MISSOURI STATE AUDITOR'S OFFICE FISCAL NOTE (24-014)

Subject

Initiative petition from David Roland regarding a proposed constitutional amendment to Article VIII. (Received December 15, 2022)

Date

January 4, 2023

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2024.

Public comments and other input

The State Auditor's office requested input from the Attorney General's office, the Department of Agriculture, the Department of Economic Development, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Health and Senior Services, the Department of Commerce and Insurance, the Department of Mental Health, the Department of Natural Resources, the Department of Corrections, the Department of Labor and Industrial Relations, the Department of Revenue, the Department of Public Safety, the Missouri Department of the National Guard, the Department of Social Services, the Governor's office, the Missouri House of Representatives, the Department of Conservation, the Department of Transportation, the Office of Administration, the Office of State Courts Administrator, the Missouri Senate, the Secretary of State's office, the Office of the State Public Defender, the State Treasurer's office, Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Greene County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kansas City, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, Metropolitan Community College, University of Missouri, St. Louis Community College, the St. Louis County Board of Elections, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Platte County Board of Elections, the Jackson County Election Board, and the Clay County Board of Election Commissioners.

David O'Brien, Policy Director, RepresentUS provided information to the State Auditor's office.

Chris Hughes, Director of Policy, Ranked Choice Voting Resource Center provided information to the State Auditor's office.

Eric H. Bronner, Founder/Chief Operating Officer, Veterans for Political Innovation provided information to the State Auditor's office.

Angela Gabel, Attorney, ABG Law Office LLC provided information to the State Auditor's office.

Prof. Samuel S.-H. Wang, Director, Electoral Innovation Lab provided information to the State Auditor's office.

Rob Richie, President and CEO, FairVote provided information to the State Auditor's office.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated there is no fiscal impact to their department.

Officials from the **Department of Economic Development** indicated no fiscal impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated there is no fiscal impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no anticipated cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipated no fiscal impact for the initiative petition 24-014 proposing to amend Article VIII, version 2.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department, Director's Office.

Officials from the **Missouri Department of the National Guard** indicated no fiscal impact to their department.

Officials from the **Department of Social Services** indicated they do not anticipate an impact.

Officials from the **Governor's office** indicated this proposal relating to open elections and ranked preference voting does not financially impact their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact.

Officials from the **Department of Conservation** indicated they do not anticipate any fiscal impact associated with Initiative Petition 24-014.

Officials from the **Department of Transportation** indicated no impact on their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal relating to open elections and ranked preference voting does not financially impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate no fiscal impact.

Officials from the **Secretary of State's office** indicated this petition would transition Missouri elections to a ranked-choice voting system by January 1, 2026. There are three potential areas of expense which could be incurred in implementing this measure: the required public education campaign, reprogramming of the state election management system, and replacement of voting machines. The state may be required to pay any or all of these costs under Article X. Section 21 of the Missouri Constitution.

This measure would require their office to conduct a voter education campaign to familiarize voters with the instant runoff voting system and ranked-choice ballots. The precise cost of such a campaign would vary depending on strategic decisions and appropriation by the General Assembly. A statewide educational campaign is estimated to reach or exceed \$2,000,000 beginning in fiscal year (FY) 2026. Primarily this would be one-time costs but with the possibility to carry over, especially if the campaign is implemented a significant time before the election at which the system first sees service.

Additionally, the Missouri Centralized Voter Registration program (MCVR) would need to be modified to accept ranked-choice vote totals. The total numbers of each different ballot ranking combination would need to be tabulated in MCVR from the local election authorities (LEAs) before the instant runoff process could take place, especially in the case of statewide races. This would require programming resources to be devoted beyond those covered under the normal maintenance and upkeep contracts. Labor costs to program this modification are estimated by the vendor at \$46,000, to be executed in FY 2025 or FY 2026 in preparation for the time when ranked-choice voting begins in 2026.

