



February 2, 2018

Department of Elections Proposed Budget: Fiscal Year 2018–19 and Fiscal Year 2019–20

Introduction

The San Francisco Department of Elections (Department) conducts all public federal, state, district, and municipal elections in a manner that is free, fair, and functional.

The Department is responsible for conducting elections under the rules and regulations established by federal, state, and local laws – notably, the Voting Rights Act, the Help America Vote Act, the Americans with Disabilities Act, and the City’s Language Access Ordinance; maintaining an open process that inspires public confidence in the election system; providing and improving upon a public outreach and education plan to engage eligible potential voters in San Francisco; and continuing to improve its services by streamlining processes and anticipating the future needs of San Francisco voters.

Presently, the Department serves nearly 475,000 registered voters, of whom nearly 284,000 permanently vote by mail and 8,000 are designated as military or overseas voters. For each federal, state, and local election, the Department facilitates the filing of candidate nomination papers, ballot measures, and the ballot arguments that appear in the Voter Information Pamphlet; produces and delivers voting materials, including San Francisco’s official and sample ballots and Voter Information Pamphlet, in English, Chinese, Spanish, and Filipino; provides voter education and services to registered voters and potential registrants; administers the vote-by-mail program; facilitates early voting, starting 29 days before every election; secures and organizes approximately 580 polling places to administer voting on Election Day; recruits and trains nearly 3,000 poll workers to perform mandated procedures and serve a linguistically and culturally diverse voter population; organizes the collection of ballots and election results data on Election Night; provides for ballot tabulation and reporting of election results; and conducts the official canvass of votes cast to ensure the accuracy and validity of election results.

Following is an overview of the Department’s proposed budget for FY2018-19 and FY2019-20. The overview is intended to facilitate review of the enclosed packet required for this year’s budget submission and is organized according to the topics listed below:

1. Budget Process
2. Operating Budget and Revenue
 - 2.1. Fixed Operating Costs
 - 2.1.1 Voting system
 - 2.1.2 Remote accessible voting system
 - 2.2. Variable Operating Costs
 - 2.3. Interdepartmental Services
 - 2.4. Revenue
3. Budget Forms
4. Conclusion

1. Budget Process

The Department's budget process follows the City's budget cycle, which starts in December, when the Mayor's Office and the Controller's Office issue budget instructions and forms to all City departments. Pursuant to these instructions, by February 21, 2018, the Department must provide the required documents to the Mayor's Office of Public Policy and Finance and the Controller's Office and enter the budget proposal into the City's budget system.

The Controller's Office consolidates all proposed department budgets for review by the Mayor's Office of Public Policy and Finance. From March through June, the Mayor's Office analyzes and refines the departments' budgets. The Mayor presents the budget proposal for Enterprise departments on May 1 and for all other City departments, including the Department of Elections, on June 1. After the Board of Supervisors Budget and Finance Committee holds public hearings and makes recommendations on the departmental budget proposals, the entire budget is heard, voted on, and approved by the full Board by August 1. Finally, the budget returns to the Mayor for final approval and passage. Once the Annual Appropriation Ordinance—which provides the legal authority for the City to spend funds during the fiscal year—is adopted, the departments are responsible for executing their budgets.

2. Operating Budget and Revenue

The Department's proposed FY2018-19 and FY2019-20 budget contemplates the funding necessary for fixed and variable operating expenses for services and programs associated with the three elections scheduled during the budget period: the November 6, 2018, Consolidated General Election; the November 5, 2019, Municipal Election; and the March 3, 2020, Consolidated Presidential Primary Election.

The proposed budget also reflects revenue the Department expects to receive from candidate filing fees and paid ballot argument fees in both FY2018-19 and FY2019-20, and revenue recoveries from the Retirement System, San Francisco Community College District, San Francisco Unified School District, and Bay Area Rapid Transit District, which will hold elections in FY2018-19.

Table 1 below provides a snapshot of the Department's proposed operating budget, including projected expenditures and revenue, and the resulting General Fund support needed to conduct the Department's operations.

