



DATE: January 27, 2014

TO: Representative Ann Lenczewski, Chair
Representative Greg Davids
Representative Lyndon Carlson Sr., Chair
Representative Mary Liz Holberg
Representative Steve Simon, Chair
Representative Tim Sanders

Senator Rod Skoe, Chair
Senator Julianne Ortman
Senator Richard J. Cohen, Chair
Senator Michelle Fischbach
Senator Katie Sieben, Chair
Senator Scott Newman

FROM: Margaret Kelly, State Budget Director *MK*

RE: Local Impact Note for HF 334 (Bernardy): Early voting and funding provided, and money appropriated.

This letter transmits the local impact note for HF 334 (Bernardy): Early voting and funding provided, and money appropriated. Minnesota Management and Budget (MMB) received the request for a local impact note late in the 2013 legislative session, and we did not receive local government until the concluding days of the session. Over the summer, we committed to Representative Davids that the local impact note for HF 334 would be complete before the 2014 legislative session.

Similar to fiscal notes, local impact notes focus on the fiscal impact of proposed legislation, but on local governments rather than the state. This process is described in Minnesota Statutes 3.987 and 3.988.

MMB surveyed a representative sample of cities and counties accounting for geographic and demographic distribution for cost estimates of a number of factors influencing local impact of the legislation. Based on responses to that survey, and historic voting data, MMB estimates that HF 334 will generate a net statewide savings to local governments of \$265,000 in non-presidential even year elections, and \$530,000 in presidential election years. Experience of individual cities and counties will vary.

Technically, Minnesota Statutes 3.988 stipulates that a local impact note need not be prepared if the proposed legislation would result in net savings to a local unit of government. While this turned out to be the case with HF 334, it was not clear until most of the analysis was complete. As a result, the analysis was completed and a summary is attached.

If you or your staff has any questions about the local note process feel free to contact Executive Budget Officer Micah Intermill at (651) 201-8044.

cc: Representative Connie Bernardy
Legislative staff (electronic)

January 27, 2014

HF 334 (Bernardy):

Providing for Early Voting

Local Fiscal Impact				
Net Expenditure/Revenue Change				
Dollars in Thousands, State Fiscal Years				
	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Statewide Impact	\$ (265)	-	\$ (530)	-

Explanation of the Bill

HF 334 provides for early voting at elections offices in Minnesota. Early voting differs from in-person absentee voting. Whereas in-person absentee voters place their ballots in sealed envelopes which are opened only after they have been marked “Accepted”, and then deposited into the appropriate ballot box, early votes are cast directly into a precinct voting system or a sealed ballot box.

Local Impact Analysis Methodology

To estimate the statewide local government impact of the changes included in HF 334, MMB:

- Collaborated with the Minnesota Secretary of State’s office (SOS) to identify reasonable assumptions surrounding the costs and savings associated with the bill, formulate a survey for local elections officials in Minnesota cities and counties, and target a list of cities and counties to survey.
- Contacted four cities (Burnsville, Edina, Minnetonka, Shoreview) – selected based on regional balance as well as those that had enough volume of absentee voters to assess impact – and seven counties (Beltrami, Crow Wing, Hennepin, Olmstead, Ramsey, Washington, Wright) – balanced regionally between urban/suburban and greater Minnesota – to survey the local costs and savings associated with early voting implementation.
- Contacted the SOS to receive historical data regarding absentee voting in Minnesota for the 2010 and 2012 general elections.
- Extrapolated survey results across historical voting data to come up with an estimate of the statewide impact (costs and savings) associated with the implementation of early voting in Minnesota.

Local Impact Analysis of HF 334:

For the purposes of estimating fiscal impacts to cities and counties, MMB looked only at provisions of HF 334 that would be required by law – specifically, implementation of early voting for federal, state, or county elections (those that occur in even-years). Costs associated with implementing early voting in odd-year (municipal only) elections are not included in the estimates that follow, because though HF 334 permits cities to authorize early voting for municipal elections, it does not require them to do so.

