

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE HEARING

STATE CAPITOL
MAIN BUILDING
ROOM 140
HARRISBURG, PENNSYLVANIA

THURSDAY, FEBRUARY 27, 2014
2:20 P.M.

PRESENTATION FROM
DEPARTMENT OF STATE

BEFORE:

HONORABLE WILLIAM F. ADOLPH, JR., MAJORITY CHAIRMAN
HONORABLE KAREN BOBACK
HONORABLE JIM CHRISTIANA
HONORABLE GARY DAY
HONORABLE GORDON DENLINGER
HONORABLE BRIAN ELLIS
HONORABLE GLEN GRELL
HONORABLE SETH GROVE
HONORABLE ADAM HARRIS
HONORABLE TOM KILLION
HONORABLE DAVID R. MILLARD
HONORABLE MARK T. MUSTIO
HONORABLE DONNA OBERLANDER
HONORABLE BERNIE T. O'NEILL
HONORABLE MICHAEL PEIFER
HONORABLE JEFFREY P. PYLE
HONORABLE CURTIS G. SONNEY

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BEFORE (cont.'d):

- HONORABLE JOSEPH F. MARKOSEK, MINORITY CHAIRMAN**
- HONORABLE BRENDAN BOYLE**
- HONORABLE MATTHEW D. BRADFORD**
- HONORABLE MICHELLE F. BROWNLEE**
- HONORABLE MIKE CARROLL**
- HONORABLE H. SCOTT CONKLIN**
- HONORABLE MADELEINE DEAN**
- HONORABLE DEBERAH KULA**
- HONORABLE MICHAEL O'BRIEN**
- HONORABLE STEVEN SANTARSIERO**

ALSO IN ATTENDANCE:

- DAVID DONLEY, REPUBLICAN EXECUTIVE DIRECTOR**
- DAN CLARK, REPUBLICAN CHIEF COUNSEL**
- MIRIAM FOX, DEMOCRATIC EXECUTIVE DIRECTOR**
- HONORABLE DARYL METCALFE**

JEAN M. DAVIS, REPORTER
NOTARY PUBLIC

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I N D E X

TESTIFIER

<u>NAME</u>	<u>PAGE</u>
CAROL AICHELE, SECRETARY, DEPARTMENT OF STATE	5

1 P R O C E E D I N G S

2 * * *

3 MAJORITY CHAIRMAN ADOLPH: Good afternoon,
4 everyone. I'd like to reconvene the House Appropriations
5 Committee.

6 The next testifier during the budget hearing will
7 be the Secretary of the Department of State, Carol Aichele.

8 Good afternoon, Madam Secretary.

9 SECRETARY AICHELE: Good afternoon, Mr. Chairman.

10 MAJORITY CHAIRMAN ADOLPH: We have an awful lot
11 of folks in the room at this time.

12 SECRETARY AICHELE: Yes.

13 MAJORITY CHAIRMAN ADOLPH: I'd just like to go
14 over some housekeeping with you. If you have iPhones,
15 iPads on you, any type of electronic equipment, if you
16 could please turn it off or put it on vibrate, we would
17 appreciate it. Thank you.

18 As is customary, Chairman Markosek and I always
19 offer the opportunity for the Chairmen of the standing
20 House Committee to join us. With us today is
21 Representative Daryl Metcalfe of the State Government
22 Committee.

23 Good afternoon, Chairman Metcalfe.

24 REP. METCALFE: Good afternoon, Chairman. Thank
25 you.

1 MAJORITY CHAIRMAN ADOLPH: Madam Secretary, would
2 you like a brief opening statement?

3 SECRETARY AICHELE: Thank you, Mr. Chairman.
4 Just a brief opening.

5 MAJORITY CHAIRMAN ADOLPH: Sure.

6 SECRETARY AICHELE: I hope you have my complete
7 testimony in written form. We'll let you read that on your
8 own and we'll just move to the highlights.

9 MAJORITY CHAIRMAN ADOLPH: Okay.

10 SECRETARY AICHELE: Chairman Adolph, Chairman
11 Markosek, members of the Committee, thank you for this
12 opportunity to testify about the Governor's 2014-'15
13 Department of State budget request.

14 Governor Corbett's priority of bringing jobs to
15 our State is reflected in our budget. The Bureau of
16 Corporations and Charitable Organizations began last month
17 implementing a law the government supported, and you
18 passed, in July 2013 permitting expedited corporate
19 filings. Businesses asked for this to be able to close
20 last-minute deals to bring jobs to Pennsylvania.

21 And more than 700 corporate filings happened in
22 this service in the first six weeks. The extra fees for
23 this service generated a new \$104,000 revenue source of
24 which 73,000 will go to the General Fund. Corporate and
25 charitable filings should provide more than \$28 million to

1 the General Fund in the next fiscal year.

2 The Governor also supported the law creating
3 benefit corporations, companies whose business model has a
4 stated public benefit such as environmental protection. In
5 just one year, 35 benefit corporations registered, giving
6 Pennsylvania the fourth highest number of these firms in
7 the country.

8 Our Department's General Fund budget proposal for
9 this year is up by \$3,061,000. But that increase is due
10 almost entirely to legally required advertising for three
11 proposed constitutional amendments. Otherwise, our General
12 Fund budget would actually be down by \$2.28 million.

13 Our Federal funding continues to decline as Help
14 America Vote Act money diminishes. The funding available
15 to us is dropping by 13 million this year. However,
16 following Governor Corbett's direction for continued smart
17 budgeting, we are able to put 1.15 million of unused HAVA
18 funds into our statewide voter database known as SURE again
19 this year. We also reduced our State funding for this by
20 \$212,000 by eliminating one IT consultant. But HAVA money
21 will run out in 2016-'17, and additional State funding will
22 be needed for the SURE system.

23 Our restricted fund budget for protecting the
24 public health and safety and developing regulations to
25 encourage job growth among our licensed professionals is

1 increasing by \$523,000. This is due to five new license
2 categories under the Medical Board and to licensing
3 behavior specialists to provide better service for children
4 on the autism spectrum.

5 Thank you again. And I'm happy to go on to
6 questions.

7 MAJORITY CHAIRMAN ADOLPH: Thank you, Madam
8 Secretary.

9 SECRETARY AICHELE: You're welcome.

10 MAJORITY CHAIRMAN ADOLPH: You briefly touched on
11 the additional \$5 million cost for the constitutional
12 amendment changes and it's strictly advertising.

13 SECRETARY AICHELE: Yes.

14 MAJORITY CHAIRMAN ADOLPH: Can you give us a
15 little bit more detail of what type of advertising we are
16 bound to do as a result of this?

17 SECRETARY AICHELE: When the Commonwealth of
18 Pennsylvania wants to add a constitutional amendment, we
19 are required, the Department of State is required, to
20 advertise in two newspapers of general circulation in each
21 of the 67 counties six times.

22 MAJORITY CHAIRMAN ADOLPH: Okay.

23 SECRETARY AICHELE: So usually the first
24 advertisement is in August, September, and October prior to
25 a general election in November.

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MAJORITY CHAIRMAN ADOLPH: Okay.

SECRETARY AICHELE: It can happen -- the second advertising can happen before the spring primary. But the first one has to be before a general election in November.

MAJORITY CHAIRMAN ADOLPH: Okay.

SECRETARY AICHELE: So the General Assembly has moved three proposed constitutional amendments forward.

MAJORITY CHAIRMAN ADOLPH: Okay.

SECRETARY AICHELE: We have done the research. We can tell you the names of the newspapers where we'll be advertising and exactly how much it costs for each page.

MAJORITY CHAIRMAN ADOLPH: Okay.

SECRETARY AICHELE: The first round of advertising is a little less expensive. It's on the high side of \$2 million because we advertised just exactly the language that you put in the constitutional amendment.

MAJORITY CHAIRMAN ADOLPH: Okay.

SECRETARY AICHELE: In the second round of advertising, we have to add the plain language version of the amendment.

MAJORITY CHAIRMAN ADOLPH: I see.

