisions imposes new requirements on election authorities in notifications, additional provisional ballots, trainings, affidavits and processes with regard to notifying and processing voters. Whether the notice requirements fall on the Secretary of State or local election authorities, due to language in this proposal mandating reimbursement of these new costs, it will be necessary for the Secretary of State's office to request appropriation for these costs. Section 115.430, RSMo requires the SOS to provide provisional ballot envelopes to local election authorities. This proposal and any companion joint resolution will increase the number of elections in which provisional ballots are available and the number of provisional ballots that will be cast. Based on previous history, the SOS will require additional funding for printing provisional ballot envelopes in the amount of \$9,800 per election.

ASSUMPTION (continued)

Furthermore, any new state mandates must be funded as additional responsibilities under Article X, section 21 of the Missouri Constitution.

The new photo identification requirements are not limited to statewide elections but will affect every election. The cost per fiscal year will vary based on the number of elections held. In addition to the general municipal election each April and the primary and general elections in August and November of even numbered years, there are additional days available for public elections in February, March and in August and November of odd numbered years, which are used only as needed.

In response to similar legislation filed this year (SB 169), officials at the **Department of Health and Senior Services** assume §115.427 of the proposed legislation requires voters to establish their identity and eligibility to vote by providing a form of personal identification to election officials. If an individual does not possess a valid form of personal identification, it may require them to obtain a copy of his/her certified birth certificate to acquire a driver's or non-driver's license. For individuals whose birth has not been recorded, it may cause them to apply for a delayed birth certificate. It is unknown and difficult to estimate the number that might be required to apply to the Bureau of Vital Records for these records.

The proposed legislation also requires the state to provide at least one form of identification required to vote at no cost to any qualified citizen who does not already possess such identification and desires to do so to vote. The proposed legislation does not appear to exempt the Department of Health and Senior Services from collecting the necessary fees for copies of certified birth certificates as set forth in Section 193.265.1, RSMo. DHSS collects a \$15 fee for each birth certificate requested. This proposal could result in an unknown increase in revenue to General Revenue (\$4 of \$15), the Children's Trust Fund (\$5 of \$15), the Endowed Care

Cemetery Audit Fund (\$1 of \$15), and the Missouri Public Health Service Fund (\$5 of \$15). The proposed legislation could also result in an unknown impact to the Bureau of Vital Records to issue the increased demand for birth certificate records.

Officials from the **Office of the Secretary of State (SOS)** state 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 \$2,500. 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

ASSUMPTION (continued)

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 request funding through the appropriation process.

Officials at the **Platte County Board of Election Commission** assume the following costs for provision ballot printing: \$250 in 2015, \$1,200 in 2016, and \$250 in 2017.

Officials at the **St. Louis County Board of Election Commission**, the **St. Louis City Board of Election Commission**, the **Lincoln County Clerk's Office**, and the **Jackson County Board of Election Commission** each assume no fiscal impact from this proposal to their respective organizations.

Officials at the following boards of election commission: Kansas City Board of Election Commission and Clay County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

Oversight assumes Subsection 115.427.13 specifically applies to "any election held on or before November 1, 2008" and therefore, removing subdivision (2) d. would not have any fiscal impact on future elections. Therefore, Oversight assumes this proposal would not have a fiscal impact on the state or on local political subdivisions.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mos.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mos.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

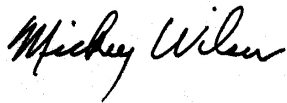
FISCAL DESCRIPTION

This bill removes a copy of a current utility bill, bank statement, government check, paycheck, or other government documents that contains the name and address of the voter as a form of personal identification accepted when casting a provisional ballot under Section 115.427, RSMo.

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

Department of Revenue
Office of the Secretary of State
St. Louis County Board of Election Commission
Lincoln County Clerk's Office
Platte County Board of Election Commission
Jackson County Board of Election Commission
St. Louis City Board of Election Commission



Mickey Wilson, CPA
Director
February 17, 2015

Ross Strobe
Assistant Director
February 17, 2015