

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

**BILL NUMBER:** HB 126 Comm. Sub 5/11/93

**SHORT TITLE:** Agency-Based Voter Registration

**SPONSOR(S):** REP. MICHAUX

**FISCAL IMPACT:** Expenditures: Increase (x ) - Federal Mandate  
Decrease ( )  
Revenues: Increase ( ) Decrease ( )  
No Impact ( )  
No Complete Estimate Available (X ) See Summary and  
Attachments for estimates based an information  
available at this time.

**FUND AFFECTED:** General Fund ( ) Highway Fund ( ) Local Fund ( )  
Other Fund ( )

**BILL SUMMARY:**

=H 126.AGENCY-BASED VOTER REGISTRATION=. "TO PROVIDE FOR AGENCY-BASED VOTER REGISTRATION." Enacts new GS 163-72.5 to provide that the following government agencies shall provide persons with voter registration applications and assistance in completing the applications: (1) agencies that receive applications for public assistance under art. 2, GS Ch. 108A; (2) agencies that receive claims for benefits under the Employment Security Law; (3) agencies that receive applications for state-funded or local government programs primarily providing services to persons with disabilities; and (4) other agencies that provide services to persons with disabilities. Persons receiving registration application forms may complete them and leave them with the agency for delivery to the county board of elections or may mail them to the county board. Persons may decline in writing to receive voter registration applications; otherwise agency must provide application. If an application to register is made less than 30 days immediately preceding an election, the applicant is not entitled to vote in that election. Effective Jan. 1, 1995.

**AMENDMENTS/COMMITTEE SUBSTITUTES-May 11, 1993-DailyBulletin 62**

H 126. AGENCY-BASED VOTER REGISTRATION.= Intro. 2/11. House committee substitute adds: (1) provision prohibiting a person working at such an agency from making any statement to an applicant or taking any action which leads the applicant to believe that a decision to register or not to register has any bearing on the availability of agency services or benefits; (2) provision requiring that agencies use forms that comply with section 7(a)(6)(B) of the National Voter Registration Act of 1993; and (3) provision permitting the State Board of Elections

to require, outside of the time period 30 days immediately before the deadline for registering to vote, that voter registration applications for residents residing in the same county as the voter registration agency office be forwarded to that county's board of elections no later than two business days after the date of acceptance of the application.

**EFFECTIVE DATE:** January 1, 1995

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:** Employment Security Commission, county and state Agencies supervised by the Department of Human Resources, and the Department of Environment, Health and Natural Resources, county and state Boards of Election.

**SUMMARY  
FISCAL IMPACT**

	FY 94-95*	FY 95-96	FY 96-97	FY 97-98	FY
98-99					
<b>EXPENDITURES</b>	\$3,535,484	\$7,240,876	\$7,458,092	\$7,681,834	
	\$7,912,278				

**ASSUMPTIONS AND METHODOLOGY:**

H 126 parallels a section of the federal National Voter Registration Act of 1993 which was recently signed into law by President Clinton. Under the federal law and H 126, agencies which provide public assistance and agencies which provide services to persons with disabilities are mandated to perform voter registration activities. Public assistance programs are defined by federal law to be agencies which administer the Food Stamp, Medicaid, Aid to Families with Dependent Children (AFDC), and Women Infants and Children (WIC) programs. Although H 126 omits the WIC program, this fiscal note includes the program in order to be consistent with federal law. Thus, costs in public health departments as well as county departments of social services are considered. This fiscal note also assumes, in the absence of guidance from the federal or state law, that agencies which deliver services to persons with disabilities include area mental health agencies, vocational rehabilitation offices, and those agencies which serve the blind, deaf and hard of hearing will be subject to the new law. Finally, the fiscal note includes the cost of requiring the Employment Security Commission to perform registration duties in keeping with sec. 1(a)(2) of H 126. Under federal law, ESC offices may be designated as voter registration agencies at State's discretion. Costs for agencies are based on the following assumptions: 1) a number of annual "contacts" with clients for the purpose of application, recertification, renewal and/or change of address is estimated; 2) five to ten minutes of staff time will be required at each "contact" to offer clients the opportunity to register and to complete the required registration forms in the manner prescribed by the bill; 3) staff costs based on data provided by the respective agency. Costs are computed as follows: the number of contacts/yr. x estimated staff hours to fulfill registration duties x staff cost = total cost. An inflationary factor

of 3% has been added to total cost in each subsequent year for changes in salary costs and/or contacts. FY 94-95 costs are for 6 months.