Finally, in order to properly handle ranked-choice ballots, all voting equipment statewide must either be updated with code which allows ranked-choice voting or be replaced with ranked-choice-compatible machines. Since reprogramming can reasonably be considered a lesser cost than full replacement, they present the replacement cost as a maximum for this potential expense. The latest voting systems survey, conducted in 2020, found 5,735 pieces of election equipment in service statewide. At an average replacement cost of \$5,000 per machine, this could result in a cost of up to \$28,675,000 in FY 2025 or FY 2026.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. Their office estimates \$75,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will have no fiscal impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate the following additional costs as a result of this petition:

- ~\$12,000 in additional ballots for all parties to vote on all State and Federal (except President) level candidates, per Primary and General even-year elections.
- ~\$25,000 onetime software expense to update both primary and general election ballots as well as produce the paper record for each vote in Section 24.2
- ~\$25,000 each primary election to print each paper record under 24.2
- ~\$25,000 each general election to print each paper record under 24.2
- ~\$5,000 each primary election for poll workers to assist with voter inspection of records under 24.2
- ~\$10,000 each general election for poll workers to assist with voter inspection of records under 24.2
- ~100,000 for onetime software upgrades to fulfill the instant runoff tabulation provisions of Section 26
- ~5,000 in onetime training costs for workers
- ~\$10,000 in onetime voter education costs under Section 26.11

In sum, one-time estimate of \$140,000 and ongoing costs of \$89,000 per every even year.

Officials from **Greene County** indicated in reviewing initiative petition 24-014 it has been determined there will be an increased cost to the County of Greene if voters vote to amend Article VIII, version 2 with the proposed language in this initiative petition.

Section 24:

Testing the election equipment 6 months prior to each election would require no less than 3 tests per year at an estimated cost of \$9,000 per election.

Election Equipment Testing Cost Estimate: \$27,000

Section 25:

The increase in the candidate names on one ballot in addition to the write-in opportunity for each race will increase the testing hours. It will also include the voter education campaign. The expense for this will be accomplished by sending a mailer to voters educating them to the change. There will be a decrease in the ballot faces representing each party. The decrease in ballot faces will cause a decrease in the ballot order total, due to all contests being on one ballot.

Taking the August 2022 primary election cost as the point of comparison shows that there will be a **one-time cost increase by \$58,132.38**, due to the one-time voter education campaign.

Section 26:

An RCV election for a November General would increase by an additional \$5,138.83 due to the coding and layout cost for a ranked choice election.

Section 27:

There would be no additional cost overall for this section, as these election costs are paid for by the state in the case of a special election.

Section 28:

No known cost at this time, since no rules have been promulgated by the SOS.

Section 29:

No cost

Officials from **St. Louis County** indicated from the St. Louis County Board of Elections: "We believe this will have a fiscal impact of anywhere from \$0-50,000 because it is unknown if we would need to pay for new software or to use open-sourced software to adapt to ranked-choice voting. In addition, this petition would require them to hold a special election for a vacancy, which would cost about \$1 million per county-wide election. Finally, to send one mailing to each voter would cost about \$250,000 to comply with a voter education campaign."

Officials from the City of Kansas City indicated no fiscal impact on their city.

Officials from Metropolitan Community College indicated no fiscal impact to their college.

Officials from the **St. Louis County Board of Elections** indicated they believe this will have a fiscal impact of anywhere from \$0 - 50,000 because it is unknown if they would

need to pay for new software or to use open-sourced software to adapt to ranked-choice voting. In addition, this petition would require them to hold a special election for a vacancy, which would cost about \$1 million per county-wide election. Finally, to send one mailing to each voter would cost about \$250,000 to comply with a voter education campaign.

Officials from the **Board of Election Commissioners City of St. Louis** indicated this petition would require the City Election Board to have the capability to conduct ranked choice voting. While their current voting system does not have this capability, they have been given funding to purchase a new system. Any system they would acquire would have this capability (though one vendor's current system allows three candidates; another vendor's standard software package does not include ranked choice but allows for the separate purchase of a license for an additional fee which they would not acquire unless forced to do so).

This petition also requires local election authorities to conduct a voter education campaign. The scope of this campaign is vague and the petition makes no mention of where funding for this education would come from. If the City Election Board sent a mailing to all City voters notifying them of these substantial changes, which would certainly be justified, the cost of such mailing could be estimated at around \$50,000.