Table 1: Snapshot of the Department's proposed operating budget

	FY2018-19	FY2019-20
Total Expenditures	\$18,467,466	\$23,201,368
Total Revenue & Recovery	(\$885,465)	(\$105,402)
Total General Fund Support	\$17,582,001	\$23,095,966

2.1 Fixed Operating Costs

Among the fixed operating costs budgeted in FY2018-19 and FY2019-20 that are not associated with a specific election are those related to salaries and fringe benefits of permanent staff; leasing Pier 31 for warehouse operations; contractual

obligations for the use of the Election Information Management System (EIMS) and the Agilis vote-by-mail ballot-sorting system; voting system costs; office expenses; vehicle fleet and equipment maintenance; etc.

Generally, the Department's fixed operating costs undergo minimal changes from one fiscal year to the next, other than annual increases assumed in the established contracts. However, this year's budget submission includes increases in fixed operating costs in both FY2018-19 and FY2019-20 totaling \$2,036,404 and \$894,144 respectively. The increases are largely due to costs associated with leasing or renting a new voting system and costs resulting from a contract to provide a remote accessible vote-by-mail system, as required under recently enacted state election law. These items are described below.

2.1.1 New voting system

The City's contract with its current voting system vendor —Dominion Voting Systems, Inc.—expires in December 2018. While the City is assessing the feasibility of its options to develop a highly accessible, open source voting system for future use, the Department has begun the process of securing a voting system to enable the Department to conduct federal, state, and local elections until such a system can be developed and certified for use by the California Secretary of State.

In February 2018, the Department issued a Request for Proposals to lease or rent new voting equipment rather than purchasing new equipment outright. Entering a lease agreement with the selected vendor will eliminate the need for a large expenditure to purchase voting equipment and allow the time flexibility needed for the City to develop an open source voting system. Accordingly, the Department's fixed operating expenses in both FY2018-19 and FY2019-20 are augmented to absorb the cost of the lease agreement as an ongoing expense. The estimated cost to lease a new voting system is \$2 million annually. The Department will revise this estimate, as necessary, upon completing a procurement process within the timeline below.

The Department expects to receive vendors' proposals in February 2018 and begin evaluating them and hosting public demonstration of voting systems under consideration. The Department plans to conclude evaluations and enter negotiations with the selected vendor in April 2018, and to secure a lease agreement in FY2017-18. Once an agreement is in place, the Department will begin preparing for implementation of the voting system in time for the November 2019 election.

First, the Department will conduct a robust, comprehensive voter education campaign throughout 2019, including demonstrations at community venues; educating the public through radio, newspapers, public service announcements, media interviews, social media, press releases; and developing printed educational materials to facilitate the transition. The Department will actively solicit engagement in the implementation from various stakeholders, including organizations serving language minorities, disability rights advocacy organizations, community organizations, and City agencies, etc.

Second, the Department plans an inclusive process to develop polling place procedures and training materials. Besides training internal staff to use the new voting system and soliciting ideas from them, the Department will seek input on proposed training materials from veteran poll workers and organizations serving language minorities.

Third, the Department will incorporate the voting system implementation into the relocation of the Department's warehouse from Pier 48 to Pier 31 in early 2019. The implementation schedule will allow the Department to plan appropriate storage and work flow to maximize efficiency within the new warehouse. Additionally, the Department will need to tag all new equipment in order to use its RFID (Radio Frequency Identification) asset-tracking system, and test the equipment tracking at various stages.

2.1.2 Remote accessible vote-by-mail system

State election law now requires SB 450 counties to provide a remote accessible vote-by-mail system to voters with disabilities or who serve in the military or live overseas. Voters can use such a system to access and mark their ballot in a screen-readable format from any computer with internet access. To ensure security of voters' selections, the system does not store or transmit votes over the internet. After marking a ballot, a voter must print and return it to the Department of Elections for counting. When the Department receives the ballot, the voter's selections will be transferred onto a paper ballot to be tabulated by the voting equipment.

The Department will implement this system and is in the final stages of entering a contract with Democracy Live, whose remote accessible vote-by-mail system was certified in 2017 by the California Secretary of State.

2.2 Variable Operating Costs

The Department's variable costs, including expenditures and revenues, are largely dependent on the number and type of elections held in a fiscal year (e.g., statewide general, statewide primary, or local). These costs are affected by many factors that are difficult to anticipate in the budget, such as the impact of new election laws and regulations; public interest in a scheduled election; the number of candidates and measures appearing on the ballot, which determines the length of the ballot and the Voter Information Pamphlet; and voter turnout, which determines the number of ballots the Department must process. Additionally, factors related to the ever-changing electorate (i.e., increases in the number of registered voters or those who vote by mail, new language requirements, etc.) contribute to changes in the Department's processes, by requiring expansion of programs and services and new technologies to support these changes.

