OFFICE OF INDEPENDENT BUDGET ANALYST
CITY OF SAN DIEGO
M E M O R A N D U M

No. 07-2

DATE: February 20, 2007

TO: Elections Task Force Members

FROM: Lisa Celaya, Fiscal and Policy Analyst

SUBJECT: Financial Analysis of Instant Runoff Voting

At the January 19, 2007 meeting of the Elections Task Force, the Office of the Independent Budget Analyst was requested to perform a financial analysis to implement Instant Runoff Voting (IRV).

The primary benefit of implementing IRV is the savings associated with not holding runoff elections. Since March 2000, there have been 15 elections, of which seven were runoffs. The costs of these elections are detailed in the table below (Attachment 1 details the costs per all 15 elections):

Date of election	Statewide election?	M	D1	D2	D3	D4	D5	D6	D7	D8	A	Total Cost
November 7, 2000[1]	Yes	x	x		x		x		x			$ 112,517
June 5, 2001	No							x				$ 143,560
November 5, 2002[2]	Yes			x		x						$ 20,964
November 2, 2004[3]	Yes	x	x								x	$ 296,954
January 4, 2005	No					x						$ 246,837
November 8, 2005	Yes	x										$ 357,305
January 10, 2006	No			x						x		$ 615,837

Additional ballot items:
1. Prop C; total cost of election $203,890
2. Prop A; total cost of election $96,188
3. Prop D, E, F, G, H, J, K; total cost of election $1,090,441

Based on this information, the IBA calculates that on average it costs the City of San Diego, $256,282 per runoff election held. Timing is also important when analyzing the costs for holding a runoff election. Of the seven runoff elections held, four have occurred in conjunction with a statewide election. The average cost of these elections was $196,935; whereas the average cost for a runoff election not held in conjunction with the state was $335,411.

Also, in reviewing the savings associated with eliminating a runoff election, additional

efficiencies could be achieved if more costly special elections are held in conjunction with statewide/countywide elections. This could occur if IRV is implemented, because the need to have enough time to hold two elections would be eliminated.

In conjunction with the discussion on savings associated with implementing IRV, the costs to implement should also be reviewed and discussed before a final decision is made. The following are key additional costs to implement IRV:

a) Charter Amendment – The City Attorney's Office has determined that before implementing IRV the City Charter would have to be amended by the vote of the people. A standalone election is estimated to be approximately $3.5 - $4.5 million; whereas a single ballot measure on the consolidated June 2008 ballot is estimated to be approximately $500,000.

b) Voter education – Since IRV would change how the citizens of San Diego would vote, funding should be set aside for educating the public on the new process. Based on the experience of San Francisco, the City could estimate needing $750,000-$1,000,000 for public education. San Francisco spent $800,000 on public education for implementing IRV; which averaged $2 per registered voter. Specific proposals should be developed to determine a better estimate for an educational effort that would be tailored for this region and its needs. It should also be anticipated that voter education efforts may need to continue for additional years after implementation.

c) Equipment – IRV would require new or modified voting equipment. An estimate could be derived based on the experience of recent IRV implementations in California. San Francisco had to purchase new updated equipment at a cost of $1.6 million; whereas in Alameda County, the equipment was modified at an estimated expense of $900,000. It is believed that the County of San Diego's current equipment does have the ability to implement IRV, but the actual cost to modify the equipment per our requirements is not known.

During the Task Force's discussion on other municipalities' implementation of IRV in California, it was determined that a successful partnership between the city and county is vital. The financial analysis above assumes that the implementation of IRV would occur in conjunction with the county. There would be a significant increase in cost associated with implementing IRV if the City determined that they would do this on their own. The IBA proposes analyzing this expense in conjunction with the topic of Alternative Service Providers.

In conclusion, the IBA estimates that approximately $250,000 in costs for runoff elections could be saved if IRV is implemented. However, the specific costs associated

with IRV (charter amendment, modification of voter equipment, and public education) will need to be finalized to determine the cost benefit of implementing IRV. Also, the Task Force will have to determine whether to proceed with implementing IRV with or without the support of County's Registrar of Voters.

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Attachment 1. Cost of Elections