

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1156 HB	<b>Title:</b> Local elections
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## Estimated Cash Receipts

NONE

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Secretary of State	2.5	679,000	679,000	679,000	2.5	622,000	622,000	622,000	2.5	622,000	622,000	622,000
Office of the Secretary of State	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
<b>Total \$</b>	<b>2.5</b>	<b>679,000</b>	<b>679,000</b>	<b>679,000</b>	<b>2.5</b>	<b>622,000</b>	<b>622,000</b>	<b>622,000</b>	<b>2.5</b>	<b>622,000</b>	<b>622,000</b>	<b>622,000</b>

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

# Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 902-9810	<b>Date Published:</b> Preliminary 2/17/2021
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# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1156 HB	<b>Title:</b> Local elections	<b>Agency:</b> 085-Office of the Secretary of State
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	2.5	2.5	2.5	2.5	2.5
<b>Account</b>					
General Fund-State 001-1	368,000	311,000	679,000	622,000	622,000
<b>Total \$</b>	<b>368,000</b>	<b>311,000</b>	<b>679,000</b>	<b>622,000</b>	<b>622,000</b>

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jason Zolle	Phone: 360-786-7124	Date: 02/01/2021
Agency Preparation: Kathy Cody	Phone: (360) 704-5215	Date: 02/17/2021
Agency Approval: Mark Neary	Phone: 360-902-4186	Date: 02/17/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/17/2021

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 of this bill adds a provision that allows for the use of ranked choice voting and describes methods that will be used under that process. There is no direct fiscal impact related to this section alone.

Section 2 stipulates the Office of the Secretary of State may adopt rules related resolving a tie between candidates when using ranked choice voting.

Section 3 provides a definition for primary elections. There is no direct fiscal impact to this section alone.

Section 5 and 6 allows cities, towns, or districts to not use a primary, if they use ranked choice voting in their general election. These section have an indeterminate fiscal impact, but will increase the state share of election costs, if exercised by the jurisdictions. Any city, town, or district that chooses not to conduct a primary will reduce the number of jurisdictions that pay a share of the total primary election cost, meaning remaining jurisdictions will pay a larger share of the total cost.

Section 7 specifies a primary won't be held if the minimum number of candidates is not met to when using Ranked Choice voting. There is no direct fiscal impact associated with this section.

Section 8 gives the county, city, town, or district the option to have the filing officer assign position numbers to keep offices with the same name, district, or title separate or combine them.

Section 15 creates a work group on Ranked Choice voting. This work group will have one member from the Office of the Secretary of State. We assume one of the FTE's funded under this fiscal note would be appointed as the representative on this work group.

Section 16 removes the definition of primary election. This section has no direct fiscal impact on the Office of the Secretary of State because the definition is replaced with the definition in Section 3 of this bill.

Section 17 allows cities, towns, and districts to hold their general elections in even-years, rather than odd years. The fiscal impact of this is indeterminate because of the significant number of variables associated with this change. However, the most likely outcome is a shift in costs from odd-year elections to even-year elections, rather than an increase or decrease in costs in a given year. Any city, town, or district that chooses to hold an election in an even-year, rather than an odd-year will cause an increase in the state share of election cost during odd-years and a decrease in even-year election costs, due to the dilution from additional jurisdictions.

Section 32 through 35 allows for recovery of costs by a person who sent notice for expenses incurred to do research necessary to send such notice. This has no impact on the Office of the Secretary of State, as we are not a political subdivision.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

#### VoteWA Updates:

The Office of the Secretary of State would be responsible for receiving election results exports from each of the counties using certified ranked choice voting tabulation systems and accurately displaying them to the public. This would require 160 hours of development at the contractual amount of \$125 per hour, totaling \$20,000 (object J). These costs include:

- Changing the VoteWA tabulation import functionality;
- Updating the VoteWA solution to allow for calculation of alternate voting methods;
- Updating the election night reporting of VoteWA to accept results of alternative voting methods; and
- Changing the way winners are calculated in VoteWA

#### Staffing:

OSOS will need ongoing funding for two Program Specialist 4s. The two specialists would be divided amongst distinct bodies of work:

##### 1.0 FTE Program Specialist 4

- the ranked choice voting expert;
- a point of contact for internal and external stakeholders; and
- the point person for rulemaking and outreach

##### 1.0 FTE Program Specialist 4

- Review, certify, analyze, and audit ranked choice voting systems for use in Washington

Both these FTEs will coordinate with VoteWA developers to update the interface between the VoteWA and the 39 county voting systems.

These FTEs will require one-time costs for a new workstation and computer hardware and software at \$15,000 per FTE (object J). Based on average goods and services, we estimate each FTE will need ongoing goods and services at \$6,000.

#### Election Training:

An additional 0.5 FTE will be required for training of approximately 200 election employees impacted by ranked choice voting. This training would cover the ranked choice vote tabulation methodology, changes to the VoteWA interface and upload procedures, and updating training materials. They would also provide training related to changes to logic and accuracy tests that are conducted for each election. The 0.5 FTE and associated training would be an on-going fiscal impact as a result of this bill. Based on average goods and services, we estimate each FTE will need ongoing goods and services at \$3,000.