Costs and assumptions specific to individual agencies are documented in the the following attachments:

Attachment A: County and State Boards of Election

Attachment B: Department of Human Resources

Attachment C: Employment Security Commission

Attachment D: Department of Health, Environment and Natural Resources

**.This fiscal note does not capture the complete impact of this bill for the for the following reasons:**

1. The National Voter Registration Act of 1993 and H 126 do not define several key terms that are critical to identifying which agencies are subject to the new law. For example, although the term "disability" is not defined, agencies who serve persons with disabilities are required to perform registration duties. In the absence of a definition of disability, the assumptions regarding which agencies are subject to the provisions of the new law may be incomplete or inaccurate.

2. The federal Act gives states the option of designating additional voter registration agencies, such as fishing and hunting licenses bureaus, or public libraries. Costs for these discretionary agencies have not been included in the fiscal note.

3. Potential sources of cost to the State and County Boards of Elections include the cost of training public agency staff, the cost of forms changes, and the retention and storage of registration forms. Given the level of information currently available, costs for these functions can not be estimated at this time.

4. Later this year, a federal Commission on the National Voter Registration Act is expected to provide states with additional guidance regarding states responsibilities under the Act, including the procedural requirements for agencies and for state and county boards of election. As guidance is provided to states, the assumptions on which this fiscal note has been developed regarding the level of effort associated with these new duties may need to be reconsidered.

**SOURCES OF DATA:** Department of Human Resources, Department of Environment Health and Natural Resources, State Board of Elections, Employment Security Commission.

**TECHNICAL CONSIDERATIONS:**

Unlike the federal Act, H126 does not make reference to agencies who provide Women, Infants and Children's services. If H126 is to act as enabling legislation for the federal legislation, a reference to the statutes governing programs in the Department of Environment, Health and Natural Resources will need to be included in the bill. The statutory cite for the WIC program is GS.130A-161.

**FISCAL RESEARCH DIVISION**

733-4910

PREPARED BY: Nina Yeager, Jim Mills, Carol Shaw, Denese Lavender

APPROVED BY: Tom Covington TomC

DATE: 7/21/93

[FRD#002]

ATTACHMENT A

STATE AND COUNTY BOARDS OF ELECTION

	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
	94-95	95-96	96-97	97-98	98-99
<b>EXPENDITURES</b>	N/A	N/A	N/A	N/A	N/A

**ASSUMPTIONS AND METHODOLOGY:** The State Board of Elections along with a County Election Board have offered some assumptions as to what the fiscal impact of this bill will be on their respective operations. The State Board of Elections is assuming that they will meet with State Department of Social Service (DSS) officials and other relevant participants to work out training and other issues related to an agency based voter registration system. The current assumption is that an agreement can be worked out with affected agencies and the community college system to provide needed training through a satellite hookup through the Agency for Public Television. Since the training arrangements have yet to be consummated the costs of this training has yet to be determined. The present training system calls for counties to provide about a 1 to 1 1/2 hour training session which can consist of 25-50 persons. With the Employment Security Commission estimating about 575 persons in their area to be trained and the Women Infants and Children Program (WIC) estimating about 700 persons in that area to be trained the current training method would be costly to the county and to the agencies involved.

In the past county election boards have experienced peaks in voter registration demands, many county election boards have managed that peak demand with the use of temporary workers. Some believe that agency based voter registration would tend to flatten the peak causing a need for additional permanent county election board employees.

Another assumption is that migrant workers and others who come through various social service programs will also be asked if they would like to register to vote and be afraid to admit that they are not U. S. citizens. These persons may request to register to vote and may actually attempt to register to vote causing an increase in the verification effort of the local election boards which could also increase needed local personnel. Overall training and administrative costs are viewed as the two areas mostly likely to be affected by the passing of this bill.

It is anticipated that if the statewide computer voter registration bill is passed it will also have an impact on the operating costs of the State Board of Elections and the local election boards. The cost of which has yet to be determined.

Two other areas of concern are 1) the filing and retention of the forms that the various agencies will submit to the county election boards, with each contact it has with one of its clients. The Department of Human Resources estimates in excess of 2.9 million contacts annually. The second area of concern is that 48 counties fall under the mandates of the Voting Rights Act, which means any voting changes including changes to forms would have to be approved by the Department of Justice.