SECRETARY AICHELE: So it's more writing and the cost is a little bit more.

MAJORITY CHAIRMAN ADOLPH: I see.

SECRETARY AICHELE: It's 5.2 million.

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MAJORITY CHAIRMAN ADOLPH: Okay.

SECRETARY AICHELE: What concerns me is there are seven additional -- this is beyond the three that we already have being considered for passage.

MAJORITY CHAIRMAN ADOLPH: I know our forefathers were pretty smart in trying to make it difficult to change the State Constitution.

SECRETARY AICHELE: Right.

MAJORITY CHAIRMAN ADOLPH: But I'm sure they didn't realize how expensive it would be as well.

Chairman Markosek.

MINORITY CHAIRMAN MARKOSEK: Thank you, Chairman Adolph.

Welcome, Secretary.

SECRETARY AICHELE: Good afternoon.

MINORITY CHAIRMAN MARKOSEK: Good to have you here today.

SECRETARY AICHELE: Good to be here.

MINORITY CHAIRMAN MARKOSEK: First of all, you mentioned the expedited corporate filings.

SECRETARY AICHELE: Yes.

MINORITY CHAIRMAN MARKOSEK: Just a side issue, I got a call from somebody in the Department -- I'm sorry I don't remember who it is. They might even be here today.

SECRETARY AICHELE: Okay.

1 MINORITY CHAIRMAN MARKOSEK: -- who informed me
2 that you were doing this and that I had the -- I think
3 either the most or the second-to-most number of corporate
4 filings that came through my District office, which I was
5 flabbergasted because I just assumed everybody did that.
6 They said, no, you're, I think, No. 1, between No. 1 and
7 No. 2. And the other person who's in contention with you
8 is a Senate District which is four times bigger.

9 SECRETARY AICHELE: Right.

10 MINORITY CHAIRMAN MARKOSEK: Maybe my District
11 office has been doing something right all these years
12 anyway.

13 SECRETARY AICHELE: I think so.

14 MINORITY CHAIRMAN MARKOSEK: But nevertheless,
15 this sounds like a good program.

16 SECRETARY AICHELE: Yes.

17 MINORITY CHAIRMAN MARKOSEK: Just a followup a
18 little bit on the amendment advertising. We just chatted
19 about it here before so I haven't done a lot of research
20 myself.

21 SECRETARY AICHELE: Okay.

22 MINORITY CHAIRMAN MARKOSEK: But the cost that
23 you have for that are for constitutional amendments that
24 have passed two terms of the Legislature, correct?

25 SECRETARY AICHELE: Yes.

1 MINORITY CHAIRMAN MARKOSEK: So if there's
2 potential amendments that, say, pass the House, are in the
3 Senate, but they haven't gone through the entire process,
4 there's no cost related to that, correct?

5 SECRETARY AICHELE: This is the -- these
6 amendments have passed both Houses and are ready to be
7 presented to the voters prior to the November election.

8 MINORITY CHAIRMAN MARKOSEK: Okay. And there's
9 three of those?

10 SECRETARY AICHELE: Yes.

11 MINORITY CHAIRMAN MARKOSEK: Okay. So the others
12 are --

13 SECRETARY AICHELE: And when -- I think the
14 theory is that you advertise prior to the November
15 election.

16 MINORITY CHAIRMAN MARKOSEK: Okay.

17 SECRETARY AICHELE: And anyone who has any
18 concerns might call their Representative and express their
19 concerns before there is a second vote.

20 MINORITY CHAIRMAN MARKOSEK: Okay. Good.

21 So the other four, you're not incurring any costs
22 for those yet?

23 SECRETARY AICHELE: No. There's seven.

24 MINORITY CHAIRMAN MARKOSEK: Okay.

25 SECRETARY AICHELE: So a total of ten.

1 MINORITY CHAIRMAN MARKOSEK: Okay.

2 SECRETARY AICHELE: A total of ten. Ten possible
3 constitutional amendments.

4 MINORITY CHAIRMAN MARKOSEK: All right.

5 SECRETARY AICHELE: And I have looked at the
6 three that are being proposed now.

7 MINORITY CHAIRMAN MARKOSEK: Okay.

8 SECRETARY AICHELE: They are well-written,
9 well-thought-out amendments.

10 MINORITY CHAIRMAN MARKOSEK: Okay. But the other
11 seven --

12 SECRETARY AICHELE: Those aren't in the --
13 they're not in final form yet.

14 MINORITY CHAIRMAN MARKOSEK: Okay. All right.
15 Let me just switch gears a bit here.

16 SECRETARY AICHELE: Sure.

17 MINORITY CHAIRMAN MARKOSEK: Two years ago 1.7
18 million was appropriated for publishing the State and
19 Federal reapportionment maps. And after several tries, of
20 course, the courts finally approved the current maps that
21 are in place now.

22 SECRETARY AICHELE: Right.

23 MINORITY CHAIRMAN MARKOSEK: What was the total
24 cost to the Department of that exercise, including the
25 legal fees related to the defense of the previous maps for

1 the reapportionment?

2 SECRETARY AICHELE: I don't know off the top of
3 my head about the defense.

4 MINORITY CHAIRMAN MARKOSEK: Okay.

5 SECRETARY AICHELE: And I think your number was
6 correct. For each round of advertising, it was about
7 \$800,000.

8 MINORITY CHAIRMAN MARKOSEK: Okay.

9 SECRETARY AICHELE: We had to advertise twice.

10 MINORITY CHAIRMAN MARKOSEK: Okay.

11 SECRETARY AICHELE: And it was \$400,000 a time.

12 MINORITY CHAIRMAN MARKOSEK: Okay.

13 SECRETARY AICHELE: And the first iteration of
14 the reapportionment map was advertised and then was not
15 approved by the Supreme Court.

16 MINORITY CHAIRMAN MARKOSEK: Okay.

17 SECRETARY AICHELE: So then you developed another
18 form. And that was advertised and finally approved.

19 MINORITY CHAIRMAN MARKOSEK: Okay.

20 SECRETARY AICHELE: So we essentially did it
21 twice.

22 MINORITY CHAIRMAN MARKOSEK: Okay.

23 SECRETARY AICHELE: The minimum cost for any
24 reapportionment is going to be \$800,000 for advertising.

25 MINORITY CHAIRMAN MARKOSEK: Okay. If you could

1 just provide us with those figures, both of the Chairs, we
2 would appreciate it.

3 SECRETARY AICHELE: Sure.

4 MINORITY CHAIRMAN MARKOSEK: We'll distribute
5 that amongst the members.

6 SECRETARY AICHELE: Okay.

7 MINORITY CHAIRMAN MARKOSEK: Thank you.

8 SECRETARY AICHELE: Thank you.

9 MINORITY CHAIRMAN MARKOSEK: Thank you,
10 Mr. Chairman.

11 MAJORITY CHAIRMAN ADOLPH: Thank you, Chairman
12 Markosek.

13 The next question will be offered by Chairman
14 Metcalfe.

15 REP. METCALFE: Thank you, Chairman Adolph.

16 Thank you, Madam Secretary.

17 SECRETARY AICHELE: Good afternoon.

18 REP. METCALFE: Good afternoon. I'm sure you're
19 familiar with the Pew research that had been announced last
20 year where they talked about the number of voters around
21 the country. They said approximately 24 million, 1 in
22 every 8, voter registrations in the United States were not
23 valid or they were significantly inaccurate and that there
24 were more than 1.8 million deceased individuals that were
25 listed as voters.

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SECRETARY AICHELE: Yes.

REP. METCALFE: And approximately 2.75 million that had registrations in more than one state. I'm sure you're familiar with that.

SECRETARY AICHELE: Yes.

REP. METCALFE: It occurred last year early in the year. Some of my questions are related to the SURE system maintenance and the interaction with the counties.

SECRETARY AICHELE: Okay.

REP. METCALFE: Title 25, Chapter 19, requires that the counties maintain the accuracy of the SURE system through a voter removal program.

SECRETARY AICHELE: Yes.

