

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b> |                     |                |                     |                |
|---|---------------------|----------------|---------------------|----------------|
|   | <b>FY 2022-23</b>   |                | <b>FY 2023-24</b>   |                |
|   | <b>EXPENDITURES</b> | <b>REVENUE</b> | <b>EXPENDITURES</b> | <b>REVENUE</b> |
| GENERAL FUNDS   | \$721,550           |                | \$238,040           |                |
| CASH FUNDS  |                     |                |                     |                |
| FEDERAL FUNDS   |                     |                |                     |                |
| OTHER FUNDS   |                     |                |                     |                |
| <b>TOTAL FUNDS</b>  | <b>\$721,550</b>    |                | <b>\$238,040</b>    |                |

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 793 amends provisions of the Election Act. Under the bill’s provisions, Nebraska’s voting process would be changed to a ranked-choice system for cities and villages.

Section 9 defines “Ranked-choice voting” as an election voting system in which a voter uses a ranked ballot to indicate the voter’s preference between candidates and the results are determined using the ranked-choice voting count.

The Secretary of State estimates the need for 1.0 FTE to administer the provisions of LB 793. In addition, electionware software and hardened computers for this software (for 3 counties), hardened computers for tabulation software (for 93 counties plus one for state-level training), poll worker training, and an educational outreach program for voters and candidates is needed.

The Secretary of State also notes that counties are likely to be impacted by the bill’s provisions. Counties are responsible for the cost of ballot printing. According to vendors, printing costs historically paid by the counties will likely double as ballots will be longer and more complex. This cost is not captured in the table above.

There is no basis to disagree with the Secretary of State’s estimates.

Please complete ALL (5) blanks in the first three lines.

**2022**

**LB<sup>(1)</sup> 793**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Secretary of State

Prepared by: <sup>(3)</sup> Joan Arnold Date Prepared: <sup>(4)</sup> 1-31-2022 Phone: <sup>(5)</sup> 402-471-2384

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

|                    | <u>FY 2022-23</u>   |                | <u>FY 2023-24</u>   |                |
|--------------------|---------------------|----------------|---------------------|----------------|
|                    | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS      | \$721,550           |                | \$238,040           |                |
| CASH FUNDS         |                     |                |                     |                |
| FEDERAL FUNDS      |                     |                |                     |                |
| OTHER FUNDS        |                     |                |                     |                |
| <b>TOTAL FUNDS</b> | <b>\$721,550</b>    |                | <b>\$238,040</b>    |                |

**Explanation of Estimate:**

LB793 would change the voting process to a ranking system in the elections for cities and villages. The table below summarizes the costs associated with implementing this proposed legislation.

|  | <u>FY 22/23</u>  | <u>FY 23/24</u>  |  |
|--|------------------|------------------|--|
| Electionware Software                                      | \$14,450         | \$0              | 90 counties already have this, so only 3 counties need it (\$4,815 each) |
| Hardened Computers for Electionware                        | \$11,230         | \$0              | 90 counties already have this, so only 3 counties need it (\$3,742 each) |
| RCV Tabulation Software                                    | \$0              | \$0              | RCV Resource Center provides for free                                    |
| Hardened Computers for RCV Software                        | \$351,750        | \$0              | 93 counties need it, plus one at state level for training (\$3,742 each) |
| <b>Elections Communications Staff:</b>                     |                  |                  |  |
| Communications Specialist                                  | \$81,000         | \$83,430         | Salary & Benefits  |
| Computer & Office Supplies                                 | \$4,100          | \$100            |  |
| Technology & Phone Costs                                   | \$1,420          | \$1,490          |  |
| <b>County Election Staff/Poll Worker Training:</b>         |                  |                  |  |
| Lodging  | \$1,250          | \$480            |  |
| Meals  | \$760            | \$290            |  |
| Mileage  | \$5,590          | \$2,250          |  |
| <b>Outreach/Educational Campaign for voters/candidates</b> |                  |                  |  |
|  | <u>\$250,000</u> | <u>\$150,000</u> | See below for more information   |
|  | <b>\$721,550</b> | <b>\$238,040</b> |  |

The new voting method would require all counties to have a specific type of ranked choice voting (RCV) tabulation software. Additionally, the counties would all need to have a separate software, Electionware, that compiles the results into a cast-vote record prior to being able to tabulate the ranked-choice votes using the RCV software. Each software is proprietary to different vendors and would require a separate hardened computer. Fortunately, most counties already have the Electionware software and computers and therefore only three counties will need that software/computer as a part of this legislation. However, all counties would need the ranked choice voting tabulation software and computer. The cost to provide both types of software and computers to the counties would be \$377,430.

We also estimate about \$10,620 in travel expenses (\$7,600 in FY23 and \$3,020 in FY24) for Elections staff to train county officials and poll workers on the new election process over the next two fiscal years.

LB793 requires the Secretary of State to “Provide for the proper and efficient administration of elections determined by ranked-choice voting...” Ranked choice voting is a change of such magnitude that “proper and efficient administration” will require a large-scale public education campaign to explain the modifications that candidates and voters should expect to see on their ballot on election day. We estimate the cost of an educational campaign to be \$400,000, with \$250,000 expected during fiscal year 2023, and \$150,000 during fiscal year 2024. The educational campaign is likely to include TV, radio, newspaper, and social media marketing. It is anticipated that we would utilize an experienced marketing firm for the campaign. This cost is very difficult to quantify, but our estimate is based on amounts spent in other cities/states for ranked choice voting and historic costs incurred by our office for voter communications. We also anticipate needing an Elections Communications Specialist to coordinate this effort and ensure a consistent message across the state. The cost for this new employee’s salary, benefits, supplies, and technology fees is estimated at \$86,520 per year.

Lastly, it is important to note that this legislation will likely have a significant fiscal impact on the counties. According to our vendor, ballot printing costs, historically paid by the counties, will double as the ballots will be more complex and lengthier. During the 2019/2020 election cycle, ballot printing costs statewide were \$700,000. Likewise, postage costs will increase, and ballot coding expenses are expected to be higher. It is difficult to estimate the exact costs for each county as county sizes and ballots differ significantly. The increased costs to the counties would be ongoing for each election and funding unlikely to be available in the existing county budgets.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

| <u>POSITION TITLE</u>                            | <u>NUMBER OF POSITIONS</u> |              | <u>2022-23</u>      | <u>2023-24</u>      |
|--|----------------------------|--------------|---------------------|---------------------|
|  | <u>22-23</u>               | <u>23-24</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| K33013 Marketing & Communications Specialist III | 1.0                        | 1.0          | \$60,000            | \$61,800            |
| Benefits.....                                    |                            |              | \$21,000            | \$21,630            |
| Operating.....                                   |                            |              | \$632,950           | \$151,590           |
| Travel.....                                      |                            |              | \$7,600             | \$3,020             |
| Capital outlay.....                              |                            |              |                     |                     |
| Aid.....   |                            |              |                     |                     |
| Capital improvements.....                        |                            |              |                     |                     |
| <b>TOTAL.....</b>                                |                            |              | <b>\$721,550</b>    | <b>\$238,040</b>    |