

STATE FUND	FY 2005	FY 2006	FUTURE YEARS
Secretary of State—Voter/Poll Worker Education Fund (Fund 3AT)*			
Revenues	\$5,000,000	- 0 -	- 0 -
Expenditures	\$2,500,000 to distribute to counties, \$2,500,000 to conduct voter education programs	Potential increase to complete county distribution of funds and conduct voter education programs	- 0 -
Secretary of State—County Electronic Voting Machine Maintenance Fund			
Revenues	- 0 -	Gain from unused moneys from Fund 3AA, Fund 3AS, and Fund 3AT	- 0 -
Expenditures	- 0 -	Increase, depending on county needs for voting machine maintenance	Increase, depending on county needs for voting machine maintenance

Note: The state fiscal year is July 1 through June 30. For example, FY 2005 is July 1, 2004 – June 30, 2005.

* Appropriations made only if Controlling Board does not approve funds for deployment of HAVA certified voting machines.

Poll worker pay provisions

- Permitting state employees to work as judges of elections may result in a potential cost increase if an agency uses overtime or outsourcing to complete that employee's work during his or her absence.

HAVA implementation provisions

- The bill appropriates up to \$27.25 million in FY 2004, and up to \$79.25 million in FY 2005 for the purchase and deployment of electronic voting machines.
- Creates four new funds within the Secretary of State's Budget, and lists certain requirements placed on the office for the implementation of the Help America Vote Act of 2002 (HAVA).
- Gives the Director of the Legislative Service Commission access to up to \$350,000 from the Election Reform Fund to conduct security assessments on voting machines. Unlike the other specified transfers and appropriations, no Controlling Board approval is required.
- Provides for a transfer of funds in which counties will receive up to \$2.5 million for poll worker and voter education purposes from the Secretary of State's Fund 3AT.
- Establishes the position of Americans with Disabilities Act coordinator within the Secretary of State's Office. As a result, there will be a minimal increase in personnel costs borne by the GRF.
- Creates the county electronic voting machine maintenance fund, which will consist of HAVA revenues that are not approved by the Controlling Board as of January 1, 2006.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2004	FY 2005	FUTURE YEARS
Counties			
Revenues	Potential gain of up to \$2.5 million for poll worker training and voter education, subject to Controlling Board approval	Potential gain of up to \$2.5 million for poll worker training and voter education, subject to Controlling Board approval	- 0 -
Expenditures	Potential increase up to \$940,000 or more in poll worker costs; increase in voter education program costs	Potential increase up to \$940,000 or more in poll worker costs; increase in voter education program costs	Potential increase up to \$940,000 or more in poll worker costs; increase in voter education program costs
Other Political Subdivisions			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase	Potential increase	Potential increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The increase in per diem pay for judges may increase the costs for county boards of elections.
- Statewide the annual increase in costs could be as much as \$940,000 or more, depending on the number of poll workers and the number of elections in a year.
- Permitting local government employees to work as judges of elections may result in a potential cost increase if an agency uses overtime or outsourcing to complete that employee's work during his or her absence.
- Allocates \$2,500,000 to counties to undertake voter education and poll worker training programs, subject to approval of these plans by the Secretary of State.

Detailed Fiscal Analysis

Provisions of the Bill

The bill revises current law in the following ways:

- Increases the maximum per diem pay for individuals serving as judges of an election from \$85 to \$95.
- Permits employees of the state and political subdivisions to work as judges of elections, provided they are not election officials or public school teachers.
- Allows employees of the state and political subdivisions working as poll workers to receive poll worker pay, in addition to their regular compensation. Political subdivisions must pass a resolution permitting employees to receive regular compensation in addition to poll worker pay. The director of a state agency must also authorize the compensation for employees of the agency. Eliminates required ballot language pertaining to local option elections dealing with the sales of alcoholic beverages at a specific location.
- Prohibits public employers from engaging in collective bargaining with employees of county boards of elections.
- Establishes new responsibilities for the Secretary of State and counties for the state plan for deployment of new voting machine technology under the Help America Vote Act of 2002.
- Establishes new state funds and appropriates \$106.5 million for the purchase, deployment, and maintenance of electronic voting machines.