REP. METCALFE: Counties are required to at least use change of address information supplied by the U.S. Postal Service but may also visit the addresses of voters in person or mail notices.

SECRETARY AICHELE: Okay.

REP. METCALFE: Additionally, a voter removal program must be conducted once per year not later than 90 days prior to a general or municipal election.

SECRETARY AICHELE: Yes.

REP. METCALFE: My question is, do you have any data regarding how many counties are complying with that requirement?

1 SECRETARY AICHELE: We are following those
2 requirements.

3 REP. METCALFE: Okay.

4 SECRETARY AICHELE: To our knowledge, most
5 counties are adhering to those specific directives.

6 REP. METCALFE: Okay.

7 SECRETARY AICHELE: We at the Department of
8 State, though, are concerned about voter list accuracy and
9 have begun to look. We began last year to look at the SURE
10 system and the list of voters.

11 REP. METCALFE: Okay.

12 SECRETARY AICHELE: One of the things that we
13 discovered almost immediately was that there were 56,000
14 registered voters in Pennsylvania who did not have
15 signatures anywhere in their voter registration record in
16 the SURE system.

17 REP. METCALFE: Okay.

18 SECRETARY AICHELE: We notified the counties that
19 they needed to have signatures. It's both a State law and
20 a Federal law.

21 REP. METCALFE: Right.

22 SECRETARY AICHELE: You have to have a signature.

23 REP. METCALFE: Sure.

24 SECRETARY AICHELE: And many of the counties
25 addressed this. Either the signatures were already in

1 their files and they just didn't put it in the SURE system
2 or they contacted the voters and got a signature.

3 REP. METCALFE: Okay.

4 SECRETARY AICHELE: We're down to about 28,000
5 now.

6 REP. METCALFE: All right.

7 SECRETARY AICHELE: But it's important that that
8 piece be addressed.

9 REP. METCALFE: Sure.

10 SECRETARY AICHELE: We're also looking at the
11 number of voters who are applicants for voting status in
12 Pennsylvania. When you apply to vote, you have to provide
13 your name, your date of birth, and your Social Security
14 number.

15 REP. METCALFE: Right.

16 SECRETARY AICHELE: And it's supposed to be a
17 three-way match. We looked at the -- sometimes people
18 transpose numbers or they misspell a name or they use a
19 nickname instead of a proper name. There are lots of
20 issues.

21 REP. METCALFE: Sure.

22 SECRETARY AICHELE: I'm sure you can imagine way
23 more than I. But when we looked at it, there is the
24 capacity in the system to manually override information
25 that doesn't get a three-way match.

1 REP. METCALFE: Okay.

2 SECRETARY AICHELE: We looked at that number.
3 There were 168,000 in Pennsylvania that did not have a
4 three-way match.

5 REP. METCALFE: Okay.

6 SECRETARY AICHELE: That's an issue for us going
7 forward.

8 REP. METCALFE: Sure.

9 SECRETARY AICHELE: Similarly, we are looking at
10 the SURE system regularly. We're supposed to do a
11 duplicate check within the SURE system. Is there any
12 person in Pennsylvania who's registered in more than one
13 place in Pennsylvania? We're doing that.

14 REP. METCALFE: Okay.

15 SECRETARY AICHELE: And address the need for
16 counties to contact people who are registered in more than
17 one county. And for the first time, we are going to enter
18 voluntarily the program, the Crosscheck Program,
19 nationally. This is done privately. And it's done by the
20 State of Kansas. It is at no cost to the State of
21 Pennsylvania. We ship our voter ID lists to Kansas and
22 they crosscheck. There are 25 participating states. This
23 will be the first year that Pennsylvania has been a part of
24 this crosscheck. I think New Jersey is also doing it with
25 us this year.

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REP. METCALFE: Okay.

SECRETARY AICHELE: Two years ago, there were 23 states in the crosscheck. They start the computer process in January. And we'll probably get the results sometime mid to late March. They did the crosscheck in January of 2012. And there were 5 million voters registered in more than one state.

REP. METCALFE: Okay.

SECRETARY AICHELE: So we'll get that list from this crosscheck and share it with our counties.

REP. METCALFE: Okay.

SECRETARY AICHELE: We have in place the process because we do it for Pennsylvania already. If you're registered to vote in more than one county -- sometimes that happens -- if you're registered, you're contacted by the county whose registration is oldest and they send you a letter and ask you if you would like to maintain your registration in your first county. And if you say, no, I've moved to the second county, it's done automatically.

REP. METCALFE: Okay.

SECRETARY AICHELE: This will be the same process. Voters will be contacted and asked if they would like to maintain their voting status in Pennsylvania or would rather transfer their voting status to their new home in another state.

1 REP. METCALFE: And you said most counties are
2 complying with Chapter 19?

3 SECRETARY AICHELE: Right.

4 REP. METCALFE: Do you have a list of those
5 counties that are not complying?

6 SECRETARY AICHELE: Some counties sometimes don't
7 do the update because of financial constraints. And it's
8 the cost of postage and the amount of numbers. We do have
9 that.

10 REP. METCALFE: Do you have it so that you can
11 share it with the membership of the Legislature?

12 SECRETARY AICHELE: We can get that list.

13 REP. METCALFE: Thank you.

14 SECRETARY AICHELE: I don't want to put people --
15 and it's not every year. It just depends on how -- it's a
16 cost item for counties.

17 REP. METCALFE: And what are -- what's the
18 Department's options when they find that the county is not
19 meeting -- I mean, do you have a process in place to deal
20 with that situation? What are your options to deal with
21 that?

22 SECRETARY AICHELE: We notify the county and we
23 recommend that they go forward with the process.

24 REP. METCALFE: Do you notify the Election Bureau
25 in the county? Do you notify the commissioners or the

1 executives of the county?

2 SECRETARY AICHELE: I'm sure what goes to the
3 Election Bureau goes to the county commissioners.

4 REP. METCALFE: Okay.

5 SECRETARY AICHELE: Having been a county
6 commissioner, if we got a letter from the Department of
7 State, I paid attention.

8 REP. METCALFE: Quick question that might just --

9 SECRETARY AICHELE: Let me just go through -- you
10 mentioned deceased voters.

11 REP. METCALFE: Right.

12 SECRETARY AICHELE: One of the highlights of what
13 we've been doing over the last two years, we began a close
14 working relationship with the Department of Health because
15 of the Gosnell issue.

16 REP. METCALFE: Okay.

17 SECRETARY AICHELE: And while we were doing that,
18 we said, look, we need to find a smoother way to address
19 deceased voters in Pennsylvania.

20 REP. METCALFE: Okay.

21 SECRETARY AICHELE: And we now get updates once a
22 month. And if there is a death certificate filed in
23 Pennsylvania, we have that. We get that from the
24 Department of Health within a month and we address it.

25 REP. METCALFE: Okay.

1 SECRETARY AICHELE: The issue still becomes, if
2 there's no record of the person who has died being a
3 Pennsylvania resident and if they die in Arizona and we
4 don't know that they're a Pennsylvania resident, that still
5 becomes an issue.

6 REP. METCALFE: Okay.

7 SECRETARY AICHELE: I do want to say one other
8 issue that has surprised me.

9 REP. METCALFE: Sure.

10 SECRETARY AICHELE: When you register to vote,
11 the first question they ask you on your registration is,
12 are you a U.S. citizen? so you check the box.

13 REP. METCALFE: Right.

14 SECRETARY AICHELE: We are working with the
15 administrative office of the courts because apparently
16 people come in and seek to be excused from jury duty
17 because they are not U.S. citizens, yet there is a
18 registration with the box checked that says they are a U.S.
19 citizen. So either you are or you aren't.

20 REP. METCALFE: Right.

21 SECRETARY AICHELE: We're working with the
22 administrative office of the courts for that.

23 REP. METCALFE: And we've had legislation that's
24 been advanced through the Senate to deal with electronic
25 voter registration. We have had legislation introduced in

1 the House. Does the Department have a position on the
2 electronic voter registration legislation that we're
3 considering?