Officials from the **Kansas City Board of Election Commissioners** indicated if this initiative petition becomes law, definitions "for shall be tested and certified as secure" needs more explanation to give a more realistic fiscal impact. An estimation of at least two additional warehouse staff at \$40,000 each, including benefits would be needed. Software for an instant runoff would be \$25,000. Training for staff would be \$10,000. Permanent paper record for each vote cast and available for inspection and verification by the voter at the time the vote is cast is an impossible task and could not be accomplished.

Regarding the Rank Choice voting portion of this petition, new software would need to be purchased at \$25,000 and staff would need to be retrained at \$10,000. The election day ballot would go to two pages due to the increased length of the ballot (200,000 times 50 cents a ballot) \$100,000. Legal Notices would be placed in all K.C. area newspapers \$30,000. Literature explaining rank choice voting would be printed and mailed to all voters at \$100,000. Also election day judges would need to be trained at \$30,000.

Total cost to implement this new law would be roughly \$410,000, but a portion of this petition could not be done as described above.

Officials from the **Platte County Board of Elections** indicated their current voting equipment is capable of instant runoff voting. There should be no direct costs associated with this petition.

Officials from the **Jackson County Election Board** indicated the current version of their tabulation software does not support rank choice voting for four selections.

There is currently no software certified by the Election Assistance Commission (EAC) to support a four-candidate selection. If the software were approved by the EAC an upgrade would need to be purchased by the Jackson County Election Board.

There is currently no funding source available for this purchase.

Fiscal Note Estimate \$25,000.00 - \$35,500.00

Voter education would be necessary and the cost substantial. Run-Off and Rank Choice Voting are very confusing to voters.

\$140,000.00 - \$200,000.00 estimate for development of education materials and mailings.

Depending on the number of candidates running in the primary election and other issues placed on the ballot the Board could be forced to a three-page ballot causing confusion at the polling locations and doubling the ballot costs.

Normal ballot costs for primary & general elections: \$60,200.00

\$60,200.00

Total Fiscal Note: \$225,200.00 - \$295,700.00

Officials from the **City of Jefferson City** indicated the proposed initiative petition would not have a direct fiscal impact to their city since Cole County conducts elections for the City. Presumably, Cole County could "bill" the City for any costs incurred by the County associated with implementing the referenced election requirements.

Officials from the **St. Louis Community College** indicated this initiative does not appear to have any significant specific cost or cost savings to their college. Indirect cost considerations have not been determined. In particular, if the petition delays or inhibits voting for elected officials for the Community College Districts or increases the cost of elections then it could have a potentially negative impact. Such impact cannot be evaluated at this time.

David O'Brien, Policy Director, RepresentUS provided the following information:



December 20, 2022

Nicole Galloway State Auditor of Missouri 301 West High Street, Room 880 Jefferson City, MO 65102 moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014, AND 2024-015

Dear Auditor Galloway,

We are writing on behalf of RepresentUS regarding the ballot petitions officially named 2024-013, 2024-014 and 2024-015, which would bring Final Four open primaries and instant runoff voting ("IRV," sometimes referred to as "ranked choice voting") to Missouri elections. RepresentUs is a national, nonpartisan organization focused on improving America's political system. We work with partners and volunteers across the political spectrum to pass pro-democracy reforms at the state and local level. RepresentUS has helped grassroots campaigns to bring reforms like Final Four and IRV across the country.

In our experience, the costs associated with implementing IRV are often far below what many initially expect, and we expect this trend to hold in Missouri. The vast majority of counties will not need to replace their existing voting machines. According to a comprehensive analysis by the Ranked Choice Voting Resource Center, all but two of Missouri's counties currently have voting machines capable of conducting elections with IRV.¹ Furthermore, it is our understanding that one of those two counties, St. Louis City, is already planning on upgrading its voting systems to models with IRV-capable hardware. This means that the costs of technical implementation for nearly every county in the state would be limited to software upgrades.

For comparison, when Alaska's Division of Elections's released a fiscal note for a ballot measure to implement the same policy as contained in 2024-013, 2024-014 and 2024-015, it determined that 137 machines would have to be replaced at cost of \$3,900 each, for a total cost of \$534,300.² In the majority of counties that will not need to replace voting machines, however, costs will be more similar to those in Maine, which did not need to upgrade its voting systems.

