



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 391 of the 128th G.A.

Date: January 26, 2010

Status: As Introduced

Sponsor: Rep. Chandler

Local Impact Statement Procedure Required: No — Minimal Cost

Contents: Establishes an address confidentiality program

State Fiscal Highlights

STATE FUND

FY 2010 – FUTURE YEARS

General Revenue Fund and Uniform Commercial Code Filing Fund (Fund 5990) – Secretary of State

Revenues

- 0 -

Expenditures

Increase in costs to administer the Address Confidentiality Program, primarily for staffing and mail processing

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- The bill creates an Address Confidentiality Program (ACP) in which qualified participants could receive mail correspondence under a mailing address arranged by the Secretary of State. New costs that the Secretary of State would incur as a result include those for media outreach, staff training, screening applicants, and processing participants' mail. Depending on program growth over time, there could be a need to hire additional staff.
- The Secretary of State's Office estimates that there would be approximately 350 people enrolled in the program initially. It is assumed that the number of enrollees would increase over time.
- In all likelihood, the program would be overseen by the Secretary of State's Elections Division, which is primarily funded through GRF appropriation item 050321, Operating Expenses, and supplemented by funding from State Special Revenue appropriation item 050603, Business Services Operating Expenses. The latter is supported by various business filing fees.

Local Fiscal Highlights

LOCAL GOVERNMENT

FY 2010 – FUTURE YEARS

Franklin County Court of Common Pleas

Revenues - 0 -

Expenditures Potential negligible increase in caseload costs

County Boards of Elections

Revenues - 0 -

Expenditures Potential negligible decrease in absent voter ballot processing costs

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The bill allows a person to petition the Court of Common Pleas of Franklin County for a hearing to make a program participant's confidential address available. This could lead to a small increase in cases, and therefore, some slight increase in costs for the Franklin County Court of Common Pleas.
- The bill requires the Secretary of State to process absent voter's ballots for participants in the Address Confidentiality Program instead of county boards of elections. This could lead to a slight reduction in absent voter ballot expenses for boards of elections.

Detailed Fiscal Analysis

Overview

The bill establishes an Address Confidentiality Program (ACP) for individuals who believe they are in danger of being threatened or harmed by another person. Thirty-seven other states operate a similar program, allowing for a participant to receive mail correspondence using a confidential address. The bill requires the Secretary of State (SOS) to oversee this program in Ohio. The bill also requires the SOS to handle absent voter ballots for program participants. Enrollment is valid for four years after the date of the filing and is renewable, unless the certification is withdrawn or invalidated. The likely fiscal effects of the bill are detailed below.

Address Confidentiality Program costs

The primary cost the SOS would incur for operating the program would be for staffing related to processing and forwarding all the first class mail of program participants. In all likelihood, the program will be carried out by the Elections Division, which is primarily funded through GRF appropriation item 050321, Operating Expenses, with some additional funding provided by State Special Revenue appropriation item 050603, Business Services Operating Expenses.

Ultimately, the overall cost the SOS incurs will depend upon how the Office structures the program, how many staff members are hired to oversee the program, and any contract agreements that the SOS is likely to arrange with the United States Post Office in order to lower postage costs. Based upon participation rates in other states, the SOS projects that 350 persons will enroll in the program at the outset and that the Elections Division would handle perhaps 17,000 pieces of first class mail annually. If so, based upon what other states have paid, mail costs would total approximately \$13,000 annually. In addition to these ongoing costs, there would be some initial expenses related to start-up and participant screening. While the SOS does not anticipate hiring any additional staff initially, as participation increases, there could be additional staff added. Overall, the SOS estimates the initial costs for the program to be between \$100,000 and \$150,000. Outside of mail-related costs cited above, there would be some media outreach and staff training costs. However, these costs could potentially decrease as the program moves forward.

The state of Texas began its address confidentiality program in 2007 with an initial enrollment of approximately 2,000 individuals. The growth in the participation rate is approximately 5% annually. Current enrollment is about 2,300 people. The state's program costs in FY 2009 were approximately \$380,000. Texas' program is operated by six staff members and handles some 113,000 pieces of first class mail each year. The additional staffing costs incurred in FY 2009 amounted to approximately \$300,000 annually, with the remaining \$83,000 in expenses incurred for mail forwarding, including postage, envelopes, and other supplies.

Absent voter ballot costs

The bill permits individuals participating in the program to vote by an absent voter's ballot through the SOS instead of the board of elections for the county in which the participant resides. The SOS would be responsible for obtaining the proper ballot. Once the ballot is filled out and returned, the SOS would be required to determine if the ballot was properly voted, and if the ballot contained all the necessary voter information to be valid. If so, the SOS would then send the ballot to the proper county board of elections to be counted. This provision would likely result in some cost increases to the SOS. The overall magnitude of these costs would depend on how many participants were registered voters, and how many decided to vote by an absent voter's ballot.

Franklin County Court of Common Pleas

The bill allows a person to petition the Court of Common Pleas of Franklin County for a hearing to order the SOS to make a program participant's confidential address available to the person. This provision could result in an increase in caseload for the Franklin County Court of Common Pleas. However, any new cases resulting from the bill are likely to be few in number. Any additional costs that the Court incurs, if any, would be small.

There could be some small reduction in county boards of elections expenses for handling these absent voter ballots. This is because under the bill, the SOS would be responsible for verifying these absent voter ballots, not the county boards of elections. Additionally, because ACP participants would register to vote with the SOS only, and the SOS is responsible for maintaining voter participation and registration records for these individuals, there will likely be no additional costs to county boards of elections for updating or maintaining voter registration records for these individuals. Overall, based on the number of people that would participate in the Address Confidentiality Program (approximately 350 initially, with some annual increase in participation) these statewide cost savings would be slight.