

HB

79

HB79



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 14, 2005

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a separate "fast-track" supplemental appropriation bill for fiscal year 2005 for the Division of Elections in the Office of the Lieutenant Governor.

The bill would appropriate a total of \$694,900 from the general fund. The appropriation would cover the costs of circumstances that were not within management's control, such as court-ordered costs, unexpected municipal ballot costs, and unexpected citizen-action generated costs. The Division of Elections faced unusual operating costs due to a number of circumstances, including ballot printing and distribution of the Municipality of Anchorage bond questions, an application for recall of a member of the state Legislature, complying with a court order to reprint the general election ballots, and an unusually high number of requests from voters for absentee and facsimile ballots. Due to these additional costs, it now appears that a total of \$694,900 more in general fund money will be needed to meet the state's obligations to administer elections during fiscal year 2005.

The Division of Elections is anticipated to run out of money in late February. Therefore, I request that you put this bill on a "fast track" for final action in February.

Sincerely yours,

Frank H. Murkowski
Governor

Enclosure

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STATE OF ALASKA
Division of Elections
Office of the Lieutenant Governor

Below are highlighted examples of the unanticipated and/or excessive costs for the 2004 Election cycle incurred by the Division of Elections. While the costs listed below exceed the \$694.9 requested in HB 79, the Division believes the amount requested in the Supplemental will enable the Division to operate through the end of FY 05.

Unanticipated and/or Excessive Costs Related to the 2004 Election Cycle

Additional Personal Services costs incurred in 2004 compared to 2002 **\$304.0**

During the 2004 election cycle, the Division received and processed 5 initiative petitions, one recall petition, and a record number of absentee by-mail applications. This additional workload required the Division to hire an additional 13 temporary workers to process mail, answer phones, process applications and perform data entry. This caused an increase in staff costs and overtime for both temporary and full time employees in 2004 compared to what was incurred in the 2002 elections.

Ballot Reprint costs totaled **\$243.2**

A Superior Court decision mandated the Division reprint the ballots for the 2004 election. The Division absorbed additional costs for reprinting ballots (203.1), expedited freight costs for paper stock (35.6), destruction costs for destroying previously printed ballots (4.3), and Personal Services costs (.2).

To date costs for conducting MOA election **\$104.6**

The Municipality of Anchorage requested that the State include two bond questions on the General Election ballot. The Agreement is authorized by article X, section 13 of the Alaska Constitution, AS 36.30.700 – 36.30.790, Anchorage Municipal Code (AMC) 28.10.050, and conforms to legislative intent in Sec. 1, ch. 82 SLA 2000. Additional costs for conducting this election will be collected through the "Bill of Collection" process and added back into the General Fund.

To date costs for conducting a Statewide Recount **\$ 39.8**

In December of 2004 the Division conducted two recounts - one for House District 5 requested by candidate Tim June, and a statewide recount that was requested by Alaskan's for Fair Elections. The recount total expenditures exceeded the \$750 and \$10,000 deposits "respectively" that are required under AS 15.20.450. Deposits for the recounts were collected and deposited into the General Fund. The total costs for the recounts were absorbed by the Division.

Unanticipated and/or Excessive Costs Related to the 2004 Election Cycle

Independent counsel **\$ 37.6**

Independent Counsel was sought to provide review and advice related to the Ogan recall petition.

Mainframe Chargeback costs **\$ 23.3**

The rise in absentee by-mail applications and voter registration forms increased the Division's chargeback costs for data entry time on the mainframe.

Expedited printing and freight costs for forms **\$ 22.1**

Due to the large number of political mailings of absentee by mail applications to voters that generated higher absentee by mail participation by Alaskans, the Division processed a record number of applications. This unexpected increase required the Division to place last minute orders for additional forms and envelopes needed for mailing ballots.

Increased Postage Costs **\$ 19.0**

The Division's postage costs increased due to higher by-mail turnout.

Additional Fax Press Machines **\$ 11.7**

In 2004, voter turnout for absentee by-fax increased 100% from the last presidential election in 2000. The Division's existing fax press could not handle the demand. The Division installed an additional 16 phone lines and purchased 2 8-line fax press machines to handle the incoming and outgoing faxes.