¹ Ranked Choice Voting Resource Center, Missouri Ranked Choice Voting State Readiness Assessment 2022 Edition, p. 14 (https://bit.lv/RCV-Missouri-2022).

² Alaska Division of Elections, 19AKBE - Statement of Costs, https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf. The Division of Elections also estimates the total cost of implementation to be \$803,593, including costs for things like voter education (\$150,000) and language assistance (\$57,416).



When Maine used IRV for the first time in 2018, its Secretary of State reported that the entire cost of statewide implementation that year was \$441,804.3

Considering the experiences of other jurisdictions that have adopted IRV, we expect the cost of implementation in Missouri to be fairly modest. Thank you for your time and attention to this matter.

Sincerely,

David O'Brien Policy Director

³ Maine Office of the Secretary of State, Maine Costs for Ranked-choice Voting in 2018, https://www.maine.gov/sos/cec/elec/upcoming/pdf/rcv.costs.2018.pdf.

Chris Hughes, Director of Policy, Ranked Choice Voting Resource Center provided the following information:





December 20, 2022

Nicole Galloway State Auditor of Missouri 301 West High Street, Room 880 Jefferson City, MO 65102 moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014, and 2024-015

Dear Auditor Galloway,

We are writing on behalf of the Ranked Choice Voting Resource Center regarding the estimated fiscal impact of initiative petitions 2022-049 and 2022-050, which would bring Top 4 open primaries and instant runoff voting ("IRV," sometimes referred to as "ranked-choice voting" or "RCV") to Missouri elections. The Ranked Choice Voting Resource Center is a 501(c)(3) nonprofit organization that provides information, research, and tools to teach the public about ranked choice voting. The staff of the Resource Center have decades of election administration experience and experience overseeing ranked choice voting elections at all levels of government. Our nationally recognized center is regarded as the premier ranked choice voting resource for voters, election administrators, policymakers, and candidates.

We recently conducted a statewide analysis of Missouri's voting equipment in our Missouri RCV Administrative Assessment (https://bit.ly/RCV-Missouri-2022). In our analysis, we found that 114 of 116 local election authorities (113 counties and one city) in Missouri have RCV capable equipment: equipment that can now, or after a software update, be used to hold ranked choice voting elections. In these counties, hardware purchases are not necessary to add RCV capability. Software upgrades, however, may be necessary and will need to have their costs negotiated directly with the vendors providing equipment to each local election authority. We do not know how many of these election authorities will need to update their software nor how much it may cost any one authority to make upgrades, so we do not estimate those costs here.

One local election authority (St. Louis City) has legacy voting equipment – equipment at the end of its usable lifespan – and one local election authority (Worth County) hand counts its elections. St. Louis City should replace its legacy voting equipment soon as it is at the end of its usable lifespan. All modern voting equipment available today includes ranked choice voting capability. By replacing that legacy equipment, St. Louis City will also gain ranked choice voting capability.





Worth County can conduct ranked choice voting elections by hand though we suggest using voting equipment to speed up the counting process.

The City of St. Louis has allocated \$5,000,000 for new voting machines that are capable of conducting instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015.

https://www.stlouis-mo.gov/government/city-laws/board-bills/boardbill.cfm?bbDetail=true&BBI d=14003. Given that these machines should be in place before any implementation of petitions 2024-013, 2024-014, and 2024-015, we do not include the City of St. Louis in our cost estimate.

A fiscal note for Petition 2022-19 estimated that purchasing a single voting machine would cost \$5,000. Based on publicly available information about voting machines used in the state, we estimate that Worth County could add two scanning machines to tabulate RCV elections quickly. At a rate of \$5,000 per machine, that will cost approximately \$10,000. Worth County could also spend no money and continue to hand count their elections.

Based on this analysis, the fiscal impact of 2024-013, 2024-014, and 2024-015 for purchasing ranked choice voting capable equipment will be between \$0 and \$10,000 in one-time costs.

Thank you for your consideration of this submission. If you have any questions, please contact the Ranked Choice Voting Resource Center at info@rcvresources.org or 1-833-VOTE-RCV (1-833-868-3728).