Since there isn't previous experience to draw upon regarding many of the assumptions used and federal guidelines to govern agency base voter registration are still in the formative stages no estimate of costs are being offered at this time.

**SOURCES OF DATA:** State Board of Elections, Wake County Board of Elections, ESC, DHR, EHNR

PREPARED BY: Denese Lavender

**Attachment B**

**DEPARTMENT OF HUMAN RESOURCES  
FISCAL IMPACT**

	<u>FY</u> 94-95*	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u> 98-99
<b>Total</b>					
<b>Expenditures</b>	\$2,423,062	\$4,991,414	\$5,141,155	\$5,295,389	\$5,454,240
<b>Recurring</b>					

\* Inflation factor of 3% is added for each year since cost figures are based on 92-93 data. FY 94-95 is 6 months estimate.

**ASSUMPTIONS AND METHODOLOGY:** For agencies within the purview of the Department of Human Resources, the fiscal note assumes: 1) a number of annual contacts with clients for the purpose of application, recertification, review and/or change of address; 2) five minutes with all contacts for explanation of opportunity to register and completion of a registration screening form; 3) 25% of each agency's contacts are expected to require an additional five minutes for assistance with completion of voter registration form, as required by the bill ; 4) staff costs based on data provided by the respective Division. Affected state and local agencies affected are assumed to include: the Division of Social Services, the Division of Mental Health, Mental Retardation and Substance Abuse, the Division of Vocational Rehabilitation, the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. In the absence of information about which unit of government will be expected absorb these costs, the fiscal note does not allocate costs to state or county government.

Costs are computed as follows: the number of contacts/yr. x estimated staff hours to fulfill registration duties x staff cost = total cost.

An inflationary factor of 3% has been added to total cost in each subsequent year for changes in salary costs and/or contacts.

**Assumptions for Specific Divisions are as follows.**

**Division of Social Services:** Assumes 1,852,000 contacts with clients for application, recertification, review or address change for Aid to Families With Dependent Children, Medicaid, Energy Payment Programs, Food Stamps and Child Support Enforcement programs @ staff cost \$14.27/hr.

**Division of Mental Health, Mental Retardation, Substance Abuse Services:** Assumes 181,000 adults served annually (no recertification process) @ staff cost of \$15.00

**Division of Vocational Rehabilitation:** Assumes 71,250 contacts (no recertification process) @ staff cost of \$14.25/hr.

**Division of Services for the Blind:** Assumes 73,750 contacts (no recertification process) @ staff cost of \$10.40/hr.

**Division of Services for the Deaf and Hard of Hearing:** Assumes 750,000 contacts (no recertification process) @ staff cost of \$20./hr.

**SOURCES OF DATA:** Department of Human Resources, Office of Budget and Analysis, Division of Social Services, Division of Mental Health Developmental Disabilities, Substance Abuse Services, Division of Vocational Rehabilitation, Division of Services for the Blind, Division of Services for the Deaf and Hard of Hearing.

**PREPARED BY:** Nina Yeager

**Attachment C**

**FISCAL IMPACT OF HOUSE BILL 126 ON  
EMPLOYMENT SECURITY COMMISSION**

	<u>FY</u> <u>1994-95*</u>	<u>FY</u> <u>1995-96*</u>	<u>FY</u> <u>1996-97*</u>	<u>FY</u> <u>1997-98*</u>	<u>FY</u> <u>1998-99*</u>
<b>EXPENDITURES</b>					
<b>RECURRING</b>	\$702,264	\$1,404,528	\$1,446,664	\$1,490,064	\$1,534,766

\*Inflation factor of 3% is added for each year since cost figures are based on 1992-93 data. FY 1994-95 is 6 months only.

**ASSUMPTIONS AND METHODOLOGY:** House Bill 126 designates, among other agencies, "every office in the State which accepts:...Claims for benefits under Chapter 96 of the General Statutes, the Employment Security Law;...as a voter registration agency." In North Carolina, the designee is the Unemployment Insurance (UI) Division of the Employment Security Commission (ESC) which processes unemployment

benefits. It is assumed that HB 126 does not require voter registration assistance for clients applying for employment assistance only--the Employment Services Program--since Chapter 96 refers only to the Unemployment Insurance (UI) Program.

The assumptions and methodology for determining the number of applicants to be provided voter registration service and the cost of these services are summarized below. Figures are based on 1992-93 information.