This year's budget submission includes increases in variable operating costs in FY2018-19 and FY2019-20, totaling \$1,186,727 and \$4,088,690, respectively. The major factor for increases in the base budget is the number of scheduled elections the Department must conduct. Other factors are discussed below.

The variable costs contemplated in FY2018-19 and FY2019-20 include expenses associated with ballot production, including printing and assembly of vote-by-mail ballots; production and translation of the Voter Information Pamphlet; postage for vote-by-mail ballots and Voter Information Pamphlets, return postage for vote-by-mail ballots; publication of legal notices; polling place rental and supplies; poll worker and polling place provider stipends; drayage of equipment and supplies to and from polling places; seasonal employee salaries and overtime; fleet needed to provide troubleshooting support to polling places and facilitate ballot pick-up by Sheriff's deputies on Election Day; and other miscellaneous expenses. These expenses were calculated for each fiscal year based on an analysis of several factors that include:

- The number and type of scheduled elections;
- Voter turnout data from similar prior elections, as well as the total projected number of registered poll and vote-by-mail voters by language preference prior to the date of the scheduled election;
- Expected ballot content—the offices appearing on the ballot, length of ballot, number of ballot types or styles—and Voter Information Pamphlet content—candidate statements, ballot measures and arguments, page count, number of printed copies for each mandated language;
- The expected number of polling places to be secured and the number of poll workers to be recruited and trained;
- The outreach program to be administered in the months preceding the scheduled election.

In FY2018-19, there is one scheduled election – the November 6, 2018, Consolidated General Election. The Department expects the election to be notable in its workload and complexity, including a likely uptick in voter registration, increased public interest and media attention; a long ballot with state and local ballot measures and candidate races; and a Voter Information Pamphlet with a high page count. Accordingly, the Department’s projections include staffing ratios and various vendor services (e.g., for ballot printing, assembly and mailing of vote-by-mail ballot packets, production and distribution of the Voter Information Pamphlet, translation services to provide materials in Chinese, Spanish, and Filipino) commensurate with the projected workload and complexity of this election.

Also, as described in section 2.1.1, in FY2018-19, the Department will realize additional one-time expenses associated with production of materials related to the new voting system, including polling place materials and voter outreach materials, and a citywide outreach campaign to educate voters about the new voting system.

In FY2019-20, there are two scheduled elections – the November 5, 2019, Municipal Election and the March 3, 2020, Consolidated Presidential Primary Election.

For the November 2019 election, the Department will consolidate polling places to reduce some operating costs, such as poll worker stipends, polling place fees, costs for Parking and Traffic officers to retrieve ballots, Sheriff’s security costs and some non-personnel expenses (e.g., vehicle rentals, supplies). In accordance with state election law, the consolidation of polling places is allowed only for municipal elections; thus, the Department will return to the full allotment of voting precincts for the March 2020 election.

For the March primary, the Department anticipates a high number of candidates and propositions on the ballot, coupled with projected high voter turnout. It will be the first election conducted under a new schedule resulting from the passage of Senate Bill (SB) 568, which moved the presidential and non-presidential statewide primary elections from June to March. The Department expects that an earlier primary election date will result in an uptick in voter interest in the election and higher voter turnout. Accordingly, the Department’s budget includes a higher level of temporary salaries, overtime, professional services, printing, postage and interdepartmental services than an average election would require.

2.3 Interdepartmental Services

The Department maintains 19 interdepartmental service accounts with other City departments. 18 of these are with departments that provide services to Elections; the other is with the Retirement System, for which the Department performs election services. These service accounts take two forms: citywide interdepartmental services that are centrally loaded by the Mayor’s Office and which contribute to the Department’s fixed operating costs, and interdepartmental services specific to the Department, for which the funding fluctuates based on the factors described in section 2.2. Variable Operating Costs.

Among the centrally loaded interdepartmental services are pass-through charges that the Department of Technology incurs on behalf of the Department; Public Utilities Commission’s costs for light, heat, and power; General Services Agency’s costs associated with maintaining the City’s Risk Management Program; costs associated with the City’s 311 customer service call center under the General Services Agency; costs incurred by Central Shops for maintaining the Department’s fleet; etc.