Sincerely,

Chris Hughes
Director of Policy

Eric H. Bronner, Founder/Chief Operating Officer, Veterans for Political Innovation provided the following information:



December 21, 2022

The Honorable Nicole Galloway State Auditor of Missouri 301 West High Street, Room 880 Jefferson City, MO 65102 moaudit@auditor.mo.gov

RE: PETITIONS 2024-013, 2024-014 AND 2024-015

Dear Auditor Galloway,

I am writing to you today on behalf of Veterans for Political Innovation regarding the estimated fiscal impact of initiative petitions 24-013, 24-014 and 24-015. I am also writing as a licensed Missouri attorney and a concerned Missouri citizen.

Veterans for Political Innovation (VPI) is a national, nonpartisan nonprofit community, based out of Saint Louis, Missouri. VPI is mobilizing veterans and supporters to make politics less toxic through innovations that bring more competition to all our elections. Over the past year, VPI has educated, trained and mobilized hundreds of veterans, in over 35 states, as trusted messengers for nonpartisan reforms such as "Final-4 Voting"—the innovative reform package outlined in these petitions. Part of our mission is to fully enfranchise and empower the approximately 50% of military veterans who do not affiliate or identify with either major political party. Independent voters want more choices in primary elections. With more electoral competition in every district, we will reward common sense problem solvers, once again, and make our campaigns and our politics less toxic.

Initiative petitions 24-013, 24-014 and 24-015 are functionally identical to petitions 2022-051, 2022-052, 2022-060 and 2022-061. If passed, these petitions would modify Missouri election law, so that candidates are chosen via "Final-4 Voting"; that is, topfour, cross-partisan (single ballot) primary elections and instant run-off voting general elections.

Since the fiscal notes for petitions 2022-051, 2022-052, 2022-060, and 2022-061 were completed, even more local election authorities in Missouri have begun using voting machines that can conduct instant run-off elections, including Macon, Bates and Henry Counties.ⁱ

Indeed, a comprehensive analysis conducted by the experts at the nonpartisan Ranked Choice Voting Resource Center shows that only two out of 116 local election authorities in Missouri—St. Louis City and Worth County—have voting machines that are incompatible with instant run-off voting (https://bit.ly/RCV-Missouri-2022).



The **City of St. Louis** has allocated funds for new voting machines that can conduct instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015. The Board of Alderman appropriated \$5,000,000 for new voting equipment in Board Bill Number 206 in May 2022ⁱⁱ.

The only local election authority in Missouri that does not currently have hardware capable of conducting instant run-off elections is **Worth County**. Worth County has just 1,465 registered voters, and County staff tabulate election results there by hand count. Instant runoff voting elections can also be tabulated by hand with paper ballots.

Together, at least 115 of Missouri's 116 local election authorities will have machines capable of conducting instant run-off voting elections *before* Missourians even vote on petitions 2024-013, 2024-014, or 2024-015. The exact cost of Worth County's voting machine upgrades is unknown, but very likely less than \$15,000ⁱⁱⁱ. Because most local election authorities have already budgeted for regular voting machine software upgrades, any costs associated with software should not be included in this fiscal note.

In conclusion, petitions 2024-013, 2024-014, and 2024-015 would most likely not incur any one-time costs for voting hardware. The costs for upgrading software with existing machines are unknown, but based on other states, they are expected to be quite limited. Any potential one-time costs would likely be offset by future savings due to the cross-partisan primary election only requiring one ballot instead of the current partisan primary system which requires two.

Thank you for your public service, and for your time and consideration of this submission. If you have any questions, please do not hesitate to contact me at: 314.222.0477 or eric@V-pi.org.

Sincerely,

|s| Eric H. Bronner

Eric H. Bronner Founder | Chief Operating Officer Veterans for Political Innovation

ⁱ The nonpartisan, independent organization Verified Voting has a public database, available at the following link, which details the voting machines in use across all Missouri counties: https://tinyurl.com/Verified-Voting-MO-2022

[&]quot; https://www.stlouis-mo.gov/government/city-laws/board-bills/boardbill.cfm?bbDetail=true&BBId=14003

Based on a fiscal note for Petition 2022-019 estimating that purchasing a single voting machine would cost \$5,000. The RCV Resource Center estimates that "Worth County could add two scanning machines to tabulate RCV elections quickly."

