



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
HB0756 - Provide for automatic voter registration with opt out (Stafman, Ed)	
Status:	As Introduced

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$1,200,403	\$566,667	\$0	\$0
Other	\$510,000	\$60,000	\$60,000	\$60,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	(\$1,200,403)	(\$566,667)	\$0	\$0

Description of fiscal impact: HB 756 requires the secure transfer of voter registration information from the Department of Health and Human Services, the Department of Justice, the Secretary of State, and county election administrators. The State of Montana will incur costs related to system updates to the public assistance eligibility system, the vocational rehabilitation eligibility systems, the Credential and Registration System (CARS), and the Secretary of State's election and voter registration management system.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services (DPHHS/department)

- Section 2 of HB 756 requires the department, at the time of processing applications for public assistance as defined in MCA 53-2-101, to use information from the statewide voter registration database to determine whether the applicant is already registered to vote and whether the database houses their complete information. The department must securely transmit to the Secretary of State the applicant's data, including electronic signature. The Combined Healthcare Information and Eligibility System (CHIMES) manages public assistance applications, including Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Health Montana Kids (HMK), and Medicaid eligibility. To update

CHIMES for compliance with HB 756, the system would need to include the following major system modifications:

- a. Creation of worker interfaces screens, and modifications to details on existing screens
 - b. Updates to the self-service portal screens, to include capture of electronic signature
 - c. Creation of automated batch processes for opt-out transactions and integrations of data capture
 - d. Creation of new interfaces with external systems across agencies
 - e. Modification of the correspondence engine
 - f. Modification of the eligibility process rules engine
2. The department estimates CHIMES system modifications would require 7,600 contracted hours at an average rate of \$125 per hour for a total cost of \$950,000. (7,600 hours x \$125/hour = \$950,000).
 3. Public assistance as defined in MCA 53-2-101 assistance provided through the vocational rehabilitation programs administered by the department. The department manages applications for the vocational rehabilitation, extended employment, supported employment and the older blind programs through a customized information technology system called Madison. To update Madison for compliance with HB 756, the system would need to include the following major system requirements:
 - a. Creation of worker interfaces screens, and modifications to details on existing screens
 - b. Creation of automated batch processes for opt-out transactions and integrations of data capture
 - c. Creation of new interfaces with external systems across agencies
 - d. Modification of the eligibility process rules engine
 4. The department estimates Madison system modifications would require 6,000 contracted hours at an average rate of \$125 per hour for a total cost of \$750,000. (6,000 hours x \$125/hour = \$750,000). This estimate is based upon past interfaces, builds, and screen changes the department has previously completed.
 5. Because voter registration is not a component or requirement of public assistance eligibility, these costs would be funded with 100% general funds. The department anticipates incurring these costs over the full implementation period identified in Section 16.

Department of Justice

6. Motor Vehicle Division (MVD) employees would need to be trained in new processes and an electronic interface with the Credential and Registration System (CARS) and the Secretary of State's system would need to be built.
7. Total training costs are estimated at \$8,070 for approximately 92 employees that will need four hours of training at an average hourly rate of \$19.48, and a subject matter expert trainer will need to conduct 10 training sessions at four hours each for a total of 40 hours at an hourly rate of \$22.53. $((92 \times 4=368) \times 19.48=\$7,169) + ((10 \times 4=40) \times 22.53=901) = \$8,070$

The costs to interface CARS with the Secretary of State system is estimated at \$59,000, this will change the interface for the clover, make changes to voter questions for in person and online services, and update the document check requirements. It is estimated these enhancements will require between 300 to 400 hours of interface programming at an hourly rate between \$150 and \$200 per hour.

Secretary of State (SOS)

8. It is assumed that a one-time system change will be necessary for functionality enhancements within the Secretary of State's election and voter registration management system to create a new web service for completing the secured information exchange of voter registration information from DOJ and DPHHS to SOS. The estimated vendor cost is \$500,000 in FY 2024.
9. It is assumed there will be annual server costs beginning in FY 2024 upon the implementation of the new web service functionality. The estimated cost is \$10,000 ongoing.
10. It is assumed that there will be annual system support costs beginning in FY 2025. The estimated cost is \$50,000 ongoing.

11. While there may be a minimal fiscal impact for personal services costs related to the implementation of system changes, system testing, procedure development, Election Administrator training, and administrative rulemaking, the Office of the Secretary of State will absorb these costs within its existing operating budget.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$8,070	\$0	\$0	\$0
Operating Expenses	\$1,702,333	\$626,667	\$60,000	\$60,000
TOTAL Expenditures	<u>\$1,710,403</u>	<u>\$626,667</u>	<u>\$60,000</u>	<u>\$60,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,200,403	\$566,667	\$0	\$0
Other	\$510,000	\$60,000	\$60,000	\$60,000
TOTAL Funding of Exp.	<u>\$1,710,403</u>	<u>\$626,667</u>	<u>\$60,000</u>	<u>\$60,000</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,200,403)	(\$566,667)	\$0	\$0
Other	(\$510,000)	(\$60,000)	(\$60,000)	(\$60,000)

Effect on County or Other Local Revenues or Expenditures:

1. The notification provision in New Section 5 would have a fiscal impact to counties. Estimates for notice is \$1.76 for any applicable voter triggered for a notice under the provisions of HB 756 (\$0.50 per envelope, form and printing costs + \$0.63 postage + \$0.63 postage paid return). An estimate of the number of voters added to the statewide voter registration database was not provided for this analysis.

Technical Notes:

1. Section 2 (1) (b) requires “an electronic image of the person’s signature”. The requirement for an “electronic image of the person’s signature” is repeated throughout the bill. Applications processed by phone, or our self-service portal do not require a physical signature and cannot meet this requirement. Applicants can be asked to provide a signature; however, this may not be a condition of approval for the public assistance application.

NOT SIGNED BY SPONSOR

Sponsor’s Initials

Date



Budget Director’s Initials



Date