The interdepartmental services that involve election-related services and therefore fluctuate depending on the type and number of scheduled elections include the Reproduction and Mail Services Division’s costs for printing and reproduction of mailer and

other election materials; costs associated with ballot security and collection services provided by the Sheriff's Department; costs incurred by the Department of Parking and Traffic during Election Night collection of memory packs and results cartridges; costs of the services provided by SFGTV related to outreach video production; etc.

When budgeting for interdepartmental services, the Department consults the performing departments to ensure the costs of their services are estimated accurately.

2.4 Revenue

The Department's projected expenses will be partially offset by its projected revenue, decreasing the General Fund contribution to the Department. During each election cycle, the Department generates revenue primarily through candidate filing and statement fees and fees associated with submission of paid ballot arguments, all of which are imposed by state or local laws. In even-numbered years, when the San Francisco Unified School District (SFUSD), Community College District (CCD), and Bay Area Rapid Transit District (BART) consolidate their elections with the November general election, the Department realizes additional revenue from these districts for administering their elections. Therefore, the Department's revenue will fluctuate from FY2018-19 to FY2019-20, with significantly higher revenue recoveries in FY2018-19.

3. Budget Forms

As in previous years, the Mayor's Office requests that departments complete a number of forms providing information about their proposed budgets. The forms that are applicable to the Department's budget submission are indicated in bold. Enclosed with this document, the forms contain information related to the Department's proposed budget for FY2018-19 and FY2019-20 and are discussed in this section.

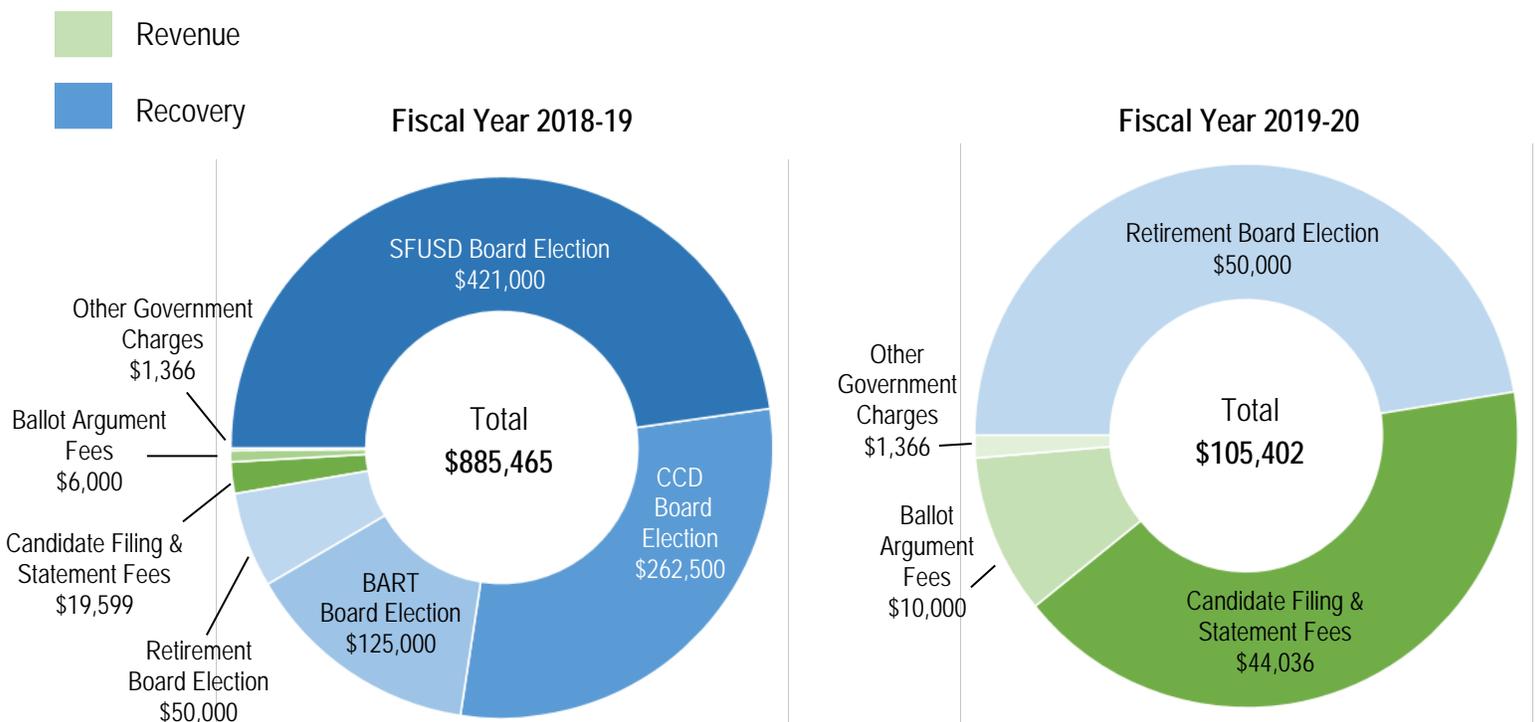
- Form 1A - Summary of Major Changes Reflected in the Department's Proposed Budget
- **Form 2A - Department Revenue Report**
- **Form 2B - Schedule of Licenses, Permits, Fines and Service Charges**
- Form 2C - Fee Cost Recovery Form
- **Form 2D - Local Legislative Changes Assumed in Budget Submission**
- **Form 3A - Division Expenditure Report**
- Form 3B - Interdepartmental Services Balancing Report
- **Form 3C - Position Changes**
- **Form 4 - Equipment and Fleet**
- Form 5 - COIT Project Request Form
- Form 6 - Capital Budget Request Form (submitted online)
- **Form 7A - Major Contract Changes (Non-ICT)**
- **Form 7B - Major Contract Changes - Enterprise IT and Telecom Contracts**
- Form 8A - 8J - Several forms to seek new codes for PeopleSoft financial system
- **Prop J - Several forms for proposals to contract out services**

