

**Department of Legislative Services**  
 Maryland General Assembly  
 2004 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 200

(Senator McFadden, *et al.*)

Education, Health, and Environmental Affairs

Ways and Means

**Election Law - Baltimore City - Voting Stations or Voting Booths Required**

This bill requires Baltimore City to provide each polling place with the greater of: (1) one voting station for every 400 registered voters, plus an additional station for each fractional part of that number; or (2) two voting stations for a primary or general election. In addition, each polling place must contain at least one handicap accessible voting station.

**Fiscal Summary**

**State Effect:** Decrease in State Board of Elections (SBE) federal fund expenditures of \$800,000 over four years beginning in FY 2006 through the first half of FY 2009 due to cost savings from the reduction in the number of electronic voting units and services to be purchased by Baltimore City before July 1, 2006. It is assumed that these savings would be from federal funds.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
FF Expenditure	-	(200,000)	(200,000)	(200,000)	(200,000)
Net Effect	\$0	\$200,000	\$200,000	\$200,000	\$200,000

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** Total local expenditure decrease of \$800,000 for all local jurisdictions combined including a \$99,000 decrease for Baltimore City over four years beginning in FY 2006 due to cost savings from the reduction in the number of electronic voting units and services to be purchased before July 1, 2006. Additional cost savings in the out-years as a result of a reduction in the number of election judges needed.

**Small Business Effect:** None.

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## **Analysis**

**Current Law:** State regulations require the number of voting units currently in use for primary and general elections in Baltimore City to be equal to one unit for every 400 registered voters and an additional unit for every fractional part of that number. The regulations require a voting unit for every 200 registered voters in the 23 jurisdictions now using the uniform statewide electronic voting system. The bill would allow Baltimore City to purchase fewer voting units than what is currently required under State regulations.

A county that has purchased a voting system for voting at a polling place within the last 10 years and before December 31, 2000 is not required to implement the uniform statewide voting system for voting at a polling place until July 1, 2006. In that case, the jurisdiction is not required to pay a share of the cost of acquiring and operating the uniform statewide voting system for voting at a polling place until the system is implemented in the county.

A participating jurisdiction must pay its share of one-half of the State's cost of acquiring and operating the uniform statewide voting systems for voting in polling places and for absentee voting. A county's share of the cost of acquiring and operating the uniform statewide voting systems is based upon the county's voting age population as a percentage of participating counties.

Fifty percent of any federal funds received for improvements in voting systems and equipment is distributed to the State and the remaining 50% is distributed, on the basis of a county's voting age population, to the counties that have implemented the uniform statewide voting system in the fiscal year in which the funds are received.

**Background:** Baltimore City purchased its voting system for polling places in fiscal 1998 at a cost of \$6 million. Chapter 564 of 2001 required SBE to select a uniform statewide voting system for voting in polling places with the costs to be shared equally with the State. Baltimore City is exempted from participating in the purchase of a uniform statewide voting system until July 1, 2006.

In January 2002, SBE entered into a \$55 million contract to purchase 16,000 touchscreen voting units and services from Diebold Election Systems. The 23 jurisdictions other than Baltimore City implemented this voting system beginning with the March 2004 presidential primary.

**State Effect:** The cost-sharing provision of State law requires the State to pay one-half of the total cost for purchasing and maintaining the uniform statewide electronic voting system. Currently, the total 50% State share is \$37.1 million, \$4.6 million of which represents the State's one-half share of the estimated \$9.2 million of purchasing approximately 1,600 DRE units for Baltimore City under current law.

The bill would require Baltimore City to purchase slightly more than half of the amount of voting units required currently by regulation. This could reduce the total State share of the cost from \$37.1 million to \$36.3 million, a savings of \$800,000 over four fiscal years beginning in fiscal 2006. The exact cost reduction cannot be determined because the contract for Baltimore City's Diebold voting units will not be negotiated until early 2005. Net savings reflect reductions in the purchase amount of the voting units and corresponding services such as warehousing, acceptance testing, and independent verification and validation.

**Local Effect:** Annual savings for Baltimore City could be \$24,750 in fiscal 2006 through 2009, for a total of \$99,000 due to the reduction in the number of voting units and services purchased. Additionally, the number of election judges needed for each election would be reduced, creating a \$135,000 cost savings per election.

