



**Colorado
Legislative
Council
Staff**

Proposition 107

**FISCAL IMPACT
STATEMENT**

Date: September 1, 2016

Fiscal Analyst: Bill Zepernick, 303-866-4777

BALLOT TITLE: PRESIDENTIAL PRIMARY ELECTIONS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020*
State Revenue				<\$5,000
Cash Funds				<5,000
State Expenditures			\$208,575	\$2,694,155
Cash Funds			208,575	\$2,686,701
Centrally Appropriated Costs			0	7,454
FTE Position Change				0.6 FTE

* *Presidential primary year.*

Summary of Measure

Proposition 107 establishes a presidential primary in Colorado that allows participation by unaffiliated voters. The Governor must set the date of the presidential primary election by September 1 in the year preceding a presidential election. The presidential primary election must be held no later than the third Tuesday in March, but no earlier than the date set in the major party rules before which states are penalized delegates to the national party convention. The presidential primary will be conducted in the same manner as other primaries and is the only issue that may be put to voters at the election. Proposition 107 does not impact the existing primary election in Colorado, held in June, for other state, federal, and local offices.

Under Proposition 107, voters are not required to affiliate with a political party in order to vote in the presidential primary election. Unaffiliated voters will automatically receive a combined ballot that shows all the available candidates for each political party. Unaffiliated voters may only vote for one political party's presidential candidate. If a voter selects candidates of more than one political party on the combined ballot, his or her ballot will not be counted.

County clerks will be responsible for administering the presidential primary election. The measure specifies that counties will be reimbursed for all costs by the state according to the same statutory formula used for reimbursing counties for conducting elections with a statewide ballot measure.

Proposition 107

Background

Presidential nominees for major political parties are chosen by state delegates at each party's national convention. Delegates to the national convention are selected by each state based on the results of either a caucus or presidential primary election. Proposition 107 establishes a presidential primary election open to all registered voters in Colorado. Presidential primary elections were conducted in the state in 1992, 1996, and 2000. In other years, Colorado's political parties have selected delegates for nominating presidential candidates using a caucus system. Caucus participation is limited to voters who have affiliated with that political party at least two months prior to the caucus.

State Revenue

Proposition 107 increases state revenue by less than \$5,000 every four years starting in FY 2019-20. The measure allows qualified candidates to pay a \$500 fee in order to be placed on the presidential primary ballot rather than collecting signatures. It is assumed that the fee will be paid by less than 10 candidates per year and revenue will be deposited into the Department of State Cash Fund.

State Expenditures

Proposition 107 increases costs in the Secretary of State's Office (SOS) by \$208,575 in FY 2018-19 and \$2,694,155 and 0.6 FTE in FY 2019-20. These costs are summarized in Table 1 and discussed below. It is assumed all costs will be paid from the Department of State Cash Fund, with the exception of county reimbursement costs, which may be paid from either the Department of State Cash Fund or the General Fund.

Cost Components	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Personal Services				\$29,458
FTE				0.6 FTE
Operating Expenses & Capital Outlay Costs				3,392
Information Technology Costs			\$208,575	0
Petition Verification				13,200
Travel				10,000
County Reimbursement				2,630,651
Centrally Appropriated Costs*				7,454
TOTAL	\$0	\$0	\$208,575	\$2,694,155

* Centrally appropriated costs are not included in the bill's appropriation.

Information technology costs. The SOS will have one-time costs of \$208,575 in FY 2018-19 to make modifications to the statewide voter registration database (SCORE) and other ballot systems. This cost estimate is based on 2,025 hours of computer programming at a rate of \$103 per hour. It is assumed this work will be conducted in FY 2018-19 in order to prepare for the 2020 presidential primary election.

Proposition 107

Election staff. The SOS will have staffing costs of \$29,458 in FY 2019-20 for 0.6 FTE related to the presidential primary. This includes 0.5 FTE for rulemaking, updating forms, conducting training, and providing support to county clerks and 0.1 FTE for staff to handle disputes concerning the signature verification process. Standard operating and capital outlay expenses for this staff will be \$3,392. Travel costs of \$10,000 will be required for this staff to make site visits to counties for providing technical support associated with the election.

Signature verification. The SOS will have costs of \$13,200 every four years to review candidate petitions. This cost is based on five additional candidates per presidential primary election choosing to access the ballot by submitting signature petitions and each signature review costing \$2,640.

County reimbursement. The SOS will be required to reimburse counties about \$2.6 million in FY 2019-20 and future presidential primary election years. This cost is based on reimbursement to counties for about 3.3 million active registered voters, including Democrat- and Republican-affiliated voters and unaffiliated voters. Counties with less than 10,000 active registered voters receive \$0.90 per registered voter and larger counties receive \$0.80 per registered voter. The number of registered voters assumes a 10-percent increase above 2016 levels by 2020. This cost may be paid from either the Department of State Cash Fund or the General Fund.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this measure will be addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Centrally Appropriated Costs Under Proposition 107				
Cost Components	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Employee Insurance (Health, Life, Dental, and Short-term Disability)				\$4,814
Supplemental Employee Retirement Payments				2,640
TOTAL	\$0	\$0	\$0	\$7,454

Local Government Impact

Statewide, county clerks will have costs of approximately \$5.3 million in FY 2019-20 to conduct the 2020 presidential primary election. These costs are based on the costs counties currently incur to conduct the existing June state primary election, a mail ballot election of similar size and scope, adjusted for inflation by 2020. Costs to counties will include the printing and postage for mail ballots, the operation and staffing of voter service and polling centers, and other administrative and operational costs. Counties will be reimbursed by the SOS based on the number of active registered voters eligible to participate in the presidential primary election using the current statutory formula for reimbursing counties for elections with a statewide ballot measure.

Effective Date

If approved by voters, the measure takes effect upon proclamation of the Governor within 30 days of the official canvas of the vote being completed. The measure applies to presidential primary elections occurring on or after this effective date.

Technical Note

The measure states that counties shall be reimbursed for "all expenses shown to be directly attributable to...the presidential primary election" and then specifies the manner of reimbursing counties according to the statutory formula in Section 1-5-505.5, C.R.S. These requirements may be in conflict given that, based on this analysis, "all expenses" (\$5.3 million) will be more than the potential reimbursement under the statutory formula (\$2.6 million). Given the specific language in the measure referencing Section 1-5-505.5, C.R.S., this analysis assumes that the reimbursement to counties will be limited by that formula and that counties will not be able to claim reimbursement for "all expenses" above this amount.

State and Local Government Contacts

County Clerks

Counties

Secretary of State