Angela Gabel, Attorney, ABG Law Office LLC provided the following information:



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December 21, 2022

State Auditor's Office 301 West High Street, Room 880 P.O. Box 869 Jefferson City, MO 65102 Email: moaudit@auditor.mo.gov

Re: Petitions 2024-013, 2024-014, 2024-015

Dear Auditor Galloway:

This letter is in reference to petitions 2024-013, 2024-014, 2024-015 to adopt ranked choice voting (RCV) in Missouri. If passed, these petitions would allow implementation of a top four primary and instant runoff or ranked choice voting elections for the August and November 2026 elections.

I am a Missouri attorney whose practice has focused on election law since 2014. During that time, I represented the Ferguson-Florissant School District in a lawsuit that resulted in adopting cumulative voting. More recently, I represented the City of Eastpointe, Michigan, when they adopted ranked choice voting pursuant to a consent decree with the Department of Justice. Eastpointe has used ranked choice voting in city council races since 2019.

My law firm provides clients with advice on transitioning and implementing new electoral systems. This advice includes statutory and regulatory review and analysis, as well as a review of the technological and practical challenges involved in any transition.

As you know, Missouri has 116 local election authorities ("LEAs"). Of those, 114 LEAs currently maintain RCV ready equipment. That means that each of those counties and/or independent cities already maintain the hardware necessary to run an RCV election.

The City of St. Louis Board of Election Commissioners is one of the state's largest LEAs. Their current equipment is considered legacy equipment. It is outdated and cannot run an RCV election. However, the City's Board of Alderman provided a \$5 million allotment in FY2022 to purchase a new voting system. This much-needed update will likely occur before voters decide on whether to adopt RCV in Missouri. While there are multiple vendors the City may choose to purchase from, any new system will have the capability to run an RCV election. Thus, the City of St. Louis' Board of Election Commissioners will be able to implement RCV without any additional cost to taxpayers.

After the City of St. Louis purchases new equipment, Worth County, Missouri will be the only LEA without RCV-ready equipment. While Worth County had previously reported using legacy equipment too old to run an RCV election, it now reports using hand-counts for paper ballots. (See, https://verifiedvoting.org/verifier/#mode/navigate/map/ppEquip/mapType/normal/year/2022/state/29)

Worth County has a population of just 1,465 registered voters. That small number of voters would allow for hand-counts, even in RCV elections. For that reason, Worth County does not need to purchase additional hardware and can implement RCV without any additional cost to taxpayers.

Many, but not all, of the state's LEAs will need to upgrade their software. Some voting system vendors include these costs with their annual fees. Others do not. The costs for software upgrades will vary based on the vendor, the date of the hardware, and the LEA's individual, negotiated contract. As such, any additional cost to taxpayers for software upgrades are undetermined.

Aside from hardware and software, many LEAs will be able to save taxpayer dollars in running a non-partisan primary. As it stands, LEAs must print separate ballots for the Democrat, Republican, Libertarian, and Constitution Parties. Separate ballots will no longer be necessary under petitions 2024-013, 2024-014, 2024-015. Thus, LEAs will save an undetermined amount on printing and formatting costs.

Finally, petitions 2024-013, 2024-014, 2024-015 require the state to conduct a voter education campaign. The cost for voter education campaigns can vary dramatically. Typically, these campaigns include a website, promotional material, candidate education, and/or town-hall meetings. The state of Alaska recently implemented ranked choice voting in 2022. The fiscal note estimated the cost for the education campaign at \$150,000.

https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf

Based on this analysis, taxpayers should not incur additional costs to purchase hardware to run ranked choice voting in Missouri. The cost for software and a voter education campaign is estimated at \$150,000 - \$250,000.

Thank you for your consideration.

Sincerely,

Angela Gabel

Attorney, ABG Law Office LLC

Prof. Samuel S.-H. Wang, Director, Electoral Innovation Lab provided the following information:



December 21, 2022

Nicole Galloway State Auditor of Missouri 301 West High Street, Room 880 Jefferson City, MO 65102 moaudit@auditor.mo.gov

RE: Petitions 2024-013, 2024-014, and 2024-015

Dear Auditor Galloway,

I write today regarding the estimated fiscal impact of initiative petitions 2024-013, 2024-014, and 2024-015, three bills that would implement a new final-four primary and ranked-choice voting general election scheme to elections conducted in Missouri.

