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Joint Informational Hearing
Elections and Constitutional Amendments Committee
and
Senate Budget Subcommittee No. 4 on State Administration and General Government
Benjamin Allen and Richard D. Roth, Chairs

April 14, 2016

Upon Adjournment of Session

State Capitol
Rose Ann Vuich Hearing Room 2040

Agenda

2016 Elections: Procedures and Costs

- I. Opening Remarks**
- II. Overview of California's Elections**
 - Nick Schroeder, Senior Fiscal & Policy Analyst, Legislative Analyst's Office
- III. Proposal**
 - Secretary of State Alex Padilla
 - Amy Costa, Chief Deputy Director, Department of Finance
 - Nick Schroeder, Senior Fiscal & Policy Analyst, Legislative Analyst's Office
- IV. Local Perspectives**
 - Dean C. Logan, Los Angeles County Registrar-Recorder/County Clerk
 - Supervisor Erin Hannigan, Solano County, District 1
- V. Public Comment**
- VI. Closing Remarks**

2016 Elections: Costs and Procedures

SUMMARY

The purpose of this joint informational hearing of the Senate Budget and Fiscal Review Committee, Subcommittee No. 4 on State Administration and General Government and the Senate Committee on Elections and Constitutional Amendments is understand state and local county relationships in funding election costs and procedures. Within this context, the committees will assess whether counties are adequately prepared for the 2016 elections, specifically the June 7 Primary Election, given the magnitude of statewide initiative petitions, and the higher than anticipated voter turnout in a presidential election year. The committees will also review the Secretary of State's budget augmentation request for unanticipated 2016 election costs.

OVERVIEW

The Secretary of State (SOS) is the chief elections officer and administers and enforces election laws. Generally, existing law requires counties to fund all expenses, authorized and incurred in the preparation for, and conduct of, elections. When a city council or other local jurisdiction calls an election, the jurisdiction must pay the expenses. Counties supervise voter registration, process the verification of signatures on statewide initiative petitions to qualify for a ballot, establish precinct boundaries, and equip polling places on election-day.

The state funds some elections costs, including the printing of the state voter information guide (VIG). The VIG includes an impartial analysis and estimated cost of measure, as prepared by the Legislative Analyst's Office, that has qualified for a statewide ballot; arguments in support and opposition of the measure; and other information. The June 2012 VIG cost \$2.6 million General Fund, and the November 2012 VIG cost \$8 million General Fund. The Secretary of State must use the Office of State Publishing (OSP) for this work, unless the OSP specifies it cannot perform the work due to competing priorities.

As of April 11, 2016, one ballot measure, Proposition 50, has qualified for the June ballot. One legislative ballot measure, six initiative measures,¹ and one referendum² have qualified for

¹ An initiative is a proposal that qualifies and goes directly on the ballot after meeting specified requirements, including being certified by the SOS on the 131st day of a statewide general election and meeting the total number of signatures required (365,880). For an initiative constitutional amendment, the number of signatures required is 585,407.

² A referendum, which seeks to approve or reject statutes, or parts of statutes, qualifies for statewide ballot up to 31 days before an election. A proponent has 90 days from the date of the enactment of a bill to request and receive a title and summary from the Attorney General; print petitions; gather required signatures; and file the petition with the county elections officials. As of November 4, 2014, the number of signatures for a referendum is 365,880.

November's ballot.³ In addition to the qualified measures, another 12 initiative measures, intended for the November ballot, are in circulation; although proponents may abandon those measures prior to submitting their petitions to elections officials.

An unusually competitive presidential primary election in California is expected to result in a commensurate increase in anticipated voter participation. At the same time that counties will be preparing for and managing the June primary election, they will also be required to verify signatures on initiative petitions. (County staff compares the signatures on the petition with signatures on voter registration cards to validate signatures). Due to the potentially large number of initiatives that may be eligible for the November ballot, counties may have to assign staff, who would normally be assigned to other tasks, to signature verification and possibly, staff overtime.

GOVERNOR'S BUDGET

The Governor's January budget includes \$140.6 million (\$59.4 million Federal Trust Fund, \$50.5 million Secretary of State Business Fees Fund, \$29 million General Fund, and \$1.7 million other special funds) and 495.9 positions to support the department.

SECRETARY OF STATE PROPOSAL

In an April 4, 2016 letter to the Governor, the SOS requested funding assistance for county elections officials to verify signatures on initiative petitions for the November election, as well as higher printing costs for additional voter information guides. The SOS proposes approximately \$32.3 million General Fund for the following two components:

- Approximately \$13.0 million for SOS's office, largely for printing and publishing the VIG, voter preference letters, and voter education outreach.
- Between \$13.0 million and \$19.4 million for county costs associated with processing and administration.

Secretary of State

The SOS estimates approximately \$8.8 million General Fund for costs of a larger than usual state VIG, and \$3.4 million General Fund for a possible supplemental VIG – although, at this point, it is unclear if a supplemental VIG is necessary. One copy of the VIG must be mailed to each household at which one or more voters are registered. The size of a VIG is determined by the number of qualified statewide ballot measures for a given election.

County Elections Offices

The SOS is also requesting between \$12.9 million and \$19.3 million to assist county election departments with the costs associated with verifying voter signatures on the petitions for the pending initiative measures. It is assumed that most of these petitions will be submitted to the

³ Proponents have until June 30 to withdraw their initiatives from the ballot. One initiative is expected to be withdrawn.

counties at the same time when counties are preparing for the June 7 election. Initiative measures intended for the November ballot must qualify no later than June 30.

ISSUES TO CONSIDER

Impact of signature verification. The SOS and representatives of the California Association of Clerks and Election Officials (CACEO) note the additional workload required by the number of initiative petitions needing verification will have a significant impact on counties' ability to adequately prepare for the June election. While the SOS has provided an estimate of costs associated with the verification process, broken down by small, medium, and large counties, it is unclear which specific counties will be impacted, the extent of that impact, and the actual costs borne by counties.

The members of the committees may wish to discuss the following: (1) the extent to which county governing boards should be responsible for some or all of the unanticipated costs; and, (2) the best mechanism by which the state may reimburse counties for a portion of these costs, if the Legislature chooses to do so.

Printing costs. It appears that the June VIG will be printed in color, in an attempt to stand out from junk mail, be more user-friendly, and increase voter participation. The SOS estimates VIG costs for June 2016 to be \$5.7 million General Fund, and November 2016 to be \$14.5 million General Fund (an 81.25 percent increase in costs compared to the November 2012 VIG). Because state law specifies the text size in the VIG and the size of margins, the state has, in the past, attempted to manage costs by reducing paper quality and printing in black and white. For example, Senate Bill 1070 (Budget and Fiscal Review), Chapter 133, Statutes of 2008 approved and allocated the Governor's \$3.5 million General Fund budget-balancing reduction in part by reducing printing and mailing costs associated with the VIG. Given the SOS' estimate of a 208 page VIG for the November 2016 election, the committees may wish to consider whether spending \$2 million on color printing will have a direct impact on voter turnout, or whether \$2 million may be spent more effectively, such as in direct voter outreach.

A comprehensive solution? The number of required precincts is based on registration figures as of March 11, 2016, and are therefore, unaffected by any increase in registration after that date. Increases in registration, as well as interest in the races to be voted upon, may impact the number of ballots required to be printed. However, none of the SOS' requested funds are for additional ballots, poll workers, or precinct supplies – items that may be directly affected by increased voter turnout. The subcommittees may wish to discuss how counties may be impacted and will prepare for the increased voter turnout.