



OFFICE OF THE COUNTY CLERK

COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/county/clerk

April 19, 2017

Riki Hokama, Chair
Budget and Finance Committee
County of Maui
Wailuku, HI 96793

Dear Chair Hokama:

**SUBJECT: RESPONSES TO REQUESTS/QUESTIONS FROM THE
APRIL 12, 2017 BUDGET AND FINANCE COMMITTEE
MEETING (OCC-1) (BF-1)**

2017 APR 19 PM 5:00
OFFICE OF THE
COUNTY CLERK

RECEIVED

The Office of the County Clerk is in receipt of your communication dated April 13, 2017, requesting assistance to the following requests/questions:

1. What are the overhead and other costs incurred for the County to assist the State with Elections? (RH)
2. Does the State reimburse the County for any of these costs? If so, how much of a reimbursement does the County realize? What part of the total costs incurred does the State reimburse the County? (RH)

Background

Your questions seek information on how the County assists the State with elections and how the County is reimbursed. In order to answer those questions, it is important to clarify that the County has various legal responsibilities. As such, most of our expenditures are not optional ones to assist the State, but are instead legally required expenditures pursuant to state law.

As provided for in Section 5-3(4), Charter of the County of Maui, the county clerk shall “[c]onduct all elections held within the county as provided by law.” County elections consist of elections for the office of mayor, county council, and proposed charter amendments. These elections are special elections, held in conjunction with the state’s regularly scheduled Primary Election and General Election, pursuant to Sections 3-2(1) and 7-2(1), and Article 14, Charter of the County of Maui.

In addition, Section 13-11, Charter of the County of Maui, states “County elections shall be conducted in accordance with the election laws of the State”. State law outlines our county’s duties and responsibilities in the context of county only elections, state and county combined elections, and state only elections. These provisions occur throughout Title 2 of the Election Code¹, Hawaii Revised Statutes (“HRS”).

As a starting point, state law provides that the county clerk is responsible for voter registration, including the maintenance of the voter registration rolls². This responsibility is an ongoing one that is not limited to an election year.

Next, the County is responsible for absentee voting, which includes both absentee mail voting and voting at absentee walk locations³. In recent elections, absentee voting makes up approximately half of all voting.

It should be noted that while this is a responsibility of the County, in the past, the State has assisted the County at no expense when circumstances required it. For example, in 2014, the Department of Accounting and General Services (“DAGS”) provided the Office of the County Clerk (“OCC”) with a facility on Molokai to use at no cost to the County for absentee walk-in voting operations, due to the repairs and construction going on at the Mitchell Pauole Center. The DAGS incurred additional costs for reprogramming of their air conditioner unit, electrical costs, staff costs on weekends to open/close the facility, long distance telephone charges and other related expenses that were not requested to be reimbursed from the OCC.

Finally, Section 11-2, HRS, provides that the state chief election officer “may delegate responsibilities in state elections within a county to the clerk of that county or to other specified persons.”

The above statutory responsibilities are expanded and elaborated upon in Part XII, Title 2, HRS. As previously noted, our county elections are always held in conjunction with the Primary Election and General Election. As such, Section 11-184, HRS, relating to “Election expenses and responsibilities in combined state and county elections” is the most applicable. The statute lays out three categories: (1) expenses that the State shall pay and be responsible for; (2) expenses that the county shall pay and be responsible for; and (3) expenses that shall be divided in half between the State and the counties.

The first category consists primarily of precinct official and polling place costs. The second category consists of voter registration, maintenance of the voting equipment, storage of equipment, and operation of absentee polling places. The third category involves the splitting of costs of polling places supplies, ballots, and any other costs not specifically addressed in the statute.

¹ Chapters 11 – 19, HRS

² Section 11-11, HRS

³ Sections 15-4, 15-5, 15-6, 15-7, and 15-9, HRS

As it relates to the first category of recruiting precinct officials and obtaining polling places, as the Office of Elections is based on Oahu, it has delegated authority to the county clerks to handle these matters. Any expenditures related to these activities, above and beyond regular expenses, are sought to be reimbursed by the State. For example, if OCC's overtime expenditures relate to precinct official recruitment, then reimbursement will be sought.

