



NORTH CAROLINA GENERAL ASSEMBLY

2023 Session

Legislative Fiscal Note

Short Title: No Partisan Advantage in Elections.
Bill Number: Senate Bill 749 (Fourth Edition)
Sponsor(s): Sen. Warren Daniel, Sen. Paul Newton, and Sen. Ralph Hise

SUMMARY TABLE

FISCAL IMPACT OF S.B.749, V.4					
	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
State Impact					
General Fund Revenue	-	-	-	-	-
<u>Less Expenditures</u>	-	<u>305,000</u>	<u>311,000</u>	<u>324,000</u>	<u>337,000</u>
General Fund Impact	-	(305,000)	(311,000)	(324,000)	(337,000)
NET STATE IMPACT	-	(\$305,000)	(\$311,000)	(\$324,000)	(\$337,000)
STATE POSITIONS	0.00	3.00	3.00	3.00	3.00

FISCAL IMPACT SUMMARY

The bill restructures the State Board of Elections (State Board), administratively transfers the State Board to the Department of Secretary of State (SOS), revises emergency powers of the State Board's Executive Director, and makes additional changes to county boards of elections. The bill is projected to have a fiscal impact to the State. The estimated cost for new staff and operating expenses in the first fiscal year is approximately \$305,000.

FISCAL ANALYSIS

The requirements in the bill impact aspects of elections administration. Some changes have minimal fiscal impact on the State and can be absorbed by existing State Board staff. For the purposes of this analysis, those changes are not addressed. For other changes, the following analysis accounts for the estimated costs of implementing the bill.

State Board Administrative Transfer to SOS

Section 1 of the bill amends G.S. 163-28 to administratively locate the State Board within SOS, effective July 1, 2024. Existing State Board staff can absorb some administrative support functions, while additional staff would be needed for SOS to perform State Board cash management, procurement, and financial reporting duties. Currently, the Department of Administration (DOA) performs these support functions for the State Board, in addition to providing similar support to several other State agencies.

Impact on SOS

Fiscal Research Division (FRD) estimates that SOS will require the following positions: 2.0 full-time equivalent (FTE) Accounting Specialists I to perform accounts payable, financial reporting, and reconciliation tasks, and 1.0 FTE Procurement Specialist I to manage State Board purchasing needs. The projected salary and benefit cost to SOS for these 3.0 FTE positions would be \$266,000 recurring in the first fiscal year. Operating costs for the additional FTE will cost an estimated \$8,000 recurring. First year nonrecurring operating costs for furniture and office equipment are estimated to be \$7,000. The total estimated staffing costs in the first fiscal year are \$281,000.

Impact on DOA

While the transfer of these State Board administrative support functions from DOA to SOS would likely result in reduced staffing needs for DOA, FRD's analysis assumes the impact would be minimal, as DOA would continue to provide administrative support to several other State agencies, as well as its own operations.

State Board Membership

Section 2 of the bill amends G.S. 163-19 to increase the size of the State Board from five members to eight members. Section 3 of the bill amends G.S. 163-27 to shift emergency powers from the State Board Executive Director to the collective State Board. The Section 3 requirement may increase the number of Board meetings held annually, but the number of additional emergency meetings that may be needed is indeterminable.

Impact on the State Board

State Board members meet on average 19 times a year and receive per diem, subsistence, and travel consistent with G.S. 138-5 and G.S. 138-6. With three new members, State Board meetings would cost an additional \$21,000, including \$12,000 in subsistence allowance for Board members and \$9,000 in travel reimbursements. Additional meeting expenses for election law materials and remote participation services and equipment are expected to cost an additional \$3,000 recurring. The total estimated costs for the expanded board in the first fiscal year are \$24,000.

Table 1 summarizes the estimated fiscal impact on the State of implementing the bill.

Table 1. Estimated Impact on SOS and the State Board

Administrative Transfer to SOS					
	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
Salaries and Benefits (3.0 FTE)	-	\$266,000	\$279,000	\$292,000	\$305,000
Operating Costs	-	\$8,000	\$8,000	\$8,000	\$8,000
Furniture and Equipment	-	\$7,000	-	-	-
Total	-	\$281,000	\$287,000	\$300,000	\$313,000
State Board Membership Changes					
	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
Subsistence	-	\$12,000	\$12,000	\$12,000	\$12,000
Travel	-	\$9,000	\$9,000	\$9,000	\$9,000
Additional Meeting Expenses	-	\$3,000	\$3,000	\$3,000	\$3,000
Total	-	\$24,000	\$24,000	\$24,000	\$24,000

County Boards of Elections

Section 4 of the bill amends G.S. 163-30 to reduce the size of County Boards of Elections from five to four members. Any potential savings to counties would likely be minimal.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

Department of Administration
 Department of the Secretary of State
 NC State Board of Elections

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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September 19, 2023



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