

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	256,586			
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	256,586			

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

LB 160 changes provisions of the Election Act.

Section 2 provides Legislative intent. Section 3 provides new definitions.

Section 4 requires the Secretary of State to provide for the submission of electronic signatures for every petition unless the petition sponsor opts out of such signatures.

Section 5(2) provides for filing fees of \$10,000 for an initiative petition proposing a constitutional amendment and \$5,000 for any other petition. These fees are applied only to filers who do not opt out of the electronic signature option. Sponsors who cannot afford such fees may file a qualifying affidavit in lieu of the filing fee. The affidavit ceases to have effect under certain contribution levels being reached. The amount of revenue this will generate is unknown. There are too many variables to accurately estimate this.

Section 7 requires the Secretary of State to mail a postcard via US mail to such signers notifying them that their electronic signatures have been received. There will clearly be costs associated with this provision, but the Secretary of State is unable to estimate them due to the number of potential signers as multiplied by the number of potential petitions. For this reason, an expenditure amount for mailings is NOT included in the table above.

Section 15 creates the Petition Operations Fund to be used in carrying out the provisions of the bill.

It should be noted that, if a sponsor pays the \$10,000 fee, that will only cover the cost of postcard mailings for 21,739 signers. A \$5,000 fee would only cover 10,870 signers. This is based on the assumption of \$0.46 per postcard. That estimate is the total cost of printing, mailing, and the staff time included in this notification. It would appear that the fees charged will be insufficient to cover a large number of electronic petition signers. For those petitions where sponsors cannot afford the fee, the cost of mailings will have to be covered with some other fund source.

The Secretary of State estimates a one-time cost of \$256,586 to establish the system. This estimate comes directly from the Office of the CIO. While this estimate may be accurate, there are many variable involved that must be settled before a solid estimate is possible. The system costs may be significantly higher than this. That figure will be used, as it is the best estimate at this time. In absence of having cash funds present in the newly established Petition Operations Fund, the start-up costs are shown as General Funds.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 160	AM:	AGENCY/POLT. SUB: Secretary of State
REVIEWED BY: David Spatz	DATE: January 29, 2013	PHONE: 471-4179
COMMENTS: Concur with agency's expenditures fiscal impact of \$256,586 to the General Fund based on cost estimates calculated by the Office of the Chief Information Officer for Nebraska Secretary of State regarding the development of an online system to provide electronic signatures on recall, initiative, and referendum petitions.		

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

2013

LB⁽¹⁾ 160 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Secretary of State

Prepared by: ⁽³⁾ Colleen Byelick Date Prepared: ⁽⁴⁾ 1/28/2013 Phone: ⁽⁵⁾ 402-471-8076

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>256,586.00</u>	<u> </u>	<u> </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>256,586.00</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.
 Explanation of Estimate:

See attachments.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating.....	<u> </u>	<u> </u>	<u>256,586.00</u>	<u> </u>
Travel.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital outlay.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL.....	<u> </u>	<u> </u>	<u>256,586.00</u>	<u> </u>

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
Kevin Cueto 402-471-8061
09-Feb-11

Rate/Hr \$88.00