#### Voter Education and Outreach:

- County Participation - The cost to educate voters on the major changes made to the voting system are estimated at \$75,000 - \$100,000 per county that implements Ranked Choice Voting. While there is overlap in some markets, we do not distinguish between local jurisdictions within a county and the county as a whole for this analysis and instead are providing an estimate on a per county basis. OSOS can't predict the number of counties or the jurisdictions within a county who will participate in Ranked Choice Voting and therefore have indeterminate costs associated with this activity.

Ranges for the cost to educate voters could be as small as \$25,000 for a single jurisdiction in a single county to \$4,000,000 if every jurisdiction in the state chose to use Ranked Choice Voting. These expenditures are expected to be on-going but will decrease in future years as more voters are educated about this change in voting. OSOS can't predict the number of jurisdiction who will participate in Ranked Choice Voting and therefore have indeterminate costs associated with this activity.

- Statewide Participation - Once ranked choice voting is widespread throughout the state, we expect the majority of voters to be educated after one presidential cycle (4 years) and the expenditures associated with this education to reduce after that time. With new voters moving in to our area or becoming newly eligible continued outreach efforts would be needed, but likely not to the same scale as the initial effort. We expect to continuously have to include a single page in the voters' pamphlet and education at the county level.

Educating voters is crucial to prevent voter confusion, especially if the ballot has different types of voting methods on the same ballot. Confusion about Ranked Choice Voting could lead to a decrease in turnout, increases in replacement ballots and associated costs, and disenfranchisement. To ensure voters are not disenfranchised, education would be provided in the county or jurisdiction that chose Ranked Choice Voting using a variety of formats that are accessible to all voters. These include diversified platforms such as print, radio, television, and social media in addition to translated education in each of these formats to ensure equal access for all voters.

The amount for voter education and outreach is materially different from the prior fiscal notes due to the experience gained during the 2020 General election. We determined more funding is needed because we learned through experience that voter education and countering disinformation and misinformation is both more costly and time consuming than it has been in the past.

An additional page in the state voters' pamphlet would be dedicated to education about Ranked Choice Voting. We expect this expenditure to be on-going, as not all jurisdictions will chose to implement Ranked Choice Voting in a given year and thus new voters would need to be educated on the process each year. Additionally, this page will help educate voters who are new to the state or who are newly eligible to vote. For an odd-year voters' pamphlet, we estimate the cost for this additional page at approximately \$6,000. Because of the non-linear cost structure of certain parts of the voters' pamphlet, the fiscal impact may be higher or lower in proportions that don't scale with the number of pages, so this estimate may be higher or lower depending on the number of pages in a voters' pamphlet for a given year.

#### State Share Election Costs:

Indeterminate costs related to the state share of election costs cannot be determined because of the significant number of factors used to calculate the state share of election costs, including, but not limited to, the total cost of the election, the number of jurisdictions in the election, the number of voters in each jurisdiction, the number of offices in each jurisdiction, the number of jurisdictions that choose to use ranked choice voting, the number of jurisdictions that choose not to use a primary, and the number of jurisdictions that choose to hold even-year elections, rather than odd-year elections. The Office of the Secretary of State does not control these factors and we have no data available to model or estimate such fiscal impacts.

#### Indirect Costs:

OSOS has included an additional indirect cost rate of 15% on most objects for administrative support associated with implementing this legislation. Support costs include, but are not limited to, IT support, payroll and

accounting services, and human resource services shown in Object T. We have applied a flat fee of \$5,000 to expenditures related to Grants, Benefits, and Client Services to reflect the level of effort required rather than a standard percent.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	368,000	311,000	679,000	622,000	622,000
<b>Total \$</b>			368,000	311,000	679,000	622,000	622,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

#### III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	2.5	2.5	2.5	2.5	2.5
A-Salaries and Wages	182,000	182,000	364,000	364,000	364,000
B-Employee Benefits	67,000	67,000	134,000	134,000	134,000
C-Professional Service Contracts					
E-Goods and Other Services	15,000	15,000	30,000	30,000	30,000
G-Travel	6,000	6,000	12,000	12,000	12,000
J-Capital Outlays	50,000		50,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	48,000	41,000	89,000	82,000	82,000
9-					
<b>Total \$</b>	368,000	311,000	679,000	622,000	622,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

#### III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Program Specialist 4	72,756	2.5	2.5	2.5	2.5	2.5
<b>Total FTEs</b>		2.5	2.5	2.5	2.5	2.5

#### III. D - Expenditures By Program (optional)

NONE

### Part IV: Capital Budget Impact

#### IV. A - Capital Budget Expenditures

NONE

#### IV. B - Expenditures by Object Or Purpose

NONE

#### IV. C - Capital Budget Breakout

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

**IV. D - Capital FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

## **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Because of the large changes in this proposed bill, a significant number of WACs will likely require changes, including but not limited to:

- 434-208
- 434-215
- 434-230
- 434-335
- 434-261
- 434-264