



Legislative
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Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

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| Drafting Number: | LLS 19-0472 | Date: | April 10, 2019 |
| Prime Sponsors: | Sen. Fenberg; Danielson Rep. Esgar | Bill Status: | Senate SVMA |
| | | Fiscal Analyst: | Chris Creighton 303-866-5834 Chris.Creighton@state.co.us |

Bill Topic: AUTOMATIC VOTER REGISTRATION

Summary of Fiscal Impact:

| | |
|---|--|
| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

This bill requires the transfer of certain records to the Department of State for the purpose of automatically registering voters. This bill increases state and local government costs on an ongoing basis.

Appropriation Summary: For FY 2018-19, this bill requires appropriations of \$495,690 to multiple state agencies.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 18-235

| | | FY 2019-20 | FY 2020-21 |
|---------------------|---------------|------------------|------------|
| Revenue | | - | - |
| Expenditures | General Fund | \$81,551 | - |
| | Cash Funds | \$349,173 | - |
| | Federal Funds | \$64,966 | - |
| | Total | \$495,690 | - |
| Transfers | | - | - |
| TABOR Refund | | - | - |

Summary of Legislation

This bill requires the Department of Revenue (DOR), the Department of Health Care Policy and Financing (HCPF), and the Department of Human Services (DHS) to electronically transfer records to the Department of State for the purpose of registering voters.

Notification and registration. Upon receipt by the Department of State, these records are to be provided to the appropriate county clerk to determine if the record is complete. For complete records the county clerk must send a notice to the individual notifying them they have been registered or preregistered to vote if they are under the age of 18, and that they can affiliate with a political party or decline to be registered by returning the notice. For incomplete records, the county clerk must mail the individual identified in the record with additional information that would be needed to complete the record. If information to complete the record is received, the county clerk must register or preregister the individual to vote.

Voter registration agencies. The Department of State must enter into agreements with the directors of voter registration agencies, specifically offices overseen by the DHS that provide public assistance and programs for persons with disabilities, to enable the secure transfer and verification of information for voter registration purposes. Annually, the DHS must provide to the Department of State a list of the offices it oversees, the type of services provided, and a designated voter registration contact for that office. Monthly, these agencies must provide the number of people applying for public assistance, the number of voter registration choice forms collected, and the number of voter registration forms received. The Office of Information Technology and the Department of State are required to determine which agencies collect sufficient information to establish an electronic schedule to provide records to the Department of State for the purpose of automatically registering individuals served by these agencies to vote.

Signature verification. Instructions on how to provide a signature for verification purposes are to be provided for first time voters that do not have a signature in the statewide voter registration system (SCORE). Upon receipt of a ballot from an eligible voter that does not have a signature in SCORE, the county clerk must send a letter to the voter with instructions to provide a signature. The bill establishes requirements for counting these votes, storing the ballots, and implementing options to have signature verification documents provided electronically.

Background

Under current law, individuals are asked if they wish to register to vote while obtaining or renewing their drivers license, and they may decline to register. Individuals are also provided voter registration information when applying for Medicaid or other public assistance programs and may chose to register to vote.

State Expenditures

In FY 2019-20 only, this bill increases state expenditures by \$495,690. These impacts are shown in Table 2 and discussed below. This bill also increases ongoing workload for the Department of State, the DHS, and may result in future costs for HCPF (see Technical Note).

Table 2
Expenditures Under SB 19-235

| | FY 2019-20 | FY 2020-21 |
|--|-------------------|-------------------|
| SCORE Programming (Department of State) | \$339,200 | - |
| CBMS Programming (DHS) | \$136,240 | - |
| Drives Programming (Department of Revenue) | \$20,250 | - |
| Total Cost | \$495,690 | - |

Department of State. To implement this bill, the Department of State requires \$339,200 to create automated voter registration modules in the statewide voter registration system for the information received from the DOR and HCPF. This cost is based on historical expenditures for similar projects involving the preregistration of voters and assumes 3,200 hours of programming at a rate of \$106 per hour in FY 2019-20 only. Future programming costs may be incurred if it is recommended that other agencies collect sufficient information for automatic registration.

Additionally, the Department of State election reimbursement to counties, paid from the General Fund, is expected to increase in years where a statewide ballot measure appears on the ballot due to the increase on the number of registered voters. Any change in county reimbursement appropriations, if needed, will be addressed through the annual budget process.

Colorado Benefits Management System. To enable the electronic monthly transfer of information from DHS, 1,048 hours of computer programming are required to make modifications to the Colorado Benefits Management System (CBMS) at a rate of \$130 per hour. Of the \$136,240 total cost, \$61,301 will be paid from the General Fund, \$9,973 from the Old Age Pension Fund, and \$64,966 from federal funds. This work will be completed by the Office of Information Technology using reappropriated funds from the DHS.

The HCPF also utilizes CBMS and programming changes are needed to allow for the transfer of information for Medicaid applicants. However, as described in the Technical Note section below, it is assumed that this policy change in the bill is not permitted under federal law, and system changes will not be implemented immediately. Should information the state be allowed to share information on Medicaid applicants for voter registration purposes in the future, it is assumed that additional funds will be requested through the annual budget process.

Department of Revenue. To allow for the automatic transfer of driver records from the Division of Motor Vehicles to the Department of State, 90 hours of DRIVES programming is needed at an hourly rate of \$225.

Local Government

Beginning in FY 2019-20, this bill increases county clerk costs and workload to review records received, print and send notifications, register voters or cancel registrations, and respond to inquiries. It is estimated that this work will cost \$4.97 per voter registration. Assuming up to 15,000 additional voter registrants in large counties and up to 500 in small counties, this increases county clerk costs by in up to \$74,550 per county in large counties and \$2,485 per county in small counties. Costs will increase by \$1.00 on average each election to print and mail a ballot to each newly registered voter. In years with a statewide ballot measure, these costs will be offset by the

county election reimbursement from the state which is generally 90 cents per active registered voter for counties with fewer than 100,000 registered voters and 80 cents per voter for counties with more than 100,000 registered voters.

Technical Note

Because federal law only allows information to be shared for purposes directly connected to Medicaid (42 CFR 431.300), the fiscal note assumes that HCPF will not begin sharing information for voter registration purposes until a change to, or waiver from, federal law is made.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, this bill requires the following appropriations totaling \$495,690:

- \$339,200 to the Department of State from the Department of State Cash Fund;
- \$20,250 General Fund to the Department of Revenue; and
- \$136,240 to the Department of Human Services, of which \$61,301 is General Fund, \$9,973 is from the Old Age Pension Fund, and \$64,966 is federal funds. This amount is reappropriated to the Office of Information Technology.

State and Local Government Contacts

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|----------------------------------|----------------|
| Counties | County Clerks |
| Health Care Policy and Financing | Human Services |
| Information Technology | Revenue |
| Secretary of State | |