Regarding the second category, there are various things the State provides for us, even though under the statute the expense is the County's responsibility. For example, the County of Maui is the only County in the State that does not pay for its' own warehouse/storage facility, which is provided to the OCC by the DAGS at no cost to the County, including no expense for utilities and other property expenses. Warehouse facilities around Maui are approximately around \$1.50 a square foot, with around a \$0.70 per square foot common area maintenance fee. Without factoring in utilities, janitorial costs, and other such fees/expenses, the County of Maui would approximately be paying \$71,300 annually for the OCC's current election warehouse. Additionally, OCC currently maintains its historical voter registration microfilm records in the State Archives' climate controlled facility, which the OCC has never received an invoice for storage rent.

As for the third category, depending on the type of the expenditure, either the State or County will make the initial expenditure and then seek reimbursement from the other for their share. Although not the case for all expenses, in general the State and County would each be responsible for half of the shared election costs. There are some costs that are shared by the State and all of the counties. When that occurs, the counties as a whole pay half of the cost. The counties then divide that half of the costs among themselves based on a proration calculation based on each counties percentage of the statewide voter registration count.

For certain larger expenditures, the State will cover the upfront costs, and the Counties will reimburse the State for its' share. For example, the State procured and paid up front approximately \$37,000 in the 2014 elections for air and ground delivery collection teams in Maui County, with which the OCC reimbursed its share following the election.

Some of the costs are split prior to invoicing, thus no reimbursement between the State and Counties occur. For example, the County of Maui pays approximately \$210,000 for our election vendor, Hart Intercivic, which invoices the State of Hawaii an equivalent amount for their portion.

The dollar amount of reimbursement the County or State may realize would vary, though in most years the amounts owed between the State and County following an election would essentially be equivalent, or the County would need to reimburse the State.

Question 1: What are the overhead and other costs incurred for the County to assist the State with Elections?

As described in the background information above, the Office of Elections has delegated its' authority to the county clerk to handle precinct official recruitment and finding polling places. Any expenditures related to these activities, above and beyond regular expenses, are authorized to be reimbursed by the State.

Election expenses can vary each election year, depending on the requirements of that election, personnel required, supplies needed and other such factors.

From July 1, 2016 to March 31, 2017, the OCC has spent approximately \$570,000 on elections, not including salary of permanent staff, overtime for permanent staff, and fringe benefits. These election costs can generally be attributed to the expenses and responsibilities as outlined in Section 11-184, subsections (2) and (3), HRS. However, the bulk of this cost is attributed to expenses and responsibilities solely designated to the County pursuant to State law.

In the 2014 Elections, the total cost incurred by the OCC relating to Section 11-184, (1) and (3), HRS, was approximately \$87,000, before division pursuant to State law. This does not include costs which are billed separately, and appropriately divided, to the State and County, such as election vendor costs.

Question 2: Does the State reimburse the County for any of these costs? If so, how much of a reimbursement does the County realize? What part of the total costs incurred does the State reimburse the County? (RH)

As described in the background information above, there is a process by which the State and County reimburse each other for expenditures related to elections. Although not the case for all expenses, in general the State and County would each be responsible for half of the shared election costs. Costs not solely attributed to either the State or the Counties are divided in half, or prorated as a proportion of the registered voters at the time of the general election.

To provide cost efficient and streamlined elections for the voters of each of the Counties, the County and State work together in providing a single combined primary and a single combined general election, rather than separate County and State/Federal elections that would create a duplication of services, confusion for the public, and an increase in costs to both the State and County.

Please see background information and response to Question 1 above for further information in response to this question.

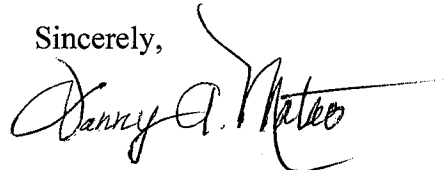
Further Discussion

For the past few years, the State Legislature has considered implementing all-mail voting. Under current law, absentee mail-in voting is a responsibility of the County, but it remains to be seen how the State Legislature would separate duties and responsibilities of the State and Counties under all-mail elections. The OCC has requested more than \$200,000 from the State Legislature in startup costs to implement all-mail elections.

BF Committee Chair Riki Hokama
April 19, 2017

I hope this information is helpful in your deliberations. Should you have any questions, please feel free to contact me at (808) 270-7749.

Sincerely,

A handwritten signature in black ink that reads "Danny A. Mateo". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

DANNY A. MATEO
County Clerk
County of Maui