ELECTION FUNDING PROJECT
Historical Context

- Funding was a local responsibility prior to SB 90 (1972)
- Prop 13 (1978) restricted counties’ ability to generate revenue
- Prop 4 (1979) constitutional requirement for state mandated local programs
- Prop 1A (2004) suspended mandates become unfunded permissive statutes
Inability of counties to collect local property tax revenue along with unfunded election mandates have led to tension between state and local governments.

The mandate framework isn’t working well, leaving election administration inadequately funded.
Election Funding Project: Methodology

- Collect budget data and survey feedback from States and California’s counties.
- Research methods of election funding and governance in other states.
- Use as a framework to develop potential funding options to more adequately and sustainably fund election administration in California.
27 state election officials have responded to the election funding survey.

70% share funding responsibility between state and local governments.

Every state administers elections differently with varied divisions of responsibility and funding between state and local governments, and between local governments and jurisdictions.

There are rarely formal divisions of responsibility and funding, however states can be grouped into broad categories.
State Funding Groups

Group A: Centralized Election Administration Responsibility and Funding

- Uniform voting systems
- Responsibility is primarily at the state level
- Reimbursements from the state, or if state incurs costs up front, from the counties for some costs
  - New Mexico – The state funds voting systems, supplies and ballots. This is done in part by a ‘Voting System Revolving Fund’.
  - Georgia – The state funds the Center for Election Systems through Kennesaw State University, which builds ballots and collects data. Voting systems were initially purchased by the state.
  - Maryland – The state selects and funds voting systems, counties reimburse for a pro-rata share of 50% of the total cost.
Group B: Decentralized Election Administration Responsibility and Funding

• Local governments select and purchase voting equipment

• Responsibility is primarily at the local level

• Reimbursements to county from other local jurisdictions

  • Seven of the responding states had similar models to California with decentralized election administration, costs incurred by local governments and reimbursements sought from local jurisdictions.

  • There are varying methodologies and formulas counties use for seeking reimbursement from local jurisdictions for the cost of election services.

  • Different methodologies and formulas are used across California’s counties.
State Funding Groups

Group C: Shared Election Administration and Funding

- 70% of states share election responsibilities and funding between state and local governments, as well as local governments and jurisdictions.

- Entities are charged for their determined ‘fair share’ of election costs

  - Colorado – The state reimburses for even-year elections at $0.90 per active voter in counties with less than 10,000 voters, and $0.80 per active voter in counties with more than 10,000 voters.

  - Louisiana – The state pays 75% of election costs, while the remaining 25% of total costs are divided by a pro-rata share between local jurisdictions. The state pays the costs up front and is reimbursed by localities.

  - Arizona – The State reimburses counties at a flat rate of $1.25 per registered voter.

  - Minnesota – Entities are charged by the amount of space they take on the ballot: (total costs) X (% of voters in jurisdiction) X (% of total column inches on ballot).
Collaboration

Do localities collaborate in election administration to reduce costs and/or increase effectiveness (such as sharing resources or partnering to purchase from vendors)? If so, please provide an example of this collaboration.

- **Alabama** – Some counties partner on bid requests for voting equipment
- **Arizona** – Some counties partner to order voter registration forms and other supplies at a reduced cost
- **Kansas** – The four largest counties have partnered on an RFP for voting equipment and have worked with the EAC to draft the document.
### Issues That Transcend States

#### Common Themes
- Entities should pay their ‘fair share’ of costs
- Determining the actual cost of election administration
- Lack of consistent data collection and reporting
- Lack of collaboration and cooperation
- Outdated election statutes and laws
- Need for legislative action

#### Potential Solutions
- Reliable funding
- Reducing budgetary restrictions
- Alternative funding mechanisms for voting systems
- Voting system fund
- Low-interest leans
- Leasing equipment
- Centralized state financing system
- Bonds
- Block grants
- Uniform voting systems
33 county election officials have responded to the election funding survey.

96% agree or somewhat agree that California should adopt a different funding framework for elections.

88% agree or somewhat agree that there should be collaboration among counties in providing election services and procuring voting equipment.

76% indicated voting equipment needs to be replaced within 3-4 years, with 44% of those needing replacement within 1-2 years.

81% are interested in exploring alternative funding methods for elections.

Do you agree with the statement: “California should adopt a different framework for state-county election funding”?

<table>
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<th>Somewhat Agree</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
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<td>58.08%</td>
<td>0.00%</td>
<td>3.85%</td>
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Reimbursement Practices Vary

• Counties request reimbursements from local jurisdictions for the cost of election services.

• Methodologies and formulas for jurisdiction reimbursements vary by county.

• Some include staff time and equipment use, others do not.

• Some bill direct costs, while others have flat fees.

• Some have formal calculation formulas or Board of Supervisor fee schedules.

• Variance exists within counties with some billing special districts flat fees while school districts are billed direct costs.

• Most involve a pro-rata share based on:
  • Number of measures/candidates
  • Number of registered voters
  • Number of jurisdictions
  • Number of polling places
According to Registrars: Challenges & Needs

• Inadequate funding for:
  • New laws and regulations
  • Complying with mandates
  • Purchasing voting systems
  • Special Elections

• Most counties are awaiting the results of SB 450 before moving forward on purchasing systems or changing practices.

(photo credit: Carl Mikoy)
Opportunities for State-Local Partnership

• Aside from funding, counties indicated there were other ways the state could assist in the procurement of voting systems:
  • Streamlined certification and approval processes
  • Updating law/statute to accommodate new technology
  • Consulting and collaborating with counties on new laws/regulations
  • Flexible and timely regulation adoption
  • Pilot project authorization
  • Policies to expand the market of available products, systems and services
According to Registrars: Challenges In Collaboration

• Lack of uniformity and resources, time, distance, scale, coordination and communication are challenges in collaboration between counties.

• Some counties indicated differences in opinion and vision, as well as differences in purchasing policies and law interpretation played a role in lack of collaboration.
Significant interest in collaboration among counties, if benefits exist.

would your county be interested in forming partnerships or collaborations with other counties if doing so would:

- Improve outreach to poll workers
- Reduce costs of printed election materials
- Allow resource sharing
- Improve voter outreach/education
- Improve voter experience
- Result in increased state funding
- Reduce costs of voting system
Problems are Larger than Mandate Impasse

After assessing survey data and feedback along with conducting regional meetings with registrars, here are common themes:

- Technology is antiquated and hard to update – locking in higher costs
- The certification and procurement process limits the use of technology as a way to reduce and control costs
- Stalemate on “fair share” of election costs continues historic state-local tension, prevents improvements to the process
- Minimal cooperation among the counties to reduce costs
- Little incentive for continuous improvement and cost-savings at the local level
Ingredients For a Better State-Local Relationship

“Pathway to Modernization”

- Use technology to increase efficiency and efficacy
  - Update certification and procurement processes to accommodate new technology
  - Develop a funding mechanism with right incentives
- Improving the relationship between state and counties
  - Determining the “fair share” election costs
- Create capacity and incentives for efficiency, cooperation and continuous improvement
Working on Recommendations

• Explore ways technology can be useful, including updating certification and procurement.

• Structure state contribution to encourage the right results.

• Encourage counties to collaborate in continuous improvement efforts such as joint purchasing.
Look Forward to Final Report in April

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