I am Dr. Sam Wang, professor at Princeton University and director of the Electoral Innovation Lab. The Electoral Innovation Lab takes an engineering-like approach to democracy repair. We use theory and analysis to anticipate how problems in representation, engagement, and depolarization can be solved before they become widespread. This comprehensive approach is used to develop policy reforms, inform legal scholarship and academic research. Ultimately, we seek to test proposed policies: legislative actions, election rules, redistricting optimization, and community strategies. In recent years we have applied our investigational methods to voting reforms, including ranked-choice voting in Maine and Alaska.

Many other jurisdictions have experience implementing ranked-choice voting systems and have done thorough fiscal impact analyses thereof, and can provide some evidence of costs should Missouri implement this voting system.

Missouri implementation costs are potentially under \$200,000

A comprehensive analysis conducted by the experts at the Ranked Choice Voting Resource Center (https://bit.ly/RCV-Missouri-2022) shows that only two out of 116 local election authorities in Missouri, St. Louis City and Worth County, have voting machines that are incompatible with ranked-choice voting methods:

As a worst-case scenario, the fiscal impact of 2024-013, 2024-014, and 2024-015 would arise from replacing voting machines in the two jurisdictions currently lacking machines. In the larger

jurisdiction, St. Louis City, machine upgrades are already planned even without any new laws, and will likely be done by the time 2024-013, 2024-014, and 2024-015 would take effect, after the 2024 cycle. The remaining need is in Worth County, whose population is less than 2,000. In Worth County, tabulation could be done by two machines at a cost of approximately \$10,000. Software upgrades in other counties are part of their normal maintenance costs. Additional costs may still be modest: at a cost of \$1,000 per county, the necessary software above and beyond already-planned upgrades would still be below \$200,000. Countervailing to these costs is the fact that there will be an unknown amount of savings in future years because the primary election will require only one ballot instead of one for each partisan primary, as is now the case.

Implementation costs in other states: \$400,000 to \$600,000

Worst-case costs can be calculated using the experience of other states. Maine implemented ranked-choice voting in 2018. The state analyzed the costs of implementing the new system during the first year and found that the total fiscal impact to the state was \$441,804, the largest portion of which was actually the requirement to print a separate ballot to run a referendum measure on an unrelated matter. Voters in Alaska recently approved similar voting reforms to those under consideration in Missouri. The state's official estimate of costs for needed ballot tabulation equipment was only \$534,300.²

Thank you for your consideration of this submission. If you have any questions, please do not hesitate to call (609) 258-0388 or email sswang@princeton.edu.

Yours sincerely,

Prof. Samuel S.-H. Wang

Director, Electoral Innovation Lab

Professor, Princeton University

Neuroscience Institute, Washington Road

Princeton, New Jersey

¹ See https://www.maine.gov/sos/cec/elec/upcoming/pdf/rcv.costs.2018.pdf

² See https://www.elections.alaska.gov/petitions/19AKBE/19AKBEStatementOfCosts.pdf

Rob Richie, President and CEO, FairVote provided the following information:

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December 23, 2022

State Auditor's Office 301 West High Street, Room 880 P.O. Box 869 Jefferson City, MO 65102 Email: moaudit@auditor.mo.gov

Re: 2024-013, 2024-014, 2024-015

Dear Auditor Galloway,

FairVote is a nonpartisan, nonprofit organization and leading advocate and analyst of ranked choice voting since its inception in 1992. I have been closely involved in a number of implementations of ranked choice voting over the past two decades. **Ranked choice voting is the fastest growing election reform in the nation**, used in 2021 and 2022 in more than 40 cities and states, including for all of Alaska's federal and state elections, Maine's primary and federal elections, and New York City primary elections.

Initiative petitions 2024-013, 2024-014, and 2024-015 are similar to petitions 2022-051, 2022-052, 2022-060, and 2022-061. If passed, these petitions would modify Missouri election law so that candidates are chosen via top four primaries and ranked choice, or instant run-off, elections.

