



Office Memorandum

DATE: April 21, 2015

TO: Representative Greg Davids, Chair
Representative Ann Lenczewski
Representative Jim Knoblach, Chair
Representative Lyndon Carlson Sr.

Senator Rod Skoe, Chair
Senator Julianne Ortman
Senator Richard J. Cohen, Chair
Senator Michelle Fischbach

FROM: Margaret Kelly, State Budget Director *MK*

RE: Local Impact Note for SF 414 (Sieben): Providing for early voting and money appropriated.

This letter transmits the local impact note for SF 414 (Sieben): Providing for early voting and money appropriated. 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 used the “per vote” fiscal impact of an early vote as estimated in the Local Impact Note for HF 334 in 2014 and applied that impact to updated estimates of early voters in presidential and non-presidential elections. Based on that analysis, MMB estimates that SF 414 will generate a net statewide savings to local governments of \$234,356 in non-presidential even year elections and \$547,293 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. Because we had recently completed a local impact note on early voting before it was clear that the change would result in savings, we updated that analysis. A summary is attached.

If you or your staff has any questions about the local note process, feel free to contact Executive Budget Officer Katharine Barondeau at (651) 201-8026.

cc: Senator Katie Sieben
Legislative staff

April 21, 2015

SF 414 (Sieben):

Providing for Early Voting

Explanation of the Bill

Local Fiscal Impact				
Net Expenditure/Revenue Change				
Dollars in Thousands, State Fiscal Years				
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Statewide Impact	-	\$ (547)	-	\$ (234)

SF414 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 SF 414, MMB:

- Collaborated with the Minnesota Office of the Secretary of State (OSS) to identify reasonable assumptions surrounding the costs and savings associated with the bill.
- Contacted the OSS to receive historical data regarding absentee voting in Minnesota for the 2012 and 2014 general elections.
- Extrapolated per vote impact across historical voting data to come up with an estimate of the statewide fiscal impact associated with the implementation of early voting in Minnesota.

Local Impact Analysis of SF 414:

For the purposes of estimating fiscal impacts to cities and counties, MMB looked only at provisions of SF 414 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 SF 414 permits cities to authorize early voting for municipal elections, it does not require them to do so.

MMB and OSS identified the following provisions contained in SF 414 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 Assumptions

MMB and OSS, in consultation with election officials, determined that the “per vote” fiscal impact of an early vote estimated in the Local Impact Note for HF 334 in 2014 was appropriate to use for the analysis of the local impact of early voting as provided in SF 414. Those estimated costs/savings are set out below.

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)

To estimate the number of early votes in a non-presidential election, MMB and the OSS determined that the number of absentee votes in the last 15 days of the 2014 general election period would be an appropriate estimate of early votes. To estimate the number of early votes in a presidential election, MMB and the OSS determined that it would be appropriate to use the number of absentee votes in the last 15 days of the 2012 general election period multiplied by 55%. Multiplying the number of absentee votes in 2012 by 55% is appropriate because:

- No-excuse absentee voting had not been enacted in 2012, the most recent presidential election. (No-excuse absentee voting was enacted by Laws of 2013, Chapter 131, Article 1, Section 2, and became effective January 1, 2014.)
- MMB and OSS expect that the number of absentee votes under a no-excuse system would more closely approximate the number of early votes than using the number of absentee votes cast when an excuse was required.
- The Office of the Secretary of State reported a 55% increase in absentee voting for the general election in 2014, after no-excuse absentee voting became effective, as compared to the general election in 2010.

Fiscal Estimates of SF 414

Counting all absentee ballots cast in the last 15 days of the 2014 general election as early votes, the estimated number of early votes for a non-presidential election is 57,160. Using the most recent general election experience of a 55% increase to absentee votes under the no-excuse provision and applying that to the number of absentee votes during the last 15 days of the most recent presidential election, which was 87,183, the estimated number of early votes to be cast in a presidential election is 135,134.

Therefore, when we multiply the average cost savings of an early vote for the presidential and non-presidential elections 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)	57,160	\$ (234,356)
Presidential	\$ (4.05)	135,134	\$ (547,293)

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 SF 414, 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. 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.