

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 7, 2021

TO: Honorable Briscoe Cain, Chair, House Committee on Elections

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1026 by Middleton (Relating to the duties of the secretary of state relating to voter registration.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB1026, As Introduced : a negative impact of (\$106,806,810) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$55,862,597)
2023	(\$50,944,213)
2024	(\$51,111,594)
2025	(\$51,282,258)
2026	(\$51,456,272)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$55,862,597)	758.0
2023	(\$50,944,213)	758.0
2024	(\$51,111,594)	758.0
2025	(\$51,282,258)	758.0
2026	(\$51,456,272)	758.0

Fiscal Analysis

This bill would amend the Election Code to make the Secretary of State (SOS) the state voter registrar and would make the SOS solely responsible for the registration of voters and the maintenance of the list of registered voters. These tasks are currently performed by county officials.

The bill would require the SOS to review each voter registration application to determine whether the applicant is eligible for registration. This process would include verification of citizenship status with the Department of Public Safety (DPS). The bill would also require the SOS to conduct a review of existing voters.

Methodology

According to the SOS, adding the duty of becoming the state voter registrar to the existing statutory duties of the agency would require a substantial increase in staffing resources. The agency would also incur significant technological costs to update the Texas Election Administration Management system (TEAM) and provide IT equipment for new full-time-equivalent (FTE) staff.

Elections Division Staffing

Based on discussions with county election officials and a sample review of TEAM voter registration activity, the SOS estimates voter registration workload for 610 Program Specialists would be distributed as follows: 450 FTEs for counties with populations under 100,000; 88 FTEs for counties with populations between 100,000 and 500,00; and 72 FTEs for counties with populations over 500,000.

The SOS anticipates that the agency would require 6 directors, 8 managers, and 20 supervisory FTEs to oversee the new voter registration staff and 15 attorneys to exclusively handle voter registration matters.

IT Division Staffing

The SOS estimates the IT Division would be required to hire an estimated 48 new employees to support the expanded IT functions and help desk operations from the higher level of required FTEs.

Administrative Staffing

The SOS estimates it would require an additional 10 administrative services employees to assist with the onboarding of new employees, maintain ongoing human resource functions, perform additional procurement and mail services, and address increased demands on accounts payable/receivable staff.

Executive Division Staffing

The SOS estimates the agency would require 21 Executive Division employees to assist with the substantial increase in responsibilities assigned to the agency by the bill.

Benefits and other payroll costs for the total 758 FTEs as estimated by the SOS to implement the bill would begin at \$11,361,014 in fiscal year 2022 and increase to \$11,479,857 by fiscal year 2026.

According to the SOS, additional temporary employees would be needed for 10 weeks to assist with the onboarding of new employees at a total cost of approximately \$150,000 in fiscal year 2022.

Based on an estimate provided to SOS by the Texas Facilities Commission, the SOS states that leases for space sufficient to hold the new employees, including costs of utilities and janitorial services, would be \$3.6 million per year.

The SOS states that additional temporary personnel would likely be needed to meet the increased demand during periods of heightened registration activity; however, the agency is unable to estimate these costs at this time.

According to DPS, no fiscal implication to the state is anticipated from the provisions of the bill that relate to the agency.

Technology

The SOS estimates that modifying TEAM to comply with the requirements of the bill would require 1,600 hours for configuration, implementation, and testing. Current components of TEAM that are only available to county officials would have to be modified and oversight functions required in the bill would require new functional components. The agency states these modifications would be addressed through contract at an estimated cost of \$132 per hour with total cost of \$211,200. The agency also estimates there would be an increase in recurring bandwidth and storage costs of \$72,000 per year.

Additional IT software and hardware infrastructure would also be required, according to the SOS, at a total cost

of \$6,092,445 in fiscal year 2022 and a recurring maintenance cost of \$3,284,531 in fiscal year 2023 that would increase by 1.9 percent for inflation in subsequent years.

The SOS estimates that contract staff would assist with the initial setup of new IT infrastructure in a and provide IT support for incoming staff at a cost of \$1,850,845 in fiscal year 2022.

Local Government Impact

According to the Texas Association of Counties, the bill would have no significant fiscal impact on counties. However, this analysis assumes there would be an indeterminate cost savings to counties from the transition of voter registrar duties to the state.

Source Agencies: 307 Secretary of State, 405 Department of Public Safety

LBB Staff: JMc, SLE, LCO, GP, SD