4 SECRETARY AICHELE: Yes. We are looking at it.
5 The issue always goes back to signatures and how you can
6 get an accurate signature for purposes -- because it's both
7 Federal and State law.

8 REP. METCALFE: Right.

9 SECRETARY AICHELE: The other maybe confusing
10 point is that when people register to vote, whether they
11 register online or they register on paper, their
12 information goes to voter services in the county where they
13 wish to register. And that county does the verification,
14 the name, the birthday, the Social Security number.

15 If they don't match, they are supposed to contact
16 the voter and say, gee, would you check this information
17 and verify that it is true and correct?

18 REP. METCALFE: Okay.

19 SECRETARY AICHELE: And oftentimes there's just
20 mistakes that happen.

21 REP. METCALFE: Sure.

22 SECRETARY AICHELE: Sometimes that happens. And
23 then sometimes we do the -- counties do the manual
24 override.

25 REP. METCALFE: Right.

1 SECRETARY AICHELE: I don't know if many of you
2 remember but in 2008 there was an attempt to do an online
3 voter registration here in Pennsylvania. Did you remember
4 that? The Department of State put up a site and you could
5 fill in your voter registration. It looks exactly like the
6 one in paper form. You type in your information. But they
7 couldn't quite get the signature piece right. So it was a
8 two-step process.

9 REP. METCALFE: Right.

10 SECRETARY AICHELE: You would press the submit
11 button and your information would go to the county to be a
12 registered voter. But then you had to print the form and
13 sign your name and send a hard copy. A lot of people just
14 printed the -- pressed the submit button and thought they
15 were done.

16 REP. METCALFE: Right.

17 SECRETARY AICHELE: And they never did the print
18 and send the signature.

19 REP. METCALFE: Is that why we ended up with all
20 of those registrations that didn't have signatures?

21 SECRETARY AICHELE: It wasn't up long enough to
22 cause that many. It was only up for about a month, maybe
23 two months.

24 REP. METCALFE: Okay.

25 SECRETARY AICHELE: We can get you the exact

1 number on that.

2 REP. METCALFE: Okay.

3 SECRETARY AICHELE: The other issue that is kind
4 of interesting, the system could be spammed. So you can do
5 -- you know how you do electronic registrations?

6 REP. METCALFE: Yes.

7 SECRETARY AICHELE: We now have the technology --
8 you know the little squiggly lines at the bottom, sometimes
9 they have squiggly 4s and 5s and you have to copy it?

10 REP. METCALFE: Yes.

11 SECRETARY AICHELE: That technology can be
12 applied to keep the number of fraudulent or the number --
13 spamming would be eliminated.

14 REP. METCALFE: Okay.

15 SECRETARY AICHELE: Finally the issue for that
16 system was the ability of the system to be hacked. And
17 when they discovered that the system could be hacked, not
18 only could information be added and subtracted, it could
19 also be altered. So this was in 2008.

20 REP. METCALFE: Okay.

21 SECRETARY AICHELE: Then they took the system
22 down.

23 REP. METCALFE: Okay.

24 SECRETARY AICHELE: I think it's possible -- if
25 you look at motor voter, how long have we had motor voter?

1 A long time.

2 REP. METCALFE: Yes.

3 SECRETARY AICHELE: The difference -- it's
4 different in three fundamental ways. First of all, the
5 information is verified at PennDOT.

6 REP. METCALFE: Right.

7 SECRETARY AICHELE: PennDOT will not issue a
8 driver's license unless you have a correct name, date of
9 birth, and Social Security number. That comes through
10 motor voter.

11 REP. METCALFE: Right.

12 SECRETARY AICHELE: Similarly, PennDOT has a
13 signature. And they won't let it go forward without a
14 signature. And then the system that PennDOT has to
15 communicate between the PennDOT facility and voter services
16 in the counties is a secure system. That's fundamentally
17 the challenge you have as legislators, to develop a system
18 that will work.

19 REP. METCALFE: Thank you.

20 And my final point, Mr. Chairman, if I may?

21 MAJORITY CHAIRMAN ADOLPH: Yes.

22 REP. METCALFE: Thank you. The lobby and
23 disclosure law fee increase regulations, last year in May
24 there was proposed regulations that would have increased
25 the fee from \$200 to \$700, which is a 250 percent increase.

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SECRETARY AICHELE: Yes.

REP. METCALFE: I joined with Chairman Cohen and the rest of the members of the Committee and sent a letter to the Department with our concerns about that.

SECRETARY AICHELE: Okay.

REP. METCALFE: We thought that the fee at \$700 was excessive, a 250 percent increase especially. My understanding was that that fee was being reduced possibly to the \$400 range, which is still moving -- you know, doubling a registration fee is still a huge increase. I was curious what the Department's stand was on that and where you were at with that.

SECRETARY AICHELE: Representative Metcalfe, I came from county government where we look at things like this.

REP. METCALFE: Right.

SECRETARY AICHELE: When I looked at the lobbying disclosure fee, it costs us \$800,000 a year, maybe 8 and a half, sometimes a little less.

REP. METCALFE: Okay.

SECRETARY AICHELE: But it's always right in that \$800,000 variety. We were charging \$50 a year for lobbyists to register. We have about 3,000 lobbyists. So we were getting \$150,000 from lobbyists.

REP. METCALFE: Okay.

1 SECRETARY AICHELE: And the taxpayers of
2 Pennsylvania were footing the bill for the last \$650,000.

3 REP. METCALFE: Okay.

4 SECRETARY AICHELE: So I said, yeah, we need to
5 kind of level the playing field here a little. We were
6 able to get an adjustment up to a fee of \$100 per year, per
7 lobbyist. So that means we get -- still the same 3,000
8 lobbyists. We get \$300,000. So now as we sit here today,
9 the taxpayers of Pennsylvania are underwriting \$500,000 of
10 the cost to run the Lobbying Disclosure Act.

11 REP. METCALFE: Okay.

12 SECRETARY AICHELE: We looked at every way that
13 we could possibly reduce the cost of doing the
14 administrative work to manage lobbying disclosure. We have
15 effected efficiencies, but we're still way over. And if we
16 go to a \$200-a-year thing, we will -- the amount the
17 taxpayers will be underwriting lobbying disclosure will be
18 down to \$200,000 a year. The intent is to level the
19 playing field.

20 REP. METCALFE: Thank you.

21 SECRETARY AICHELE: You're welcome.

22 REP. METCALFE: Thank you, Mr. Chairman.

23 MAJORITY CHAIRMAN ADOLPH: Thank you.

24 The Chair gave a little leeway to the standing
25 Committee Chair for being here today.

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REP. METCALFE: Thank you.

MAJORITY CHAIRMAN ADOLPH: The next question will be by Representative Mike Carroll.

REP. CARROLL: Thank you, Mr. Chairman.
Madam Secretary, good afternoon.

SECRETARY AICHELE: Good afternoon. Nice to see you.

REP. CARROLL: You, too.

SECRETARY AICHELE: Thank you.

REP. CARROLL: I had a chance to scan your testimony during the last discussion.

SECRETARY AICHELE: Okay.

REP. CARROLL: And nowhere in that testimony do I see any reference to Act 18 and the voter ID. And so I guess I just have a very simple question.

SECRETARY AICHELE: Sure.

REP. CARROLL: Is it safe to say that the voter ID at this point is dead?

SECRETARY AICHELE: You would have to ask the Pennsylvania Commonwealth Court and the Supreme Court of Pennsylvania.

REP. CARROLL: As I understand it, as far as the elections that are on the horizon for 2014, the Administration has made a determination that the voter ID will not be exercised for the primary and general of 2014.

1 Is that safe to say?

2 SECRETARY AICHELE: The Administration has made
3 that recommendation. We are still obligated to follow
4 Court orders.

5 REP. CARROLL: Okay.

6 SECRETARY AICHELE: And depending on what the --
7 we are now in the process of posttrial motions.

8 REP. CARROLL: Okay.

9 SECRETARY AICHELE: And the Court will give us
10 direction.

11 REP. CARROLL: All right.

12 SECRETARY AICHELE: And as I've said here, I said
13 last year, it's the absolute obligation of government to
14 obey the law, whatever that might be.

