

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	256,586		51,317	
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS	256,586	256,586		
TOTAL FUNDS	513,172	256,586	51,317	See Below

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 214 amends the Election Act.

Section 2 provides Legislative intent to allow for the use of electronic signatures on petitions and electronic verification of signatures on petitions used for the initiative and referendum processes.

Section 3 provides definitions for the amended Election Act.

Section 4 requires the Secretary of State to provide for the submission of electronic signatures for every petition unless the petition sponsor opts out by notifying the Secretary of State at the time of filing the petition for review.

Section 5 provides for filing fees in the amount of \$10,000 for initiatives petitions proposing a Constitutional Amendment, and \$5,000 for any other petition. The bill is silent in regard to where such fees shall be remitted.

Section 7 requires the Secretary of State to mail a postcard by US mail to the electronic signer identifying the signer to which petition has received an electronic signature.

Section 9 requires the Secretary of State to make public on a county-by-county basis, at least once each week, the number of electronic signatures collected for each petition.

Section 10 requires the Secretary of State to adopt and promulgate rules and regulations to carry out these provisions on or before January 1, 2016.

Section 12 requires the Secretary of State to establish a secure server located within Nebraska and under direct control of the Secretary of State and a secure website on the server for purposes of submission of electronic signatures for petitions.

Section 15 creates the Petition Operations Fund. Section 14 allows for a secure website account for the purpose of receiving credit card contributions that shall be credited to this fund.

The Secretary of State is unable to estimate the projected revenue that may be generated by section 5's filing fees and section 14's contributions. Any of the section 14 contributions that are credited to the Petition Operations Fund can be utilized to address the bill's provisions. Since such amounts cannot be determined at this time, the ongoing costs are shown above as General Funds. Once contributions are realized, those dollars can be used to offset ongoing General Fund costs. Ongoing costs are estimated to be \$51,317 beginning in fiscal year 2016-17.

One-time costs to develop the required system are estimated at \$256,586. This estimate is the same as one produced in the past. There is no basis to disagree with this estimate. For the Secretary of State, this would be a General Fund expenditure. For the Office of the CIO, this would be both an expenditure and revenue of Revolving Funds.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 214	AM:	AGENCY/POLT. SUB: Secretary of State	
REVIEWED BY: Robin Kilgore		DATE: 2-13-15	PHONE: 471-4180
COMMENTS: No basis to disagree with agency's estimate of fiscal impact.			

Please complete ALL (5) blanks in the first three lines.

2015

LB⁽¹⁾ 214

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Secretary of State

Prepared by: ⁽³⁾ Suzanne Hinzman

Date Prepared: ⁽⁴⁾ 2/13/2015

Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>256,586</u>	<u> </u>	<u>51,317</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>256,586</u>	<u>0</u>	<u>51,317</u>	<u>0</u>

Explanation of Estimate:

The fiscal impact from LB214 is noted as follows (including an attachment of programming and data processing estimates):

Section 3 (7) allows for a "self assigned personal identification number" maintained by the Secretary of State. Depending on the volume of use of this option, there would be little to no cost on maintaining those identification numbers if the option is infrequently used. However, if there is a large volume using this option, there would be a fiscal impact as a more complex database would be required. As we are unable to estimate this usage at this time, we cannot identify a fiscal impact.

Section 5 requires "filing fees " of \$10,000 (for initiatives) and \$5000 (for referendums) for those opting to use the electronic signature feature and and allows for a waiver of the fee as well as recouping the fee if certain conditions are met (subsection (3)). As we cannot estimate usage of this various options, we cannot identify a fiscal impact amount at this time.

Section 7 requires a mailing to those utilizing the electronic signature option. As we are unable to estimate this usage at this time, we cannot identify a fiscal impact.

Section 8 requires a hard copy petition with encrypted coding to be mailed to certain signers. As we cannot estimate usage of this option, we cannot identify a fiscal impact amount at this time.

Sections 11 and 12 require a web site and verification database to be created. The estimates in this fiscal note are based on information received from the OCIO (note that this quote did not change from the quote requested four years ago on a previous version of this legislation). In addition to the one-time costs provided by the OCIO, we estimate ongoing maintenance expenses of \$51,317 (20% of the cost to build the website and database).

Section 14 allows for credit card contributions to the Petition Operations Fund. As we cannot estimate the volume or amount of contributions, we

cannot identify a fiscal impact amount at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			256,586	51,317
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			256,586	51,317

Cost Estimate for Nebraska Secretary of State Online Petition and Digital Signatures

Cost Estimate Summary (Average Rate \$88/Hr)		
Task	Hours	Dollars
General/Meetings	220	\$19,360.00
Common Architecture	240	\$21,120.00
Application Development	1400	\$123,200.00
Testing/Debugging	320	\$28,160.00
Contingency	545	\$47,960.00
Management (7%)	190.75	\$16,786.00
Grand Total	2915.75	\$256,586.00

Development Estimate Breakdown

Task	Total Hours	Dollars
<i>General/Meetings</i>		
Status, Progress Mtgs	60	\$5,280.00
Requirements Spec	160	\$14,080.00
<i>Common Architecture</i>		
Object Model/Database/Framework	240	\$21,120.00
<i>Application Areas</i>		
Sec 3; Sub 3 – Administrative Web Based Entry Interface	240	\$21,120.00
Sec 6; Sub 1 – Eligibility Check	100	\$8,800.00
Sec 6; Sub 2 – Public Signature	200	\$17,600.00
Sec 6; Sub 3 - Matching	120	\$10,560.00
Sec 6; Sub 4 – Disqualified by abuse	20	\$1,760.00
Sec 6; Sub 5 – Post Card Repudiation	20	\$1,760.00
Sec 6; Sub 6 – Duplicate Electronic Signature	40	\$3,520.00
Sec 7 – Post Card Mailing Output	160	\$14,080.00
Sec 8 – Signature cannot be correlated – Sec 6. Sub 3	20	\$1,760.00
Sec 9 – Publish number signatures collected for each petition	80	\$7,040.00
Sec 10 - Adoption & Promulgation of Rules and Regulations	120	\$10,560.00
Sec 11 – Verification RDBMS	160	\$14,080.00
Sec 14 – Credit card contribution secure web site	120	\$10,560.00
<i>System Testing/Debugging</i>		
Accessibility Testing	80	\$7,040.00
Total	2180	\$191,840.00
Contingency (25%)	545	\$47,960.00
Grand Total	2725	\$239,800.00

prepared by

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Rate/Hr \$88.00

09-Feb-11