Form 2A - Department Revenue Report reflects the projected revenue to be received by the Department in FY2018-19 and FY2019-20 through collection of candidate filing and statement fees, fees associated with submission of paid ballot arguments, and district election reimbursements. As provided in the budget instructions, this form also lists the actual

revenue collected by the Department in FY2016-17, along with the revenue previously budgeted to be received in FY2017-18 and changes in revenue over the course of four fiscal years, FY2016-17, FY2017-18, FY2018-19, and FY2019-20.

Form 2B - Schedule of Licenses, Permits, Fines and Service Charges provides a breakdown of projected revenue and recoveries to be received by the Department in FY2018-19 and FY2019-20, accompanied by fee descriptions, amounts, and authorizing code citations. The form also includes revenue and recoveries previously budgeted for FY2017-18, as well as the Department's FY2017-18 year-end projections. Figure 1 below illustrates the Department's projected revenue, recoveries and associated sources.

Figure 1: Total Projected Revenue and Recoveries by Main Source



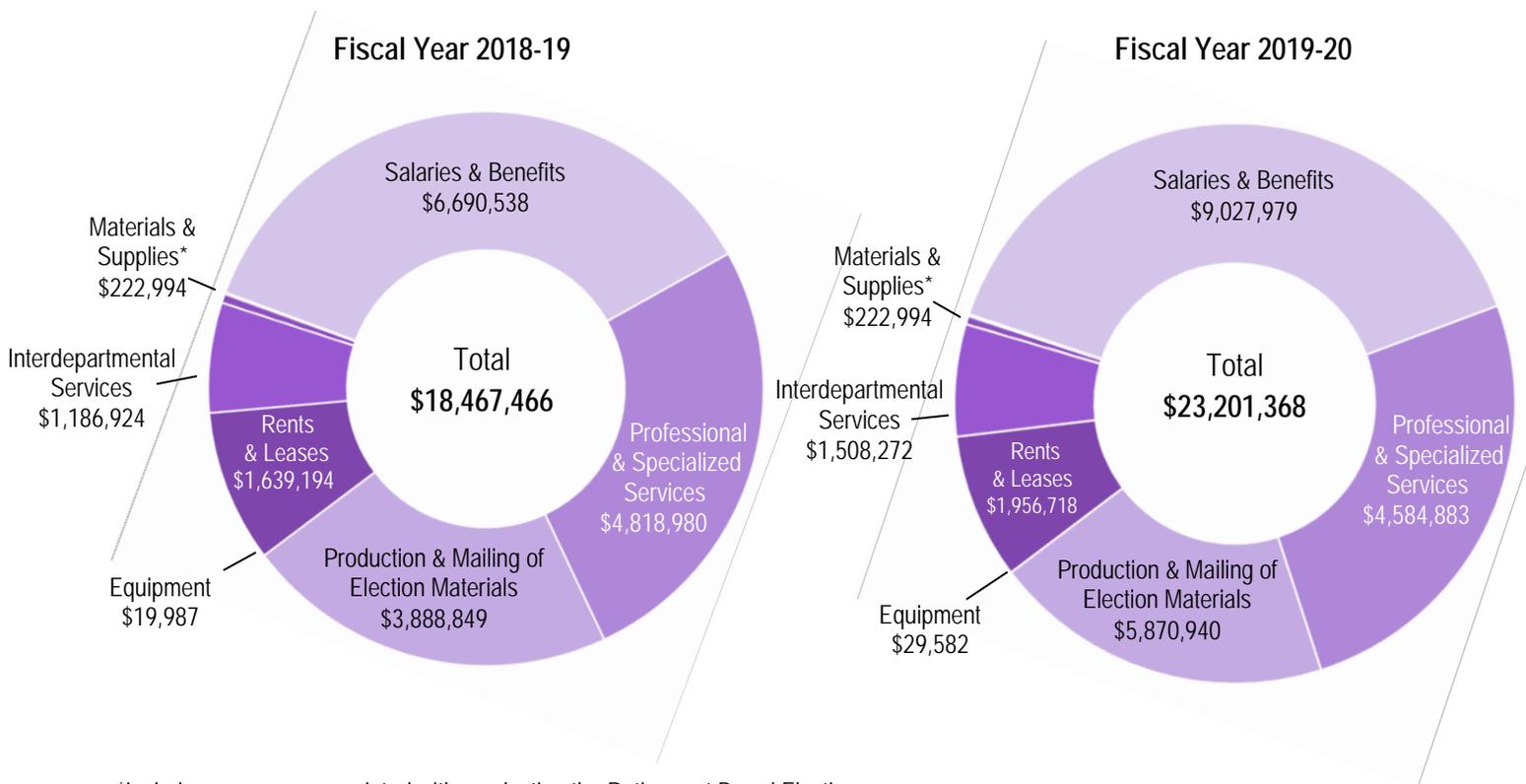
Form 2D - Local Legislative Changes Assumed in Budget Submission provides information on local and state legislative changes assumed in the Department's budget submission.

Form 3A - Program Expenditure Report provides information on the Department's projected expenditures for FY2018-19 and FY2019-20 (Columns K and N), with an explanation of each projected change (Columns L, O, and P) compared to the base budget (Column J). The base budget, the funds provided to the Department at the start of each budget period, is derived from the previous year's adopted budget (Column I).

Expenditures in the Department's Operating Budget fall into six major categories: Salaries and Benefits, Contracts and Other Services, Rents and Leases, Materials and Supplies, Production and Mailing of Election Materials, Equipment