15 REP. CARROLL: And as we sit here today, the law
16 and the Court order, the most recent one, is that the voter
17 ID will not be in place for the primary election?

18 SECRETARY AICHELE: The requirement for voter
19 identification is enjoined as of 2012.

20 REP. CARROLL: Okay.

21 SECRETARY AICHELE: It's a temporary injunction.
22 The permanent injunction does not go into effect until such
23 time as posttrial motions are complete.

24 REP. CARROLL: Fair enough. So until that moment
25 in time, the injunction stands and the voter ID is on the

1 sidelines?

2 SECRETARY AICHELE: Until we get further
3 direction.

4 REP. CARROLL: So that's a yes?

5 SECRETARY AICHELE: Yes.

6 REP. CARROLL: Thank you.

7 SECRETARY AICHELE: Sure.

8 REP. CARROLL: Thank you, Mr. Chairman.

9 MAJORITY CHAIRMAN ADOLPH: Thank you,
10 Representative Carroll.

11 Represent Gordon Denlinger.

12 REP. DENLINGER: Thank you, Mr. Chairman.

13 Good afternoon, Secretary.

14 SECRETARY AICHELE: Good afternoon.

15 REP. DENLINGER: Good to have you join us this
16 afternoon.

17 SECRETARY AICHELE: Thank you.

18 REP. DENLINGER: I wanted to go back to a
19 positive event that you and I joined together in down in
20 Philadelphia.

21 SECRETARY AICHELE: Yes.

22 REP. DENLINGER: And that was the first day of
23 authorization of benefit corporations in the Commonwealth
24 of Pennsylvania.

25 SECRETARY AICHELE: Yes.

1 REP. DENLINGER: We were together at Independence
2 Hall.

3 SECRETARY AICHELE: Yes, we were.

4 REP. DENLINGER: And you came to affix the State
5 seal to the initial entities that were created on that day.

6 SECRETARY AICHELE: Yes.

7 REP. DENLINGER: I believe about 18 -- 17 or 18.

8 SECRETARY AICHELE: Yes.

9 REP. DENLINGER: I forget the exact number.

10 SECRETARY AICHELE: Yes.

11 REP. DENLINGER: It was a very positive
12 development. I'm wondering if you can bring us up to date
13 on how many have been created to this point and how that
14 process is working?

15 SECRETARY AICHELE: Pennsylvania is one of a
16 number of states that have benefit corporation status. And
17 these are for corporations that have a specific public
18 purpose.

19 REP. DENLINGER: Okay.

20 SECRETARY AICHELE: I did enjoy that event.

21 REP. DENLINGER: Good.

22 SECRETARY AICHELE: In addition to my other
23 duties as Secretary of the Commonwealth, I am also the
24 keeper of the great seal, which is a pretty heavy, big
25 thing to lug down to the city of Philadelphia.

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REP. DENLINGER: Sure.

SECRETARY AICHELE: But I was happy to do it.

REP. DENLINGER: Okay.

SECRETARY AICHELE: Pennsylvania now has 35 benefit corporations. We are fourth in the nation. This allows corporate boards to have a public purpose beyond the bottom line directive of a corporation.

REP. DENLINGER: Okay.

SECRETARY AICHELE: And these corporations have stepped forward and would like to support a specific or a general public good.

REP. DENLINGER: Very good. Thirty-five.

SECRETARY AICHELE: Thirty-five.

REP. DENLINGER: That's tremendous.

SECRETARY AICHELE: Fourth in the nation.

REP. DENLINGER: That's good. That's a good start. Hopefully we'll see more.

SECRETARY AICHELE: Yes.

REP. DENLINGER: I did want to follow up also on a line of questioning from last year's appropriation hearing, if I could.

SECRETARY AICHELE: Sure.

REP. DENLINGER: That was a discussion about the number of inactive corporations that we have in the Commonwealth. I think at that time you shared we had about

1 2.6 million entities registered. However, it was very
2 difficult to understand exactly how many of those were
3 inactive.

4 SECRETARY AICHELE: Yes.

5 REP. DENLINGER: The concern being that, of
6 course, there are usually statistics bandied about in terms
7 of the number of entities that actually are paying tax
8 being relatively a small percentage when really behind that
9 is that so many of these 2.6 million are, in fact,
10 inactive, dormant corporations and there would be no tax to
11 be paid.

12 SECRETARY AICHELE: Okay.

13 REP. DENLINGER: I understand you inherited a
14 situation related to that when you came in. I'm wondering
15 if you have been able to make headway on that or if we have
16 any better tighter grasp of what the inactive number might
17 be.

18 SECRETARY AICHELE: Oh, we are headed in that
19 direction.

20 REP. DENLINGER: Okay.

21 SECRETARY AICHELE: And perhaps the General
22 Assembly can help us with this.

23 REP. DENLINGER: Okay.

24 SECRETARY AICHELE: We only file -- corporations
25 in Pennsylvania file every ten years. And in 2010, the

1 corporations were contacted in a mass mailing.

2 REP. DENLINGER: Okay.

3 SECRETARY AICHELE: And corporations that were
4 inactive or had moved, all of those mailings were returned.

5 REP. DENLINGER: Okay.

6 SECRETARY AICHELE: We had truckloads of these
7 returned envelopes.

8 REP. DENLINGER: I see.

9 SECRETARY AICHELE: And there was no accounting
10 for them. Those names remained on the books even though
11 there's every possibility that they are no longer active.

12 REP. DENLINGER: Okay.

13 SECRETARY AICHELE: What we have done is change
14 the way -- and through the act passed last year, when a
15 corporation decides to change its address, there used to be
16 a \$70 fee. You had to pay \$70 to change your address.

17 REP. DENLINGER: Okay.

18 SECRETARY AICHELE: We reduced it to \$5 with the
19 hope that we can encourage corporations that are active and
20 move from one location to another to at least let us know
21 where they are so when we contact them, we can ascertain
22 whether they are active or not.

23 REP. DENLINGER: Okay.

24 SECRETARY AICHELE: What might work -- and you
25 could see through your Committees whether we could get some

1 kind of a mailing that's more frequent than every ten years
2 and keep track.

3 REP. DENLINGER: Okay.

4 SECRETARY AICHELE: Maybe we could do a batch
5 every year or maybe alphabetically or by the number that
6 they're registered, some way.

7 REP. DENLINGER: Okay.

8 SECRETARY AICHELE: But do a batch every year
9 rather than waiting ten years and getting three truckloads
10 full of return mail.

11 REP. DENLINGER: Very good. Sounds like a good
12 direction.

13 SECRETARY AICHELE: Yes.

14 REP. DENLINGER: I appreciate that update.

15 SECRETARY AICHELE: Sure.

16 REP. DENLINGER: Thank you.

17 SECRETARY AICHELE: You're welcome.

18 REP. DENLINGER: Thank you, Mr. Chairman.

19 MAJORITY CHAIRMAN ADOLPH: Thank you,
20 Representative.

21 Representative Dean.

22 REP. DEAN: Thank you, Mr. Chairman.

23 Nice to see you, Madam Secretary.

24 SECRETARY AICHELE: Nice to see you.

25 REP. DENLINGER: I wanted to ask you about

1 accessibility of polling places.

2 SECRETARY AICHELE: Okay.

3 REP. DEAN: I know this is within your
4 Department.

5 SECRETARY AICHELE: Yes.

6 REP. DEAN: I'm wondering how many polling places
7 across the Commonwealth have been identified as not
8 satisfactorily accessible and how we're making progress on
9 making sure that all polling places are accessible to all
10 people.

11 SECRETARY AICHELE: Two years ago I knew that
12 number.

13 REP. DEAN: Okay.

14 SECRETARY AICHELE: Now I don't have it. So
15 we'll get you the number.

16 REP. DEAN: All right.

17 SECRETARY AICHELE: But it's still way too high
18 for Pennsylvania. There is ADA money. There's money in
19 the HAVA account for making polling places handicapped
20 accessible and it is going unused. The HAVA money expires
21 on June 30th, 2016.

