

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

**BILL NUMBER:** Senate Bill 851

**SHORT TITLE:** Lift ESC Voter Sunset

**SPONSOR(S):** Senator Gulley, et al.

**FISCAL IMPACT:** Expenditures: Increase (X) Decrease ( )  
Revenues: Increase ( ) Decrease ( )  
No Impact ( )  
No Estimate Available ( )

**FUNDS AFFECTED:** General Fund (X) Highway Fund ( ) Local Fund ( )  
Other Fund (X) (Worker Training Trust Fund)

**BILL SUMMARY:** Senate Bill 851 repeals the January 1, 1996 sunset on voter registration activities at Employment Security Commission offices throughout the State.

**EFFECTIVE DATE:** Upon ratification

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:** Employment Security Commission, State Board of Elections.

FISCAL IMPACT

	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>
<b>EXPENDITURES</b>					
<b>RECURRING</b>	\$300,000	\$600,000	\$600,000	\$600,000	\$600,000
<b>NON-RECURRING</b>					
<b>REVENUES/RECEIPTS</b>					
<b>RECURRING</b>					
<b>NON-RECURRING</b>					

**POSITIONS:**

**ASSUMPTIONS AND METHODOLOGY:**

1. Workload estimates are based on a management analysis conducted by the Office of State Budget and Management (OSBM) in conjunction with the Employment Security Commission (ESC). The analysis was conducted in early 1995 during the months of January, February, and March which are months that historically provide increased applications for unemployment assistance. Based on the three month survey conducted, out of the monthly average of 14,103 applicants visiting an unemployment office, 26.5% were registered to vote, 19.5% refused voter registration services, and 54% were previously registered to vote.

2. The estimated fiscal impact only reflects annualized costs incurred in February and March in order to exclude start-up costs and a

shortened work month in January. The estimated average monthly cost for voter registration activities, as based on costs incurred during February and March, is \$42,589. Annualizing this estimated average monthly cost totals \$511,068 ( $\$42,589 \times 12 \text{ months} = \$511,068$ ). The difference in the annualized monthly costs of \$511,068 and the \$600,000 projected annual cost submitted by ESC and OSBM, reflects an annual funding buffer of \$88,932 ( $\$600,000 - \$511,068 = \$88,932$ ).

3. Out-year fiscal estimates do not account for inflation, salary increases, or increased retirement and health benefit costs.

4. Workload numbers are based on a three month sample during which time the state is experiencing a low unemployment rate. Given the cyclical nature of the national economy, periodic economic recessions will likely cause an increase in the number of unemployment applicants filing for assistance at ESC offices during these times; thus, a recessionary period may possibly increase the pool of unregistered voter applicants who may choose to register to vote at an ESC office.

5. Voter registration activities at ESC offices are assumed to be conducted with existing staff levels. State costs are generated by federal prohibitions against funding voter registration activities with federal or unemployment insurance tax funds.

6. FY 1996 costs reflect a \$300,000 carry over of Worker Training Trust Funds obligated for ESC voter registration activities as authorized by special provision in the 1994 budget bill and the Office of State Budget and Management.

**SOURCES OF DATA:** Employment Security Commission, Office of State Budget and Management.

**TECHNICAL CONSIDERATIONS:**

1. Ratification of this bill would require a General Fund or Worker Training Trust fund appropriation by the standing General Assembly in order for the Employment Security Commission to continue voter registration activities beyond January 1, 1996.

**FISCAL RESEARCH DIVISION: 733-4910**

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