Per Diem Pay Increase Provision

The provision increasing the maximum per diem pay for judges may increase the costs of an election to the county. As of November 2002, there were 11,756 voting precincts in the state of Ohio. Each precinct employs approximately four, but can have as many as six judges per election. Assuming each precinct employs only four judges per election, compensates judges at the current maximum rate of \$85 per diem, and that these precincts compensate judges at the increased rate established in the bill, there is a potential increase in cost of \$470,240 per election. Assuming two elections per year, the potential annual increase would be \$940,480. Potential costs would be higher than this if there are more than four judges or more than two elections in a year. The bill also allows for pay raises for election judges based on the following conditions:

- In any county where a judge was making \$85 or less, judges may receive a pay raise of 9%.
- In any county where a judge was making between \$86 and \$95, judges may receive a pay raise of 4.5%.

State and Local Government Employees Provisions

The bill allows state and local government employees to serve as election judges. Terms and conditions must be set forth by a board of county commissioners, legislative authority of a political subdivision, or head of a state agency. These conditions must include a standard procedure for deciding which employees are permitted leave with pay if multiple employees decide to serve as a judge of elections. If no such terms and conditions are set forth, employees of state and local governments may use personal leave, vacation leave, or compensatory time, or take unpaid leave to serve as judge of elections. Prior to the day of the election for which the employee will serve as a judge, the employee must notify his or her regular employer in writing of the employee's decision to serve as judge of elections at the particular election. The employee must also indicate whether he or she chooses to receive either the compensation paid to the judge of elections, or the employee's regular compensation for that day. The employee shall not be considered to have been absent from work the day of the election or required to charge the time that the employee otherwise would have worked to vacation or any other type of paid leave. The employer shall notify the board of elections of the employee's choice of compensation. If employees chose to receive their regular compensation, the county could see a decrease in costs for poll worker pay.

These provisions could result in a potential increase in costs if the state agency, county, or other political subdivision elects to permit leave with pay for employees, and then uses overtime or outsourcing to complete the work of those employees during their absence.

The bill prohibits collective bargaining between county boards of elections and their employees. The Legislative Service Commission contacted 15 county boards of elections. All indicated that Lucas County is the only county that is known to engage in collective bargaining. Unionization can lead to collective bargaining costs, and potentially higher salaries. The bill could reduce or prevent these costs.

HAVA Provisions

Pursuant to guidelines in the Help America Vote Act (HAVA) of 2002, the Secretary of State will receive federal funds to meet the federal requirements of the act, as well as supplement any additional state requirements. This revenue gain will be utilized for the state of Ohio to become compliant with the requirements of HAVA, as well as comply with any additional state requirements listed in this bill or otherwise.

The bill requires the Secretary of State's Office to establish the full-time position of Americans with Disabilities Act (ADA) coordinator. This position will assist the Secretary of State with ensuring there is equal access to polling places for people with disabilities, assist with ensuring that each voter may cast the voter's ballot in a manner that provides the same opportunity for access and participation, advise the Secretary of State in the development of standards for the certification of voting machines, marking devices, and automatic tabulating equipment, and report annually to the General Assembly on the progress of these duties. The ADA coordinator will be a position within the Secretary of State's office and the compensation of this position will result in an increase of costs for the Secretary of State. The Secretary of State is authorized to request from the director of Budget and Management, a transfer

from the Election Reform Fund (Fund 3AA) to a GRF appropriation item within the Secretary of State's budget for the compensation of the ADA coordinator.

The Secretary of State's office must establish standards for the certification of voting machines with a voter verified paper trail component. The standards shall include, but are not limited to:

- A definition of a voter verified paper audit trail as a paper record of the voter's choices that is verified by the voter prior to the casting of the ballot, and is securely retained by the board of elections.
- Requirements that the voter verified paper trail shall contain information that can be optically scanned, shall not be retained by the voter, and shall not contain individual voter information.
- A prohibition against the production of any direct recording electronic voting machine of anything that legally could be removed by the voter from the polling place.
- A requirement that paper used in producing a voter verified paper audit trail be sturdy, clean, and resistant to degradation.

The Secretary of State will experience increased costs resulting from the additional certification process for certifying machines with a voter verified paper trail component.