22 REP. DEAN: Okay.

23 SECRETARY AICHELE: So anything we, as
24 representatives of the people or employees of the State of
25 Pennsylvania, can do to use that money to make polling

1 places accessible, I think we should do and we should do it
2 soon.

3 REP. DEAN: Does your Department have a listing
4 of the troublesome polling places? Is there a program in
5 place to get at each one of these? It's particularly
6 troubling in Philadelphia County.

7 SECRETARY AICHELE: It is. And they're aware. I
8 think they faced a lawsuit over polling places that were
9 not handicapped accessible. We, as the Department of
10 State, can provide Federal funding for them to address
11 this. But it still -- elections are still done locally by
12 county in Pennsylvania. And they need to agree to do it.

13 REP. DEAN: If you could, would you follow up and
14 offer the Chairmen a list of those --

15 SECRETARY AICHELE: Yes.

16 REP. DEAN: -- trouble spots?

17 SECRETARY AICHELE: Yes.

18 REP. DEAN: We'd love to know it.

19 SECRETARY AICHELE: Yes.

20 REP. DEAN: And we'd share it with our counties.

21 SECRETARY AICHELE: I think there was an article
22 in the newspaper today about another county that was
23 addressing the needs of handicapped accessible polling
24 places. I worked with a commissioner in Chester County who
25 walked with canes. Sometimes people who don't have

1 handicaps aren't aware of how many places are difficult to
2 enter because of that.

3 REP. DEAN: Yes. Thank you very much.

4 SECRETARY AICHELE: Sure.

5 REP. DEAN: I'd like to follow up on the
6 questions regarding voter ID.

7 SECRETARY AICHELE: Yes.

8 REP. DEAN: It is enjoined, as you have
9 identified, although I believe the Governor is appealing
10 that.

11 SECRETARY AICHELE: He is. We are in posttrial
12 motions.

13 REP. DEAN: Right. But what the Commonwealth
14 Court said was, Act 18 is unconstitutional and overly
15 burdensome, unreasonably burdensome on voters. And so I'm
16 glad to hear that. Of course, everybody agrees that this
17 should be enjoined.

18 SECRETARY AICHELE: Yes.

19 REP. DEAN: But I'm curious as to how much money
20 we spent both in trying to implement the law, advertise the
21 law, and also then defend the different pieces of
22 litigation that have gone on.

23 SECRETARY AICHELE: I'm prepared for this.

24 REP. DEAN: Okay.

25 SECRETARY AICHELE: I have a chart. I hope I

1 have a chart. The first round of voter education was
2 \$4,970,076.05. Legal fees for outside counsel were
3 \$943,124.89. And the second round of advertising was
4 \$1,029,502. So we're talking roughly -- we are not talking
5 roughly. We're talking exactly \$6,942,905.96.

6 REP. DEAN: Yes. And you identified the legal
7 fees of almost --

8 SECRETARY AICHELE: A million dollars.

9 REP. DEAN: -- a million dollars Round 1.

10 SECRETARY AICHELE: No. There was about \$100,000
11 Round 1. And then another 700,000 in Round 2.

12 REP. DEAN: How much more are we obligated now
13 for ongoing?

14 SECRETARY AICHELE: Total obligation is
15 900,000 -- 943,000. And if there are new bills, I'm not
16 aware of them.

17 REP. DEAN: And how much are you budgeting for
18 future obligations, litigation, bills, legal bills,
19 advertising, etc.?

20 SECRETARY AICHELE: This is done through both the
21 Attorney General's Office and the Office of General Counsel
22 for these purposes.

23 REP. DEAN: Okay.

24 SECRETARY AICHELE: So we really don't have any
25 idea.

1 REP. DEAN: But bills for outside counsel, any of
2 these things running through your Department?

3 SECRETARY AICHELE: Not until later in the
4 process.

5 REP. DEAN: I don't understand. When would that
6 be?

7 SECRETARY AICHELE: It would be -- it would be
8 money transferred from an OGC. It would be for legal
9 services. These are not ordinary legal services for the
10 Department of State.

11 REP. DEAN: And have you had conversations with
12 the Governor about this? What is your charge? What has he
13 said to you in terms of the appeals?

14 SECRETARY AICHELE: I have not had discussions.
15 The Governor has attorneys in the Office of General
16 Counsel. And they work with the chief counsel at the
17 Department of State.

18 REP. DEAN: And in terms of the media
19 advertising, is it safe to say we do not have any more
20 anticipated media advertising or commercials for folks at
21 this time?

22 SECRETARY AICHELE: We do not.

23 REP. DEAN: Okay. That's great.

24 SECRETARY AICHELE: Yes.

25 REP. DEAN: Last thing. I was thinking about

1 veteran spouse licensure. We've heard nationwide the
2 difficulty of veterans when they are moved within a state.
3 They bring their spouse. Their spouse has licensure in
4 many different areas of employment and they come into a
5 state. How are we -- and maybe how can you alleviate some
6 of the burdens and hurdles that veterans' spouses have to
7 go through? Do you need us, the Legislature, to help you
8 do that?

9 SECRETARY AICHELE: We would also appreciate the
10 help of the General Assembly with respect to this.

11 REP. DEAN: Okay.

12 SECRETARY AICHELE: And this is an issue that's
13 near and dear to my heart. Because for four years when I
14 was working, I was a spouse of an active duty military
15 person. I was certified to teach in New York but not in
16 California. So the issue of addressing the ability of a
17 military spouse to continue his or her career amid many of
18 these moves is near and dear to my heart.

19 REP. DEAN: Okay.

20 SECRETARY AICHELE: So we will work with you on
21 issues because it's the right thing to do.

22 REP. DEAN: We'll bring you that legislation.

23 SECRETARY AICHELE: Thank you.

24 REP. DEAN: Thank you.

25 SECRETARY AICHELE: Sure.

1 REP. DEAN: Thank you, Mr. Chairman.

2 MAJORITY CHAIRMAN ADOLPH: Thank you,
3 Representative.

4 Madam Secretary, if you would provide Chairman
5 Markosek and myself with that information regarding the
6 cost of voter ID, I certainly would appreciate it.

7 SECRETARY AICHELE: Sure.

8 MAJORITY CHAIRMAN ADOLPH: Provide that
9 information.

10 SECRETARY AICHELE: Okay.

11 MAJORITY CHAIRMAN ADOLPH: Thank you.

12 The next question will be asked by Representative
13 Donna Oberlander.

14 REP. OBERLANDER: Thank you, Chairman Adolph.
15 Good afternoon, Madam Secretary.

16 SECRETARY AICHELE: Good afternoon, ma'am.

17 REP. OBERLANDER: I too was a county commissioner
18 and a former Board chair for elections so I am acutely
19 aware that changes to both voter registration and elections
20 fall mainly to the counties.

21 SECRETARY AICHELE: They do.

22 REP. OBERLANDER: And over the past few years,
23 we've heard much discussion about early voting and why
24 doesn't the Commonwealth do that.

25 SECRETARY AICHELE: Right.

1 REP. OBERLANDER: Can you give us an idea of the
2 feasibility of early voting in the Commonwealth?

3 SECRETARY AICHELE: Yes.

4 REP. OBERLANDER: And what that might potentially
5 cost our counties both financially and operationally?

6 SECRETARY AICHELE: I can.

7 REP. OBERLANDER: Thank you.

8 SECRETARY AICHELE: As you know, counties bear
9 the cost of election day activities.

10 REP. OBERLANDER: Yes.

11 SECRETARY AICHELE: And across the State of
12 Pennsylvania, a one-day election costs \$20 million. So if
13 you were to, say, sanction five days of early voting across
14 Pennsylvania at all of the established polling places, it
15 would cost you an extra \$100 million.

16 REP. OBERLANDER: Okay.

17 SECRETARY AICHELE: Similarly -- you can relate
18 to this -- you have to secure the buildings. Oftentimes
19 we're having difficulty getting polling places located in
20 public school buildings because there are school boards
21 that don't want the public in the building while the kids
22 are in the building. You have to secure five poll workers
23 for each polling place. All the same issues that are
24 addressed on a single polling day would be multiplied.