The fiscal impact for this change could be as little as \$10,000, as explained in this letter.

First, estimates of the costs of implementation of ranked choice voting often skew high before enactment and implementation, and actual costs will depend on decisions made by election officials. For example, the official fiscal note from Maine election officials before and after its voters passed ranked choice voting in 2016 was more than \$1.5 million. The actual costs in the June 2018 statewide primary elections for governor and other state and congressional primaries were less than \$100,000.

When North Carolina election officials learned in August 2010 they had to run a statewide ranked choice election in November 2010

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for a judicial vacancy election with 13 candidates, they did so within their existing budget.

Second, while we strongly support voter education as a general matter, any taxpayer costs associated with voter education are not intrinsic to adoption of ranked choice voting. Some jurisdictions like Maine have adopted and implemented ranked choice voting with virtually no extra money spent on voter education, and voters in those jurisdictions have handled the new system very well, with 82% of voters from a poll released in November 2022 in Maine's 2nd congressional district finding that ranked choice voting is "easy" or "very easy."

Third, the fiscal notes and public comment for petitions 2022-051, 2022-052, 2022-060, and 2022-061 showed that the vast majority of Missouri's local election authorities already have voting equipment that can be used for ranked choice voting / instant run-off elections. Since the fiscal notes for the 2022 petitions were completed, additional election authorities have begun using voting machines that are capable of conducting instant run-off elections:

- Macon County now has ES&S DS200/DS450/ExpressVote machines, which are capable of conducting instant run-off / ranked-choice voting elections.
- **Bates County** now has Unisyn OpenElect OVO/OpenElect OVI machines, which are capable of conducting instant run-off/ranked-choice voting elections.
- Henry County now has Unisyn OpenElect FVS/OpenElect Freedom Vote Tablet machines, which are capable of conducting instant run-off / ranked-choice voting elections.

Together, at least 115 of Missouri's 116 local election authorities will have machines capable of conducting instant run-off elections before Missourians are able to vote on petitions 2024-013, 2024-014, or 2024-015.

The City of St. Louis has allocated funds for new voting machines that are capable of conducting instant run-off elections, and those machines will be in use with or without passage of petitions 2024-013, 2024-014, and 2024-015. The Board of Alderman appropriated \$5,000,000 for new voting equipment in Board Bill Number 206 in May 2022.

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Fourth, apart from ongoing upgrades in St. Louis, the only local election authority in Missouri that does not currently have hardware capable of conducting instant run-off elections is **Worth County**. Worth County has just 1,465 registered voters, and County staff tabulate election results there by hand count. Ranked choice voting elections can also be tabulated by hand with paper ballots.

The above-cited updates demonstrate petitions 2024-013, 2024-014, and 2024-015 would require limited costs for voting hardware. Costs for upgrading software with existing machines are variable based on election system vendors, but based on other states, are expected to be quite limited.

We concur with estimates from the Ranked Choice Voting Resource Center that the fiscal impact of 2024-013, 2024-014, and 2024-015 for purchasing ranked choice voting capable equipment will be between \$0 and \$10,000 in one-time costs depending on whether Worth County purchases equipment or conducts hand counts. Additional resources to consider include:

- The nonpartisan, independent organization <u>Verified Voting</u>
 <u>has a publicly-available database available</u>, which details
 the voting machines in use across all Missouri counties.
- Additional information from the <u>Ranked Choice Voting</u> <u>Resource Center about the counties which already have</u> <u>ranked-choice voting-ready machines can be found here.</u>

If you have any questions about this letter, or if we can serve as a resource to you for ranked choice voting information and implementation, I can be reached at rr@fairvote.org or 301-270-4616.

Sincerely yours,

Rob Richie

President and CEO

The State Auditor's office did not receive a response from Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, State Technical College of Missouri, University of Missouri, and the Clay County Board of Election Commissioners.

Fiscal Note Summary

State and local governmental entities' costs are estimated at \$2.3 million in one-time costs, and ongoing costs of at least \$80,000 annually, \$241,000 each primary election, \$251,000 each general election, and \$199,000 for all other elections. State and local governmental entities' savings are estimated at an unknown amount.