#### *Voting Units and Services*

The cost-sharing system requires each applicable local jurisdiction to pay a percentage of the total local share according to its voting age population. Currently, the 50% local government share is \$37.1 million. Baltimore City is responsible for 12.4% of that amount, or \$4.6 million, based on its share of the State's voting age population. As a result of the bill, the total local share of the cost of the statewide voting system could decrease from \$37.1 million to \$36.3 million, reducing Baltimore City's share to \$4.5 million. The exact cost reduction cannot be determined since the contract for Baltimore City's Diebold voting units will not be negotiated until early 2005.

The total net savings for voting units and services under the bill of \$16 million will be equally divided by the State and all 24 local jurisdictions. Thus, the \$800,000 local savings would be absorbed by each county and Baltimore City according to voting age population. Baltimore City's savings would be \$99,000 over a four-year period during which payments are made under the Diebold contract. Net savings reflect reductions in the purchase amount of the voting units and corresponding services such as warehousing, acceptance testing, and independent verification and validation.

	<u>Total Local Share</u>		<u>Baltimore City's Share</u>
	\$37,100,000	x 12.4%	\$4,611,530
	36,300,000	x 12.4%	4,512,090
<b>Total Savings</b>	<b>\$800,000</b>		<b>\$99,440</b>

The reduction in the total cost to purchase voting units would not cause a dollar-for-dollar savings for Baltimore City due to the cost sharing provisions in State law and the cost allocations under the voting system contract. Through the life of the Diebold contract from fiscal 2003 through the first half of fiscal 2009, (the Diebold contract expires on December 31, 2008) equipment costs comprise approximately 56% of total costs. Maintenance and services including storage, transportation, and election judge training make up over 43% of the total cost of the uniform statewide electronic voting system. Therefore, cost reductions in voting equipment only have a moderate effect on overall costs. In addition, the cost sharing requirement mandates that Baltimore City pay its proportionate share of the total local government half of the total voting system cost. Thus, Baltimore City will be responsible for its share of the local cost incurred to implement the voting system throughout the State since fiscal 2003. This is estimated to be \$2.6 million, and comprises over half of the \$4.6 million total cost that Baltimore City will be responsible for through fiscal 2009.

#### *Election Judges*

Baltimore City currently employs 2,120 election judges for an election at a total cost of \$280,800. If Baltimore City purchased the statewide voting system, approximately 1,000 more election judges would be needed to attend the additional machines required by State regulations at a cost of \$415,800 per election. The bill would allow Baltimore City to maintain the current number of election judges and decrease local expenditures by \$270,000 in fiscal 2007 and 2008 for two elections in each year, and \$135,000 in fiscal 2009 for one election.

The chart below displays total savings for Baltimore City through fiscal 2009 as a result of the bill.

	<u>Voting Units and Services</u>	<u>Election Judges</u>	<u>Total</u>
Fiscal 2006	\$24,750	\$0	\$24,750
Fiscal 2007	24,750	270,000	294,750
Fiscal 2008	24,750	270,000	294,750
Fiscal 2009	24,750	135,000	159,750

**Additional Comments:** Chapter 564 provides that a local jurisdiction may be reimbursed for their share of the cost of acquiring the statewide voting system if it has implemented the system in the fiscal year in which the federal funds are received. Thus, Baltimore City will not be eligible to receive federal funds that have been received by the State to date, or any additional funds received through the end of fiscal 2004, since it has not implemented the statewide voting system. Federal funds have been authorized under the Help America Vote Act of 2002 (HAVA) for federal fiscal 2005 beginning October 1, 2004; this is the final year in which funding is authorized under HAVA. It is anticipated that should Congress appropriate any funds for the federal fiscal 2005, the Election Assistance Commission would transfer those funds to the State before the end of the State's fiscal 2005. If Baltimore City does not implement the statewide system before the end of fiscal 2005, it most likely will not be eligible to receive federal funds for any voting system purchase.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 547 (Delegate Marriott, *et al.*) – Ways and Means.

**Information Source(s):** State Board of Education, Department of Legislative Services

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