25 REP. OBERLANDER: Okay.

1 SECRETARY AICHELE: I think you could pass
2 legislation that would maybe limit the number of polling
3 places that would be open early. But you would still have
4 the logistical issues of establishing a polling place,
5 letting people know where they're supposed -- if you're not
6 opening -- I think there are 235 polling places in Chester
7 County. If you're only opening 125, you'd have to let the
8 voters know which polling places were open and which were
9 not.

10 REP. OBERLANDER: Okay.

11 SECRETARY AICHELE: I'm not saying it can't be
12 done. But I don't think it would be easy. And I think it
13 would be expensive.

14 REP. OBERLANDER: It certainly would have its
15 challenges in addition to its cost.

16 SECRETARY AICHELE: Yes.

17 REP. OBERLANDER: I certainly appreciate your
18 answer. Thank you very much.

19 SECRETARY AICHELE: You're welcome.

20 REP. OBERLANDER: Thank you, Mr. Chairman.

21 MAJORITY CHAIRMAN ADOLPH: Thank you,
22 Representative.

23 Representative Santarsiero.

24 REP. SANTARSIERO: Thank you, Mr. Chairman.

25 I'm over here, Madam Secretary.

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SECRETARY AICHELE: Okay.

REP. SANTARSIERO: Welcome.

SECRETARY AICHELE: Thank you.

REP. SANTARSIERO: Following up on what Representative Oberlander was just asking you, just to be clear, as you said, if, in fact, we were to do early voting however many days -- let's take the five-day example you threw out.

SECRETARY AICHELE: I just picked that out of the air.

REP. SANTARSIERO: Why don't we stick with that just for the point of the exercise.

SECRETARY AICHELE: Sure.

REP. SANTARSIERO: If we were to do that and go to, say, a single voting place within a municipality or maybe two voting places within a municipality, that would presumably cut down substantially on that \$20 million per day cost, would it not?

SECRETARY AICHELE: Correct.

REP. SANTARSIERO: Okay. And do you happen to know whether the states that have enacted early voting do that kind of approach?

SECRETARY AICHELE: I think there's a mix.

REP. SANTARSIERO: Okay.

SECRETARY AICHELE: I don't think there are any

1 states that open all polling places for early voting.

2 REP. SANTARSIERO: Okay.

3 SECRETARY AICHELE: But we can certainly get you
4 the information. There's been a lot of research done on
5 that.

6 REP. SANTARSIERO: Yes. I'd like to see that.

7 SECRETARY AICHELE: Sure.

8 REP. SANTARSIERO: Obviously, the cost benefit
9 analysis here is, on the one hand, the cost, right? On the
10 other hand, what does it do to increase actual voter
11 turnout?

12 SECRETARY AICHELE: I think that's a good
13 question.

14 REP. SANTARSIERO: Yes.

15 SECRETARY AICHELE: If there is a higher voter
16 turnout. If there's a demonstrably higher voter turnout
17 with an early voting process.

18 REP. SANTARSIERO: Right. Right. And that would
19 be helpful for us in terms of looking at any legislation
20 down the road.

21 SECRETARY AICHELE: Sure.

22 REP. SANTARSIERO: I appreciate that.

23 SECRETARY AICHELE: Sure.

24 REP. SANTARSIERO: Along the same lines, am I to
25 understand that regardless of turnout, those \$20 million

1 numbers that you threw out a moment ago, that pertains to
2 any election that we have in the Commonwealth?

3 SECRETARY AICHELE: Yes.

4 REP. SANTARSIERO: So even in the very low
5 turnout election years, let's say the municipal election
6 years, those odd number years, we're spending at least \$40
7 million for primary and general elections in those years?

8 SECRETARY AICHELE: You are correct.

9 REP. SANTARSIERO: Okay. And I assume if there
10 is a special election that's being held, that increases
11 that cost, correct?

12 SECRETARY AICHELE: Yes.

13 REP. SANTARSIERO: Okay. Would it be possible
14 for you just in the last five years to get us a summary of
15 the additional costs incurred in special elections?

16 SECRETARY AICHELE: I think we could.

17 REP. SANTARSIERO: That would be terrific if you
18 could do that.

19 SECRETARY AICHELE: I think we can.

20 REP. SANTARSIERO: That would be great.

21 SECRETARY AICHELE: Sure.

22 REP. SANTARSIERO: Thank you.

23 SECRETARY AICHELE: Sure.

24 REP. SANTARSIERO: Going back just briefly to the
25 line of questions that Chairman Metcalfe had been asking

1 you previously.

2 SECRETARY AICHELE: Okay.

3 REP. SANTARSIERO: Those issues that you cited
4 about registration, the anomalies that may exist for a
5 variety of reasons that you did a very good job of
6 explaining, any of those anomalies, to your knowledge, the
7 result of massive fraud?

8 SECRETARY AICHELE: No. We have only the
9 statistics that we pull off the SURE system.

10 REP. SANTARSIERO: Okay.

11 SECRETARY AICHELE: There's been no investigation
12 into any of it.

13 REP. SANTARSIERO: Okay. So you're not aware of
14 any instance of registration fraud in these cases?

15 SECRETARY AICHELE: No. If we were, we would
16 have reported it.

17 REP. SANTARSIERO: Okay. That's great.

18 SECRETARY AICHELE: We would have reported it.

19 REP. SANTARSIERO: Thank you very much.

20 SECRETARY AICHELE: You're welcome,
21 Representative.

22 REP. SANTARSIERO: Thank you, Mr. Chairman.

23 MAJORITY CHAIRMAN ADOLPH: Thank you,
24 Representative.

25 Representative Gary Day.

1 REP. DAY: Thank you, Mr. Chairman.

2 Thank you for your answers so far today. I
3 appreciate the information that you've brought for us and
4 answers you have provided.

5 SECRETARY AICHELE: Thank you.

6 REP. DAY: The Governor's proposed budget
7 includes about \$5 million for the publishing of three joint
8 resolutions proposing to amend the Pennsylvania
9 Constitution.

10 SECRETARY AICHELE: Yes.

11 REP. DAY: I'm trying to understand. I think
12 each one, the cost for this, each one could be between 1
13 million and 1.5 million?

14 SECRETARY AICHELE: This is a good question.

15 REP. DAY: Okay.

16 SECRETARY AICHELE: And let me just say what
17 we're doing is bundling three together.

18 REP. DAY: Okay.

19 SECRETARY AICHELE: And we get a better deal if
20 you bundle three.

21 REP. DAY: Okay.

22 SECRETARY AICHELE: But the wording needs to be
23 short enough so that you can fit it all on one page in a
24 newspaper. That's the most efficient way to do it.

25 REP. DAY: Okay.

1 SECRETARY AICHELE: So the less words, the
2 better, in this exercise at least in terms of dollars and
3 cents.

4 REP. DAY: Okay.

5 SECRETARY AICHELE: So it's not as if it's -- you
6 buy by the inch in a newspaper. We're trying to get it on
7 one page. If it goes more than one page, it costs more.

8 REP. DAY: So you're putting all three, the
9 publication -- that was really the core of my question.

10 SECRETARY AICHELE: Okay.

11 REP. DAY: The publication cost, I was trying to
12 understand. So you can either answer individually or in
13 the joint way that you're doing this.

14 SECRETARY AICHELE: Okay.

15 REP. DAY: If it's \$5.3 million and you have
16 three, how much of that is publication cost?

17 SECRETARY AICHELE: All of it.

18 REP. DAY: All of it is?

19 SECRETARY AICHELE: All of it.

20 REP. DAY: Okay. All right. There's no other?

21 SECRETARY AICHELE: Page setup. But that's done
22 by the newspapers. And I didn't know this but apparently
23 pages in newspapers are not all the same size.

24 REP. DAY: Okay.

25 SECRETARY AICHELE: So depending on what size

1 newspaper it is. Is it general circulation? And then that
2 figures out how much fits on the page.

