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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED 8-15-08 **HB** 6

SPONSOR Campos

SHORT TITLE 2008 General Election Costs **SB**

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$1,637.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Bill 6 appropriates \$1.637 million from the general fund to the Secretary of State for the purpose of paying the costs of the 2008 general election.

FISCAL IMPLICATIONS

The appropriation of \$1,637 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

SIGNIFICANT ISSUES

Paper ballots account for \$2.3 million, or nearly 42 percent of the agency's general election expenses. The agency reported earlier this year at a Board of Finance meeting and later at a Legislative Finance Committee (LFC) hearing that it orders ballots based on 150 percent of eligible voters turning out to vote. This method, which was used for the primary resulted in approximately one million ballots going unused because voter turnout followed the six year historical trend of 27 percent (in general elections the six year historical trend is 49 percent and when looking at turnout for the past two presidential elections it is 54 percent).

The LFC recommended the agency develop a methodology for ordering ballots that would be more in line with historical turnout yet provide reasonable padding to that figure so as to address spoiled ballots and a possible increase in turnout. The agency is working on a methodology but is still compiling voter turnout history by precinct. Precinct history is necessary because ballot content is not the same statewide and the agency's paper ballot vendor charges fees for the changes and requires a minimum order of 100 ballots. Once the agency completes this project its projected cost will have a more solid foundation.

The second issue is that at a 2008 Board of Finance meeting the agency presented its 2008 general election expenses to be \$5.376 million citing a \$1.5 million shortfall, a difference of \$117 thousand from its current projection of \$1.637 million. The agency is requesting funds for optional items including advertising by the Secretary of State, a regional presiding judge training (county clerks already provide this training) and extra temporary employees for its communication room.

OTHER SUBSTANTIVE ISSUES

The agency received a \$3 million special appropriation for 2008 general election costs during the 2008 regular session and the agency reports that its operating budget includes \$411 thousand for 2008 general election expenses.

ALTERNATIVES

Allow the agency the opportunity to continue compiling its data on turnout so it can apply it to a funding formula that reduces the number of ballots destroyed and request a supplemental for 2008 general election costs.

Make an appropriation contingent on Board of Finance approval with a requirement for the Secretary of State to provide a methodology for its paper ballot order.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

As in the past, the agency will request a supplemental to cover its shortfall.

EO/svb