Purchases, and Work Orders with City Departments. Figure 2 below illustrates the Department's projected expenditures associated with each category.

Figure 2: Total Projected Expenditures



*Includes expenses associated with conducting the Retirement Board Election

The projected expenditures listed on the form are presented in accordance with the City's Chart of Accounts. As such, they are organized into account codes, which indicate what type of expenditure is included. The following is a subset of Expenditures and Interdepartmental account codes present in the Department's budget, accompanied by descriptions of programs/goods/services funded in each account.

Permanent Salaries (Account 501010)

This object includes funding allocated to salaries of existing permanent positions authorized under the Annual Salary Ordinance and position substitutions sought in the budget.

Temporary Salaries (Account 505010)

This object includes funding allocated to salaries associated with seasonal as-needed positions. Every election, the Department fills as-needed positions with seasonal personnel for periods ranging from one day to four months, to assist the year-round staff with a variety of functions. Some examples include assisting with candidate filings, maintaining voter rolls, preparation of ballots and supplies, poll worker recruitment and training, securing of polling places, providing support to polling places on Election Day, processing voted ballots, conducting post-election canvass, etc. In addition, bilingual seasonal employees are hired to assist the Department in providing services in Chinese, Spanish, and Filipino for voters

with limited proficiency in English. These services include voter outreach, and proofing and editing printed materials, including the Voter Information Pamphlet and all versions of the official ballot in paper, touchscreen and audio formats.