MMB and SOS identified the following provisions contained in HF 334 as potentially impacting cities and counties, and surveyed municipalities to estimate costs or savings associated with:

- Extending hours during the early voting period
- Eliminating some absentee voting applications
- Eliminating some envelopes and mailing costs of absentee ballots
- Eliminating the need for absentee ballot boards to process some ballots
- Providing for and testing precinct ballot counters at early voting locations
- Training staff on the administration of early voting

Discussion of Local Assumptions

MMB and SOS included a list of assumptions for local governments to work from when responding to the survey. This helped to provide for consistency in answers across cities and counties, urban and rural areas. Local governments were instructed to work from the following assumptions:

- If early voting is enacted, individuals who vote in-person during the 15 day period prior to Election Day will cast early votes instead of in-person absentee votes.
- Early voters will state their name and address as they do in the polling place, sign the roster (or receipt) and receive a ballot, which they will feed directly into the ballot counting machine (eliminating the need for applications, envelopes and absentee ballot boards to process ballots).
- The State Voter Registration System will be programmed with an “early voting module,” which counties and delegated cities will be required to use as voters come to cast their ballots. The module will allow for voter look up, printing of a label for the roster or receipt, and immediate voter history.
- Precinct ballot counters will need to be provided for early voting locations.
- To the extent that precinct ballot counters are already used to tabulate absentee ballots, testing of this equipment will need to be conducted earlier, but it should not require additional testing.
- Additional equipment will be required at the county or city if absentee ballots are not currently fed into precinct tabulators at that location.
- Cities and Counties will be required to offer early voting on two Saturdays before the election from 10 until 5 (instead of just one Saturday from 10 until 3).
- Cities and Counties will be required to offer early voting on at least one weeknight until 8 p.m.
- For each day on which early votes are cast, two ballot board members will need to empty the ballot box and reconcile the number of ballots.
- Staff will need to be trained on the administration of early voting.

Additionally, cities and counties were instructed to assume a total increase in absentee votes (or early votes in the case of in-person) of 50% due to the passage of no excuse absentee balloting. This is based upon the experience in Ramsey County which had a 54% increase when they used no-excuse absentee balloting on an experimental basis.

Fiscal Estimates of HF 334

A total of seven responses from cities (Burnsville, Minnetonka) and counties (Crow Wing, Hennepin, Olmstead, Ramsey, Washington) were received by MMB. Based on the responses, MMB generated an average cost or savings associated with the assumed impacts listed above – excluding the high and low outliers. Keeping in mind seven responses is a small sample; MMB is comfortable with the data based on discussions with SOS regarding the fact that the sample is representative. Below are the estimated costs or savings per vote.

Estimated Impacts of HF 334 – Non-Presidential Election	Average Cost or Savings per Vote
Estimated costs associated with purchasing and testing new equipment	\$0.09
Estimated costs associated with staffing extended hours for early voting	\$0.94
Estimated savings associated with not having to mail out and process absentee ballots	\$ (5.13)
Total impact	\$ (4.10)

Estimated Impacts of HF 334 – Presidential Election	Average Cost or Savings per Vote
Estimated costs associated with purchasing and testing new equipment	\$0.03
Estimated costs associated with staffing extended hours for early voting	\$0.38
Estimated savings associated with not having to mail out and process absentee ballots	\$ (4.45)
Total impact	\$ (4.05)

Once again, working off of the Ramsey County experience with a 50% increase to absentee votes under the no-excuse absentee system, and counting all absentee ballots cast in the last 15 days as early votes, the estimated numbers of early votes to be cast in a given election are:

Type of Election	Estimated Early Votes
Non-Presidential	64,650
Presidential	130,776

Therefore, when we multiply the average cost of an early vote for a given election by the estimated total number of votes to be cast in that election, we get the following estimated impact of early voting:

Type of Election	Average Cost or Savings per Vote	Estimated Early Votes	Total Cost or Savings
Non-Presidential	\$ (4.10)	64,650	\$ (265,063)
Presidential	\$ (4.05)	130,776	\$ (529,643)

Limitations of Local Impact Note Analysis

While MMB is responsible for calculating a statewide local impact in local impact notes, it is important to remember that totals are estimates and as such, local impact notes are advisory in nature. In the case of HF 334, it is important to consider:

- This estimate is based on the assumption that all circumstances surrounding voting in all cities and counties are equal. Such an assumption was made in order to perform a calculation – however cities and counties across Minnesota vary greatly in terms of demographics, geographic distribution, and other factors that impact the rate of voting and the way in which Minnesotans cast their ballots (remotely by mail vs in-person, etc). As such, the total statewide local impact estimated above may be over or under represented.
- The total statewide local impact is not likely to be equally distributed across all counties. Rural cities and counties are likely to see less savings, or possibly costs, associated with implementation; the opposite is true for urban and suburban cities and counties.
- Additional statewide local impact may occur in odd years if cities opt to implement early voting for municipal elections.