



**STATE OF HAWAII  
OFFICE OF ELECTIONS**

802 LEHUA AVENUE  
PEARL CITY, HAWAII 96782  
elections.hawaii.gov

SCOTT T. NAGO  
CHIEF ELECTION OFFICER

December 31, 2019

TO: The Honorable Ronald D. Kouchi  
Senate President

The Honorable Scott K. Saiki  
Speaker of the House

FROM: Scott T. Nago  
Chief Election Officer

SUBJECT: Implementing Elections by Mail, Cost Comparison

The Office of Elections submits this memo as an addendum to our report, *Implementing Elections by Mail*, pursuant to Act 136, Session Laws of Hawaii (SLH) 2019. This serves to update and revise the Expenditures and Resources as provided in the original report dated November 6, 2019. At the time of the initial submission, the Office of Elections was in the middle of a request for proposals for a voting and vote counting system, beginning with the 2022 Elections, that would include mailing house services to conduct elections by mail.

**EXPENDITURES AND RESOURCES**

The Office of Elections and County Elections Divisions have shared responsibilities for joint elections (i.e., regularly scheduled primary and general elections) pursuant to HRS §11-184. The Office of Elections had been responsible for all operations and expenses related to election day polling places – including recruiting, training, and paying election day officials, as well as the printing and counting of ballots. The County Elections Divisions have been responsible for voter registration and absentee voting at early walk-in voting locations and by mail. Expenses related to the printing, counting of ballots, postage, and assorted matters were shared equally between the Office of Elections and County Elections Divisions.

As a result of the cost structure under a polling place election model, the Office of Elections has previously reported savings as expenditures incurred by the State would be removed by moving to elections by mail, primarily in relation to the operation of polling places. However, in order to ensure equity between the State and County Elections Divisions, Act 136, SLH 2019, provides that the Office of Elections and the County Elections Divisions will share all election expenses except those related to voter registration, which the County Elections Divisions will continue to be solely responsible for. The State and County Elections Divisions are developing a new proration schedule to project expenses and cost-sharing under this new election by mail model.

We have revised our projected expenses to address the greatest variables in elections by mail – voter registration and the number of voters who will choose to return their ballot by mail, which affects our estimated cost of postage. In our original submission, we projected the cost of postage at \$1,247,080. This calculation included sending mail ballot packets to all registered voters, projected at 772,000 for the 2020 Elections, and 100% of those voters returning their voted ballot by mail.

However, based on the structure of the Act and past voting trends, we have amended our assumptions and projections. Pursuant to Act 136, SLH 2019, a mail ballot packet shall not be sent to “any voter in the county register who is identified as having an outdated or non-deliverable mailing address.” Currently, this accounts for approximately 11% of the total number of registered voters. Additionally, based on turnout trends with an anticipated increase in conducting elections by mail, we are projecting 65% of voters will cast a ballot. We would also note that voters can return their ballot in person rather than by mail. As such, using current voter registration data, we are revising our projected cost of postage.

As of December 30, 2019, there are 767,278 registered voters, of which 79,502 have been identified as having an outdated or non-deliverable address. If the election were conducted today, we would send mail ballot packets to 687,776 at a rate ranging from \$0.20 to \$0.37, depending of the delivery method selected by the County Elections Division. Using 65% turnout, we project that 447,054 voters would return a ballot by mail at a rate of \$0.55 per piece. As such, our projected overall cost of postage – outgoing and returned mail, for the 2020 Elections is \$845,617.

The following table provides an aggregate comparison of expenses from the 2018 Elections conducted as a polling place election, to the projected expenses for the 2020 Elections to conduct elections by mail. This table has been revised from our initial submission of *Implementing Elections by Mail* to include mailing services and envelopes, and address clerical errors to staffing

and the voting and vote counting system contract. Additionally, this table does not reflect the budget of the Office of Elections or the County Elections Divisions.

	<b>2018 Elections Expense</b>	<b>2020 Election Projected</b>
<b>Early Voting</b>	219,072	212,898
<b>Election Day Officials</b>	527,510	95,680
<b>Facilities</b>	59,640	45,300
<b>Mailing Services &amp; Envelopes</b>	143,349	500,000
<b>Places of Deposit</b>	0	4,200
<b>Postage</b>	415,662	845,617
<b>Proclamations</b>	70,200	60,000
<b>Shipping &amp; Delivery</b>	225,657	78,000
<b>Staffing</b>	1,414,838	1,525,036
<b>Supplies &amp; Equipment</b>	192,549	44,800
<b>Voting &amp; Vote Counting System Contract</b>	3,209,000	3,009,000
<b>Total</b>	<b>\$6,477,477</b>	<b>\$6,420,531</b>

We would also like to note that as a result of our recently completed procurement for a voting and vote counting system, there will be additional cost savings for the 2022 Elections. These cost savings were obtained through the inclusion of mailing services and envelopes in the procurement. For the 2020 Elections, the mailing services and envelopes are added costs, as noted above.

Please feel free to contact me at (808) 453-VOTE (8683) if you require additional information or have any further questions.

The Honorable Ronald D. Kouchi  
The Honorable Scott K. Saiki  
December 31, 2019  
Page 4

c: Ms. Charlotte Carter-Yamauchi, Legislative Reference Bureau Library  
Hawaii Documents Center, Hawaii State Public Library System  
Hamilton Library, Serials Department, University of Hawaii at Manoa  
Mr. Glenn Segawa, DAGS Systems and Procedures Office  
Governor's Office via [Gov.ReportsDistribution@hawaii.gov](mailto:Gov.ReportsDistribution@hawaii.gov)  
Lieutenant Governor's Office via [LtGov.ReportsDistribution@hawaii.gov](mailto:LtGov.ReportsDistribution@hawaii.gov)  
Legislative Auditor via [auditors2@auditor.state.hi.us](mailto:auditors2@auditor.state.hi.us)  
Department of Budget and Finance via [DBFLeg.DIR@hawaii.gov](mailto:DBFLeg.DIR@hawaii.gov)