

**HF1603 - 13A - Election Primarily by Mail**

Chief Author: **Raymond Dehn**  
 Committee: **State Government Finance Division**  
 Date Completed: **4/27/2020 10:04:46 AM**  
 Agency: **Secretary of State**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Michelle Weber    **Date:** 4/27/2020 10:04:46 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023	
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund						
Expenditures	-	2	-	-	-	-
Absorbed Costs	-	(2)	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

This fiscal note addresses the DE2 amendment to HF1603, which deletes the prior text of the bill and substitutes a short section authorizing the secretary of state to direct that the 2020 primary election and the 2020 general election be conducted by mail pursuant to the existing provisions of 204B.45, subdivision 2.

All provisions of Minnesota Election Law will apply except as required to implement this direction.

**Assumptions**

Mail balloting is not primarily a state cost, but there would be some additional training to be done, which may require some state staff effort to create a curriculum that could be used by local government in training staff to handle mail elections. Many counties already have some precincts that conduct mail elections, so the process is not unfamiliar to them. Mail balloting is already accommodated in the Statewide Voter Registration System (SVRS) and so no additional programming costs are expected.

Under mail balloting, each registered voter in Minnesota is mailed a ballot without having to apply to receive the ballot before each election, which is different from absentee balloting procedures. There are two mailings for each election, the latter of which is designed to send ballots those who register later in the cycle. Voters who are still unregistered at the end of the pre-registration period are able to vote by requesting an absentee ballot with the unregistered materials, which includes a voter registration application which must be completed in order for that voter to vote. The county auditor's office is the polling place for those who wish to vote their absentee ballot in person or to cast their mail ballot in person. The county auditor may also establish additional locations for these purposes.

As of April 24, 2020, there are 3,392,547 registered Minnesota voters. This number is likely to increase as the election cycle goes on. There are additional costs for each additional registered voter.

It is impossible to provide an accurate summary of costs for the entire state at this time because costs vary from jurisdiction to jurisdiction, partly because of economies of scale, pre-existing equipment in the possession of the jurisdiction, staffing levels and varying salary costs for staff across the state, and other factors such as which vendors they may use. There are additional factors such as how to maintain social distancing while processing mail ballots, that have never been confronted in prior elections and that each jurisdiction will need to prepare and plan for. Without a statewide

survey of election administrators, the Office of the Secretary of State is only able to provide a baseline estimate at this time.

The office was able to receive cost estimates from one metropolitan county, which are used in this note:

Ballots: \$ 0.195 per ballot, for printing

Envelopes: \$ 0.75 per mailed packet (there are multiple envelopes required for mail and absentee balloting)

Postage: \$ 0.65 per mailed packet for outgoing postage

Postage for the return of the ballot to the jurisdiction: \$0.79 per ballot

A likely total, *not including staff or equipment* is \$2.385 per mail ballot mailing.

Depending upon the resources of the jurisdiction, additional staff may need to be hired or redirected from other government functions to ballot processing. The minimum wage at the current time is \$10/hour for large employers.

Jurisdictions already have precinct-count machines, which can be programmed at the same cost as for a regular election. Some jurisdictions may also conclude that they must purchase additional equipment to process the mail ballots centrally. Central-count processors are substantially more expensive than the precinct-count tabulating machines, and in the most recent state election contract, costs range from \$15,000 to \$120,500 dollars per central-count tabulating machine, depending upon the vendor and functionality.

To ensure that every voter that wishes to vote is reasonably able to do so, jurisdictions are able to send replacement ballots and balloting materials to voters who have spoiled or damaged their ballot or submitted otherwise defective ballots. These additional balloting materials will need to be accounted for as well. The cost at this time is unknown, but it will add to the costs of mail balloting.

If mail balloting is not enacted, it is expected that there would be a large increase in absentee balloting. In the recent Wisconsin Presidential primary, for example, 70% of the votes were cast by absentee ballot. An equivalent shift in Minnesota's upcoming general election would equate to approximately 2.1 million absentee ballots, as Presidential year turnout recently has been slightly less than 3 million voters.

Mail balloting is somewhat more cost effective than absentee balloting, for a variety of reasons starting with the fact that mail balloting does not require the voter to request the ballot, thus eliminating one full cycle of voter interaction. This note does not include the costs of any public education plan accompanying the vote at home process.

**Expenditure and/or Revenue Formula**

Mail balloting training design:

40 hours of Election Administration staff time @ \$50/hour =	\$2,000	
		<b>\$2,000 (FY20)</b>

The Secretary of State is able to absorb the costs identified as part of ongoing operational activities associated with the work of the Office. These activities are not anticipated to displace any other work of the office.

**Long-Term Fiscal Considerations**

This bill is only applicable to the 2020 election cycle, so there are no long-term expenses.

**Local Fiscal Impact**

Virtually all of the costs associated with mail balloting are currently the responsibility of the local jurisdictions. As stated above, it is not possible to obtain an accurate total of all expenditures attributable to mail balloting at this time without a

statewide survey.

There will also be offsets to local jurisdictions because there will likely be far fewer locations, other than the county auditor's offices, for use as polling places/in-person absentee locations/mail balloting drop-off locations than the current 3,000 polling place locations. There will likely be far fewer election judges required. The number of ballots to be printed for polling places will also be far fewer if mail balloting is adopted.

It should be noted that the alternative to mail balloting, an expected large increase in absentee balloting, will result in local government incurring the bulk of the costs of mail balloting in any case, including the printing of ballots, the printing of the envelope materials, postage and additional staff processing time. Unlike mail balloting, absentee voting requires local governments process absentee ballot applications, which takes staff time and resources that would not be necessary in such high numbers under mail balloting procedures.

3,392,547 registered voters x. \$2.585 per vote package, is \$8,769,734.00. This fiscal note is accounting for both the primary and the general election, so the total cost would be \$17,539,468.00. Again, this does not include increased staffing and equipment costs due to vote by mail, because of the variance between counties and inability to do a statewide survey in such a short timeline. This does not include any increase in absentee balloting by unregistered voters.

In addition, there will be additional costs due to rejected mail ballots that will require further action and a possible second iteration of ballots, the costs of which are not calculated at this time.

### **References/Sources**

Bibi Black

651-201-1326

I have reviewed the content of this fiscal note and believe it is a reasonable estimate of the expenditures and revenues associated with this proposed legislation.

If Information Technology costs are included, my agency's Chief Information Officer has reviewed the estimate.

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