



**DENISE MERRILL**

SECRETARY OF THE STATE  
CONNECTICUT

**Appropriations Subcommittee  
Public Hearing Regarding SOTS Budget  
February 20, 2013**

Chairman Duff, Chairman Kiner, Good afternoon, for the record, I'm Denise Merrill, Secretary of the State of Connecticut. As the former chair of this committee, it gives me great pleasure to address you today as a constitutional officer.

Let me say at the outset that I know your job is not an easy one, even in good economic times. But now as we grapple with a very serious budget deficit, you will need to make some very difficult decisions that have an all too real impact on people's lives. I think this is by far the most critical committee in our General Assembly – especially at a time like this.

So let me get right into it with you and review the budget for our agency this year, because there are some significant changes in state expenditures that we are seeking. As we look at the budget for this agency, it's important to keep in mind that the Secretary of the State's office is a major revenue generating agency for the state of Connecticut. The revenues we generate come largely from the business registration fees paid by hundreds of thousands of for profit and non-profit entities that register with the state every year.

Each year, our office generates roughly \$33 million dollars. At the same time, it costs about \$10 million dollars out of the general fund to run our agency every year. So as you can see from a cost-benefit analysis we are more than \$20 million dollars in the black returning revenues to general fund every year.

But we and the municipalities in Connecticut are facing some major cost increases this year that are forcing us to ask for a larger budget appropriation for the coming biennium, and I would like to explain that. Simply put, the cost of administering elections is rising sharply this year in Connecticut. Not just in Connecticut, mind you,

but all over the country. Why is this happening? This is happening because for the last 10 years, the federal government has subsidized the increased cost of election administration at the state and local level that were mandated by the Help America Vote Act of 2002 commonly referred to as "HAVA." Connecticut received a one-time allocation of more than \$32 million dollars in HAVA grants awarded through the federal Election Assistance Commission. Those funds, and the interest earned, have helped fund significant programs and investments in election administration.

During the term of my predecessor Susan Bysiewicz these funds were expended on many areas of election related costs that were state and municipal expenses mandated by the new federal law. Let me give you a few examples. Over the past decade, Connecticut, through my office, has invested millions of federal dollars in enhancements to election administration including: Purchase of the new optical scan voting machines for all of the towns, and maintenance on those machines; Completion and operation of the Connecticut Voter Registration System; Purchase and operation of mandated vote by phone system for the disabled; A partnership with the University of Connecticut for technical review of our voting system and other projects required by state and federal law.

Congressional allocation under the Help America Vote Act (HAVA) was a significant, but one-time investment in state voting systems. That federal allocation has now come to an end. Connecticut and other states are in their last year of HAVA funding, and the states are going to have to pick up these expenses going forward in the absence of Congressional action. In light of current fiscal conditions, it is unlikely that Congress will be appropriating further funds for state election administration in the foreseeable future. In fact, there is a movement in Congress to dismantle and defund the Election Assistance Commission. In the absence of federal dollars, it is incumbent upon us to continue to fund these federally mandated election upgrades and infrastructure projects. Municipalities, facing budget constraints of their own, already foot the vast majority of the bill for election administration.

Therefore, we have asked and Governor Malloy has agreed to put in his budget an additional appropriation of nearly \$1.60 Million dollars over our agency's budgeted amount for the last biennium. This will fund the following election related expenses – and therefore shield municipalities from extra costs they cannot afford, including: Continuing maintenance of the Connecticut Voter Registration System that is required by federal law and critical to our entire election administration system; these funds would be allocated to the Department of Administrative Services (BEST – former DOIT). Payment to the federal Social Security Administration for an annual contract with the Commissioner of Social Security that will allow the State of Connecticut to verify the last four digits of a voter registration applicant's social security number at the time of registration; Continued maintenance of our IVS vote by phone system for the disabled; Fund continued maintenance on our optical scan voting machines – this is money that

will directly go to municipalities since they are tasked with maintaining the machines so our elections can function.

I should point out that the Governor's budget does not include additional funds to continue our critical relationship with the University of Connecticut. We have had an ongoing, successful agreement with UConn since the introduction of the new voting machines to test our machines, verify their accuracy, troubleshoot and be a watchdog over our voting technology in Connecticut. The UConn program is mandated by state statute. We are asking that the General Assembly add \$ 300,000 to the budget (less than the current contract calls for) so that we may continue this relationship. We have explained the importance of the UConn program to OPM and believe there would be no objection to the addition of these funds from the Administration. This has been a groundbreaking and successful partnership that has resulted in some research and development that has gained national attention.

So again -- that adds up to a total increased appropriation for the Secretary of the State's office of nearly \$1.6 million dollars. This is not cheap and all of us would love to avoid any spending increases, especially with a budget facing such a serious deficit. But elections cost money. It's that simple. We have been able to get away with using federal funds to pay for these extra costs we have faced because of the new federal mandates, but that money is gone and it is not coming back.

And let me remind you that states and municipalities who slash election budgets do so at their own peril. As President Obama has said -- voters waiting in line up to six hours to cast a ballot in states like Florida because there were not enough polling places or not enough voting machines is simply not acceptable. That disenfranchises voters. In fact a recent study suggests that as many as 200,000 voters waiting in line in Florida last November on Election Day gave up out of frustration and went home. That should never happen. These expenditures are not luxuries -- they are essential to running an election. And if we don't fund these mandates -- these costs are passed on straight to every city and town in the state -- your local governments. Or worse -- we could fall out of compliance with federal mandates and face legal action by the Justice Department which -- to its credit under this president has been very vigilant about voting rights, as it should be. So to me these expenses are essential and I would be happy to discuss them in greater detail with you.

Elsewhere in the budget for our agency, I am asking for additional funding to implement the publishing all of our state regulations online, as mandated by a state law enacted by the general assembly last year. We estimate that at current staffing levels, we will need an additional position or two to facilitate this new function in our agency. We are eager to get started on this project but we simply cannot accomplish this task without additional personnel -- this could possibly be in the form of a staff attorney, an IT person, or a librarian, but we need more people to get the job done.

We have lost 25% of our workforce in the last two years through retirement and attrition. So any new positions I am asking for in the next biennium would still have our staffing level below what it was when I took office.

In sum, those are the highlights of the Secretary of the State's budget for the next biennium. I know we are asking for higher appropriations, but again I view these as essential costs to carrying out state and federal mandates. I think our agency has been a model of doing more with less. We have lost a considerable number of staff and continue to carry out our functions efficiently. But even our efficiency has its limits. We need more people and more funds to carry out the job Congress and the Connecticut General Assembly have tasked us with doing. At this point I would be happy to go over the budget in more detail and answer any questions you have.

Thank you.