Premium Pay (Account 509010)

This account includes funding allocated to compensation of employees who provide bilingual services to the Department's customers.

Overtime Pay and Holiday Pay (Accounts 511010 and 501070)

These accounts include the Department's projections for the overtime and work on legal holidays that will likely be required from permanent and temporary staff to meet statutory deadlines for the three scheduled elections.

Retirement, Social Security, Health Service, Dental Coverage, Unemployment Insurance, Other Fringe Benefits (Accounts 513010 - 519990)

These accounts include costs of mandatory fringe benefits based on the position detail and amounts in salary objects, which are calculated automatically by the budget system.

Travel, Training, Employee Expenses and Fees (Accounts 521010 - 526990)

The Department's projections in these accounts include costs associated with staff attendance of workshops and seminars for educational purposes; staff reimbursement for field expenses; and membership fees for the California Association of Clerks and Election Officials (CACEO).

Professional and Specialized Services (Accounts 527100 - 527990)

The Department's projections in these accounts include expenses related to the Election Information Management System (EIMS) database, the City's voting system, the remote accessible vote-by-mail system, and the Agilis ballot-sorting system. The projections also include costs associated with other services required to facilitate voting for over half a million San Francisco registrants in each election, such as:

- translation, transliteration, and review related to production of the official ballot in four languages and facsimile ballots in three additional languages;
- production and assembly of nearly 350,000 vote-by-mail packets;
- typesetting, translation, printing, and assembly of approximately 540,000 copies of the Voter Information Pamphlet and Sample Ballot, produced in four languages and several alternative formats (large print, audio, HTML and XML formats);
- stipends for over 2,500 poll workers who administer voting at the polls;
- staffing agency fees for personnel who assist with the receipt of ballots at the Processing Center on Election Night; and
- contracting with LanguageLine Solutions, which allows year-round access to over-the-phone interpretation of over 200 languages to assist voters.

Maintenance Services – Buildings and Structures; Equipment (Accounts 528010- 529990)

The Department's projections in these accounts include expenses associated with the shredding and recycling of ballots and other election-related materials as required by state law, monthly trash disposal at the Department's warehouse, and annual inspection of fire extinguishers.

Rents and Leases – Buildings and Structures (Accounts 530100 - 530510)

The Department's projections in these accounts include fees associated with space rental for outreach events; contracting more than 550 facilities to house polling places; parking to accommodate nearly 250 rental vehicles used on Election Day; warehouse rental, and rental of alternative space during election week when parking around the Department's warehouse becomes unavailable.

Rents and Leases – Equipment (Accounts 531210 - 531990)

The Department's projections in these accounts include rental fees associated with forklifts and pallet jacks for staging equipment and supplies prior to delivery to polling places; rental of nearly 250 vehicles, from small cars to box trucks, to transport voting machines and ballots; and rental fees for portable toilets provided at polling places on Election Day.

Other Current Expenses (Accounts 535210 - 535990)

These accounts include expenses primarily associated with printing of election materials, such as the official ballots; poll worker training materials; voter educational materials; posters to advertise election information in or on Muni busses, BART stations, and newspapers; various envelopes to preserve secrecy of the ballots; polling place signage; and rosters of voters. These accounts also includes funding for postage to mail mandated voter notices and the projected 300,000 vote-by-mail packets and 500,000 Voter Information Pamphlets in every election cycle, and to allow voters to return their vote-by-mail ballots free of charge, as required by San Francisco law. Additionally, the projections in this object include funding for publication of legal notices, software licensing fees, and server support.

Taxes; Licenses and Permits (Account 552210)

The Department's projections in this account include annual fees associated with the USPS permits that are maintained to facilitate mailing and receipt of vote-by-mail ballots and other election materials. The projections also include permit fees paid to the Department of Public Works associated with placing of portable toilets at polling places on Election Day.

Building and Construction Supplies, Safety, Food, and Other Materials and Supplies (Accounts 542210 - 549510)

The Department's projections in these accounts include costs associated with polling place, office, IT, and hardware supplies. The requested funding reflects the anticipated need to replace or replenish supplies, such as ballot test decks needed for Logic & Accuracy testing of voting equipment; boxes for post-election ballot storage; shrink-wrap used to secure ballots during the retention period; threshold mats and ramps used to achieve polling place accessibility; power strips and adapters for voting equipment; voting booth repairs; mandated tamper-evident security seals for voting equipment; ballot pens; "I Voted" stickers and required poll worker name badges; and office paper.

