

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 14, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4498** by Cain (Relating to compliance with the National Voter Registration Act.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4498, As Introduced : a negative impact of (\$11,889,396) 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	(\$7,142,188)
2023	(\$4,747,208)
2024	(\$4,757,661)
2025	(\$4,768,312)
2026	(\$4,779,167)

**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	(\$7,142,188)	68.0
2023	(\$4,747,208)	68.0
2024	(\$4,757,661)	68.0
2025	(\$4,768,312)	68.0
2026	(\$4,779,167)	68.0

**Fiscal Analysis**

The bill would amend the Election Code to require the Secretary of State (SOS) and the Department of Public Safety (DPS) to jointly implement a program to allow certain individuals to complete an online voter registration application simultaneously with a driver's license transaction. The bill would require a voter registrar to send certain voter registration applications to the SOS for review and verification of applicant eligibility. The bill would establish certain requirement for real-time verification under certain interstate voter registration crosscheck programs.

**Methodology**

### ***Elections Division Staffing***

The SOS estimates the bill would require the agency to hire an additional 60 FTEs in the Elections Division, including 56 program specialists, 2 administrative assistants, 1 attorney, and 1 manager, to review and approve voter registration applications forwarded by the county voter registrars. The SOS calculated this estimate by analyzing data relating to voter registration applications processed from 2018-2020. The agency assumed that the online system proposed by the bill would be used by the average of 6,468 voter applications per day currently registering at the county level. Each program specialist FTE was presumed to handle approximately 120 applications per day. The remaining positions in the Elections Division would oversee and manage this process and provide administrative and legal support.

### ***Administrative and Executive Division Staffing***

The SOS estimates that the agency would require three administrative services employees to assist with the onboarding of new employees and support increased demands on accounts payable/receivable staff and two Executive Division employees to assist with the increase in responsibilities assigned to the agency.

### ***IT Division Staffing***

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

Benefits and other payroll costs for the total 68 FTEs as estimated by the SOS to implement the bill would begin at \$1,002,689 per fiscal 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.

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 \$175,000 per year.

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 modification of the Texas Election Administration Management (TEAM) system to meet the requirements of the bill would require 1,600 hours for configuration, implementation, and testing. The agency estimates the cost for a contractor for this work at \$132 per hour at a total cost of \$211,200 in fiscal year 2022. The agency also estimates there would be an increase in bandwidth and storage costs of \$6,000 per month that would continue in subsequent years.

The SOS estimates that contract staff would assist with the initial setup of the new IT infrastructure in a new building and would provide IT support for incoming staff, at a cost of \$1,199,194 for labor. Additional IT software and hardware infrastructure would also be needed, at a total cost of \$1,534,754 in fiscal year 2022 and a recurring maintenance cost beginning at \$550,167 in fiscal year 2023 that would adjust with inflation in subsequent years.

## **Local Government Impact**

According to the election administrators for Fort Bend, Williamson, Bexar and Hays, the bill would not have a significant impact on counties.

According to the Brazos County Tax Assessor-Collector, there may be some additional steps to be taken by the voter registrar; however, it would be difficult to determine the fiscal impact before the actual processes are in place.

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

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