3 REP. DAY: And then do we look at the entire
4 Commonwealth of Pennsylvania and determine which newspapers
5 we have to advertise in to cover the whole Commonwealth?

6 SECRETARY AICHELE: We've already done that.

7 REP. DAY: Okay.

8 SECRETARY AICHELE: We've already done that. We
9 can give you the list of the newspapers that will be
10 advertising.

11 REP. DAY: Okay.

12 SECRETARY AICHELE: They have to be two
13 newspapers of general circulation in each of the 67
14 counties.

15 REP. DAY: Okay.

16 SECRETARY AICHELE: And apparently there's some
17 way you determine what is a newspaper of general
18 circulation.

19 REP. DAY: So in order to change the constitution
20 of Pennsylvania, we're bundling three, right?

21 SECRETARY AICHELE: Right.

22 REP. DAY: But it's going to be -- I have 5.3.

23 SECRETARY AICHELE: Right.

24 REP. DAY: So I'm going to add you to the list of
25 people that I'm sending my legislation to that will save

1 the Commonwealth \$25 million minimum.

2 SECRETARY AICHELE: Okay.

3 REP. DAY: One other question.

4 SECRETARY AICHELE: Sure.

5 REP. DAY: You had mentioned in your comments
6 about benefit corporations.

7 SECRETARY AICHELE: Yes.

8 REP. DAY: Could you explain? Could you maybe
9 just expand on that a little bit more? What is the value
10 to a benefit corporation? The creation of the ability to
11 have a benefit corporation, what is the difference in
12 having that entity in Pennsylvania than just being a
13 non-profit or the traditional wildlands conservancy or
14 local educational foundation?

15 SECRETARY AICHELE: These are corporations for
16 profit where you answer to the stockholders. And if the
17 Board of Directors chooses to have a philanthropic
18 exercise, for instance, supporting a food bank or cleaning
19 up the environment, they can't be sued by their
20 stockholders for misuse of their role as -- this is my -- a
21 layperson -- it protects corporations who use profits for a
22 specific public service report --

23 REP. DAY: Other than direct --

24 SECRETARY AICHELE: -- by their stockholders.

25 REP. DAY: Other than direct stockholder value,

1 right?

2 SECRETARY AICHELE: Right.

3 REP. DAY: It's indirect?

4 SECRETARY AICHELE: Right. If I'm not correct on
5 that, I'm sure some lawyer in this room will correct me.
6 But that's the gist.

7 REP. DAY: Okay. I just noticed that you had
8 mentioned it here. I didn't know. So these corporations
9 are not all for the benefit component, right?

10 SECRETARY AICHELE: Right.

11 REP. DAY: They're still returning profits back
12 to their stockholders?

13 SECRETARY AICHELE: Yes. Right.

14 REP. DAY: Thank you for your answers. I
15 appreciate it.

16 SECRETARY AICHELE: You're welcome,
17 Representative.

18 REP. DAY: Thank you, Mr. Chairman.

19 MAJORITY CHAIRMAN ADOLPH: Thank you,
20 Representative.

21 Madam Secretary, this is the first year that
22 those that are trying to get their name on the ballot are
23 circulating petitions that they have received online,
24 barcoded, a smaller size, which I thoroughly agree with.

25 SECRETARY AICHELE: Yes.

1 MAJORITY CHAIRMAN ADOLPH: It helps the clipboard
2 tremendously.

3 SECRETARY AICHELE: Thank you.

4 MAJORITY CHAIRMAN ADOLPH: What are the -- any
5 early wrinkles with starting this new program?

6 SECRETARY AICHELE: You know, we have not had any
7 early wrinkles.

8 MAJORITY CHAIRMAN ADOLPH: Okay.

9 SECRETARY AICHELE: And the genesis of this
10 exercise came in 2012 when the Commonwealth Court was
11 swamped with ballot challenges. And remember it went on
12 and on and on into late March before they were able to
13 clear their record?

14 MAJORITY CHAIRMAN ADOLPH: Yes.

15 SECRETARY AICHELE: And the Commonwealth Court
16 Judges got together and made a series of suggestions.

17 MAJORITY CHAIRMAN ADOLPH: Right.

18 SECRETARY AICHELE: And one of their suggestions
19 was that we move to a regular letter-sized petition and
20 make it so that they're readable to the extent that you can
21 read a petition. And part of it is the preamble to the
22 petition, because it was -- people don't have typewriters
23 anymore. So they were writing it in the top and you
24 couldn't read what they were saying.

25 MAJORITY CHAIRMAN ADOLPH: Okay.

1 SECRETARY AICHELE: The online creation of a
2 petition now can be generated in a typewritten form so that
3 it's readable. And it's set up so that the scanners --
4 there are little boxes in each of the corners. So that's
5 exactly the way the machine scans so that the petitions are
6 available to the public in realtime.

7 MAJORITY CHAIRMAN ADOLPH: Okay.

8 SECRETARY AICHELE: Within an hour after you file
9 your petition, you can look it up online.

10 MAJORITY CHAIRMAN ADOLPH: Okay.

11 SECRETARY AICHELE: So it's working well. We
12 have 2,100 petitions that have been generated online.

13 MAJORITY CHAIRMAN ADOLPH: Okay.

14 SECRETARY AICHELE: Of course, not all of those
15 will be filed because it's a difference between generating
16 the petition and getting the 100 signatures. So we expect
17 between 1,000 and 1,500 petitions to be filed at the
18 Department of State.

19 MAJORITY CHAIRMAN ADOLPH: Okay.

20 SECRETARY AICHELE: And we have filed, I think,
21 20 as of today.

22 MAJORITY CHAIRMAN ADOLPH: Okay.

23 SECRETARY AICHELE: And it has gone flawlessly.

24 MAJORITY CHAIRMAN ADOLPH: Great.

25 SECRETARY AICHELE: The people who are not using

1 the computer-generated petition are still able to do it the
2 way they have done it forever in Pennsylvania.

3 MAJORITY CHAIRMAN ADOLPH: Okay.

4 SECRETARY AICHELE: The difference is when you
5 walk in the door, a clerk is there to data enter your
6 preamble to your petition so that your information is
7 barcoded, too.

8 MAJORITY CHAIRMAN ADOLPH: I think phasing in the
9 process was a smart decision.

10 SECRETARY AICHELE: Yes.

11 MAJORITY CHAIRMAN ADOLPH: And I'm hoping that
12 the process in the long run will be more efficient and cost
13 saving.

14 SECRETARY AICHELE: So do we.

15 MAJORITY CHAIRMAN ADOLPH: Yes. Well, thank you
16 very much.

17 SECRETARY AICHELE: Thank you.

18 MAJORITY CHAIRMAN ADOLPH: Well, Madam Secretary,
19 I want to thank you for being here today.

20 SECRETARY AICHELE: Thank you for having me.

21 MAJORITY CHAIRMAN ADOLPH: And thank you for your
22 service to the Commonwealth of Pennsylvania.

23 SECRETARY AICHELE: My pleasure.

24 MAJORITY CHAIRMAN ADOLPH: I look forward to
25 working with you and your staff in finalizing your budget

1 for the year 2014.

2 SECRETARY AICHELE: Thank you very much. And we
3 will get the information that you requested back to you.

4 MAJORITY CHAIRMAN ADOLPH: Thank you.

5 SECRETARY AICHELE: And we'll get you any other
6 information you may need.

7 MAJORITY CHAIRMAN ADOLPH: Okay. Thank you.

8 SECRETARY AICHELE: You're welcome.

9 MAJORITY CHAIRMAN ADOLPH: For the members'
10 information, the Chair has moved the next hearing up to
11 3:20. We'll reconvene at 3:20 with the Insurance
12 Commissioner.

13 Thank you.

14 (The hearing concluded at 3:15 p.m.)

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I hereby certify that the proceedings and
evidence are contained fully and accurately in the notes
taken by me on the within proceedings and that this is a
correct transcript of the same.

Jean M. Davis
Notary Public