**Number of Applicants**

380,000 (Annual Applicants for Benefits)  
-20,000 (Applicants with only one official office visit)  
**360,000** (Applicants with more than one official office visit)

360,000  
-93,939 (Applicants who do not file individual claims in local ESC office--filed by mail by company after mass company layoff)  
**266,061** (Applicants for Benefits with more than one official office visit)

**Amount of Time/Man-Hours to Provide  
Voter Registration Assistance**

It is estimated that it will require an average of 5 minutes to handle each voter registration application (five minutes assumes 2.5 minutes if applicant does not register and 7 minutes if applicant registers).

It is also assumed that 266,061 applicants will require 15 minutes of assistance--3 office visits at 5 minutes per visit. (The legislation requires a designated voter registration agency to offer registration and assistance with each client contact for recertification of benefits). UI clients average 9 weeks of assistance requiring 3 office visits--one to apply for benefits and two follow-up office visits to maintain benefits. It is also assumed that an additional 20,000 applicants will make one office visit requiring 5 minutes for voter registration assistance (approximately 20,000 applicants do not receive benefits after applying).

Man-hour calculations are as follows:

266,061 (applicants with 3 office visits)  
  x  15 minutes  
**3,990,915** minutes = **66,515 hours**  
60 min.

20,000 (applicants with one visit)  
  x  5 minutes  
**100,000** minutes = **1,6666 hours**  
60 min.

66,515 hours

+1,666 hours  
**68,181 man-hours to provide voter registration assistance**

**Costs/Expenditures**

Cost figures were calculated by (1) determining the actual man-hours required by ESC staff to assist potential voters (see previous page) and (2) determining the average hourly rate for ESC staff that would assist potential voters with the registration process. Average hourly rates for ESC were calculated using the federal funding formula assigned to ESC for the cost of one Claims Interviewer I position (\$41,600 for salary and benefits and administrative overhead).

68,181 man-hours in voter registration  
 x \$20 hourly rate  
**\$1,363,620 Estimated annual cost of handling voter registration**

Since HB 126 does not go into effect until January 1, 1995, full cost of implementation would not occur until the 1995-96 fiscal year. An inflation factor of 3% is added to the annual cost each year in the fiscal impact summary.

It should be noted that if ESC is designated as a voter registration agency one of three funding actions will be required: (1) Appropriation of State funds to carry out the federal voter registration mandate since federal Employment Security Law restricts the use of Unemployment Insurance funding for unrelated activities or (2) Appropriation of federal funds or (3) Amendment of federal Employment Security Law by the federal government to allow state employment commissions to use current federal appropriations for voter registration activities. It should also be noted that the federal voter registration act identifies employment commissions as an agency the state may designate (optional), while in House Bill 126 ESC would be mandated to act as a voter registration agency.

The cost figures in this Note do not include potential costs of mailing and postage to forward voter registration forms from ESC to the Boards of Elections. The State Board of Elections anticipates federal funds will be available for mailing and postage costs.

**PREPARED BY:** Jim Mills  
 Attachment D

**DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES  
 WOMEN, INFANTS, AND CHILDREN PROGRAM (WIC)**

**FISCAL IMPACT**

	FY <u>1994-95*</u>	FY <u>1995-96</u>	FY <u>1996-97</u>	FY <u>1997-98</u>	FY <u>1998-99</u>
Expenditures					
Recurring	\$410,158	\$844,925	\$870,273	\$896,381	\$923,272



\* 6 months

**ASSUMPTIONS AND METHODOLOGY:** The WIC Program estimates that they will be serving 175,000 clients annually by January 1995. These clients' applications for assistance are reviewed four times a year which will result in 700,000 client contacts. Following the general assumptions that each client contact for voter registration will take five minutes and 25% of the client contacts will require an additional five minutes, voter registration duties will require 72,917 additional staff hours. The estimated staff cost is \$11.25 per hour. An inflationary factor of 3% has been added to the total cost in each subsequent fiscal year for changes in salary costs and/or contacts.

The WIC program is funded primarily from federal funds. The US Department of Agriculture has not determined whether federal funds for the WIC program can be used to fulfill the voter registration requirements. This fiscal note assumes the cost will be from state funds.

**TECHNICAL CONSIDERATIONS:** Unlike the federal act, H126 does not make reference to agencies who provide WIC program services. If H126 serves as enabling legislation for the federal legislation, a reference to the statutes governing the WIC program will need to be included in the bill. The statutory cite for the WIC program is GS 130A-161.

**PREPARED BY:** L. Carol Shaw



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