The projections also include expenses associated with hosting of various meetings such as the Ballot Simplification Committee, Poll Worker Network, Voter Information Network, and Voting Accessibility Advisory Committee meetings.

Equipment Lease/Purchase (Account 564990)

Projections under this account are for the purchase of new or replacement equipment that support the department's operations. The City defines equipment as items that are \$5,000 or more and have a useful life of three years or more. Details of the Department's request can be found below under Form 4.

Interdepartmental Service Requests with City Departments (Accounts 581160 – 581067, and Account 486640)

The projections in these accounts include expenses associated with 19 interdepartmental service accounts that the Department maintains with other City departments.

Form 3C - Position Changes is used to indicate any changes associated with the staffing structure of the Department. The Department does not propose changes to the number of budgeted positions but requests several substitutions to properly align classifications of the positions with the nature of work performed by the positions.

Form 4 - Equipment and Fleet is used to seek approval of new or replacement equipment. The Department is requesting funding in FY2018-19 for the purchase of one server, and in FY2019-20 the purchase of one production scanner and two servers.

The Department is requesting approval of \$10,005 in FY2018-19 to fund the purchase of a replacement server. A Dell Power Edge R730 Rack Server will replace the current Active Directory server that has been in use for over 10 years. This server controls user access within the Department and as a DHCP and DNS server.

The Department is requesting approval of \$29,582 in FY2019-20 for replacement of a scanner and servers, which are reaching its useful life.

\$9,572 is allocated to purchase a Canon DR-G1130 Production Document Scanner, which is necessary to scan voter registration forms and associated voter correspondence to attach to voter records in the Election Information Management System (EIMS). \$20,010 is allocated to purchase two Dell Power Edge R730 Rack Servers to replace the Election Information Management Systems (EIMS) database and application servers. This purchase aligns with the City's disaster recovery goals by ensuring availability of replacement hardware for servers running mission critical applications.

Form 7A - Major Contract Changes (Non-ICT) and Form 7B - Major Contract Changes – Enterprise IT and Telecom Contracts provide information about all contracts assumed in the Department's budget.

Prop J - Several forms are used for proposals to contract out services. During last year's budget cycle, the Department received approval to contract out the services associated with the assembly and mailing of vote-by-mail ballot packets for the November 2018 election; therefore, this information is not included in the current budget submission. The Department now seeks to contract out the same services for the November 2019 and March 2020 elections. The comparative cost analysis for contracting out the services versus performing the same services with City resources is presented on the Prop J form of the enclosed budget packet. 1

4. Conclusion

The Department of Elections' proposed FY2018-19 and FY2019-20 budget reflects the Department's efforts to maximize the reach and effectiveness of its resources while continuously improving the level and quality of its services to meet the needs of all current and potential San Francisco voters and other members of the public.

¹ The City Charter requires that all needed services be performed by Civil Service employees instead of being outsourced to contractors, unless an exception can be justified. Proposition J, approved by voters in November 1976, authorizes outside contracting whenever a service can be performed by a private contractor at a cost lower than the same service performed by City employees. City departments must submit contracting-out information to the Controller's Office. The Controller's determination is submitted to the Board of Supervisors for review and approval along with adoption of the Annual Appropriation Ordinance. The Department has contracted out the assembly and preparation of vote-by-mail ballot packets under Prop J since FY2007-08.

The Department continues to exercise responsible budgeting and fiscal discipline and to seek added efficiencies whenever possible. This is especially important in light of the diverse and ever-changing San Francisco electorate and the constantly-evolving nature of election administration. With every election, there is a raising of the bar: new regulations and requirements intended to increase voter engagement and participation go into effect, and the Department's continual refinement of San Francisco election processes raises the public's expectations of the service standard the Department must provide for the next election. These constant efforts to better serve and improve access for all potential voters result in an ongoing need for expansion of programs and services, more advanced technology, more detailed training, and more efforts to educate and encourage voters to participate, all of which drive up the costs of conducting elections.

Consistent General Fund support remains a crucial factor in the Department's ability to meet the goals set under its mission. The Department believes that the proposed FY2018-19 and FY2019-20 budget provides the resources needed to support the Department's programs and services associated with the three scheduled elections encompassed by the budget period.