The board of voting machine examiners and the Secretary of State shall not approve or certify any marking device that is not accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for access and participation as for other voters. The marking device must not provide to the voter any type of receipt that may be retained after leaving the polling place. In order to satisfy this provision, the Secretary of State or board of voting machine examiners may have to purchase marking devices that are more expensive in order to meet these requirements.

The bill also places restrictions on the approval and certification of voting machines by the board of voting machine examiners or Secretary of State. The machines must be accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for access and participation. It must not provide the voter any type of receipt or confirmation, which can be retained after leaving the polling place. After January 1, 2006, if the voting machine is a direct recording electronic voting machine, it shall include a voter verified paper audit trail. There will be increased costs in providing the machines that meet these requirements. There will also be costs associated with retrofitting all direct recording electronic voting machines that were purchased before January 1, 2006 and do not have a voter verified paper audit trail component. These costs will be dependent on vendor capabilities to produce such a device, and the predetermined amount that the Secretary of State's office will appropriate per machine that requires retrofitting.

New Funds Created by Bill and Specified Transfers

The bill creates the County Electronic Voting Machine Fund in the state treasury. All moneys received pursuant to the Help America Vote Act of 2002 that are not approved for release by the Controlling Board as of January 1, 2006, shall be deposited in the state treasury to the credit of the fund.

Four new funds are created within the Secretary of State's budget. The Voter/Poll Worker Training Fund is the first created. The bill will transfer \$5,000,000 to this fund from the Election Reform Fund. Of this appropriation, the Secretary of State shall use \$1,500,000 to conduct a statewide voter education and poll worker training program, subject to Controlling Board approval. The remaining \$2,500,000 will be allocated to the counties for the same purpose. Each county will receive a base amount of \$5,000, and the remaining \$2,060,000 will be distributed to the counties on a per capita basis. The Secretary of State may use up to \$1,000,000 of its appropriation for the development, implementation, and certification for standards of Voter Verified Paper Audit Trail (VVPAT) systems.

After January 1, 2005, the Secretary of State may seek Controlling Board approval for the release of an additional \$2,500,000 from the Election Reform Fund (Fund 3AA). In order to obtain this release, the Secretary of State must demonstrate that it is necessary for the implementation of additional voter education and poll worker training. Of this \$2,500,000, the Secretary of State must distribute \$1,250,000 to the counties on a per capita basis. However, the \$1,250,000 will not be released to the counties until those counties have submitted a voter education plan to, and had that plan approved by the Secretary of State.

The second fund created is the 2004 HAVA Voting Machine Fund. The bill states if no Controlling Board action has been taken as of the effective date of this act, that the Director of Budget and Management shall transfer an amount not to exceed \$27,250,000 from the Election Reform Fund to the 2004 HAVA Voting Machines Fund. This transfer shall be used for the deployment of HAVA certified voting systems in 2004.

The third fund created is the 2005 HAVA Voting Machine Fund, which is to be used for the deployment of HAVA certified voting systems in 2005. As of the effective date of the bill, the Director of Budget and Management shall transfer an amount not to exceed \$79,250,000 from the Election Reform Fund, to the 2005 HAVA Voting Machine Fund. The bill also states that any unspent and unencumbered money from the 2004 HAVA Voting Machine Fund that was not required for replacement or upgrades shall also be transferred into the 2005 HAVA Voting Machine Fund. The 2004 HAVA Voting Machine Fund will be abolished at that time.

The fourth fund created is the County Electronic Voting Machine Maintenance Fund. All unspent moneys from the Election Reform Fund (Fund 3AA), the 2005 HAVA Voting Machine Fund (Fund 3AS) and the Voter/Poll Worker Education Fund (Fund 3AT) shall be transferred to this fund after full implementation of HAVA has been completed in all counties. The purpose of the fund is to pay for counties' ongoing expenses associated with voting machine maintenance. All expenditures requested by the Secretary of State must be presented in a plan that is to be approved by the Controlling Board.

Finally, the bill specifies that the Director of the Legislative Service Commission may use up to \$350,000 from the Election Reform Fund (Fund 3AA) created in the Controlling Board in 2003. This appropriation is to be used to conduct studies on the security of electronic voting machines.

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