



January 29, 2021

Department of Elections' Budget Proposals: Fiscal Years 2021-22 and 2022-23

Introduction

The mission of the Department of Elections (Department) is to administer San Francisco's public elections in a manner that is free, fair, and functional while providing fully equitable, barrier-free access to election-related services. To accomplish its mission, the Department must comply with applicable federal, state, and local elections law, including the Voting Rights Act, the Help America Vote Act, the Americans with Disabilities Act, and the City's Language Access Ordinance.

In addition, as part of an ongoing effort to inspire public confidence and increase voter turnout in communities across San Francisco, the Department maintains transparency in all of its processes, develops public outreach and education programs designed to engage both voters and potential registrants, incorporates public feedback into its outreach, registration, and voting services programs, and continually seeks new ways to streamline procedures and anticipate the future needs of San Franciscans.

Serving a current base of over 500,000 registered voters, the Department:

- Facilitates the filing of local candidate nomination papers and ballot measures;
- Produces San Francisco's official and facsimile ballots and its Voter Information Pamphlet;
- Offers educational and outreach services, programs, and materials throughout the City;
- Administers a vote-by-mail program for nearly 390,000 locally residing voters who prefer to vote by mail;
- Administers a vote-by-mail program for approximately 11,000 military and overseas voters;
- Secures and prepares nearly 600 accessible neighborhood polling places for each election;
- Recruits and trains approximately 2,500 poll workers to serve a linguistically and culturally diverse voter population;
- Offers early voting programs beginning 29 days before each Election Day;
- Organizes the collection of ballots and election results data from polling places on Election Night;
- Provides vote count tabulation and election results reports to the public following Election Day; and
- Conducts an Official Canvass of all votes cast to verify the accuracy and validity of all election results.

Every January, the Department prepares budget proposals for the next two fiscal years (FYs), detailing expected fixed costs and variable operating expenses as well as any anticipated revenue or revenue recoveries.

This memorandum is intended to provide information on the Department's budget proposals for FY 2021-22 and FY 2022-23 and is organized as follows:

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A. Budget Cycle and Submission Process

As do most City departments, the Department of Elections operates on a rolling two-year budget. Consequently, these budget proposals contain proposed amendments to the FY 2021-22 budget, which was reviewed and approved last year, as well as a proposed budget for FY 2022-23.

The Department prepared its budget proposals for both FY 2021-22 and FY 2022-23 using the directions and forms jointly issued by the Mayor's Office of Public Policy and Finance and the Controller's Office on January 7, 2021. These proposals have also been drafted with Mayor Breed's instructions "to prioritize identifying funding core City services that demonstrate meaningful and equitable outcomes and that will support San Francisco's recovery from COVID-19" and to balance the City's budget, in mind.

In accordance with San Francisco Administrative Code (SFAC) §§3.3(b) and (c), to facilitate public input on budget priorities, the Department will present its budget proposals in two public meetings. This year's meetings are scheduled for February 2 and February 17, 2021.

The Department must submit its final FY 2021-22 and FY 2022-23 budget proposals to the Mayor's Office and the Controller's Office no later than February 21, 2021.

Following submission of the departments' budget proposals, the Mayor's office will have until June 1, 2021 to review the proposals and then submit a proposed balanced citywide budget to the Board of Supervisors (Board).

Then, in June and July, the Board's Budget and Finance Committee will hold department hearings and make recommendations on proposed budgets. Finally, the Board will return a citywide budget to the Mayor for approval and passage by August 1, 2021. Only after this last step can the Department implement its budget.

B. Department of Elections' Budget Priorities

1. Elections Landscape

In light of a projected budget shortfall of approximately \$653.2 million over the next two fiscal years, the Mayor directed all departments to 1) propose ongoing reductions equal to 7.5% of Adjusted General Fund Support, with an additional 2.5% in contingency reductions; and 2) prioritize core services and present clear tradeoffs when presenting proposed reductions. While compiling the budget proposals, the Department worked diligently to find effective and cost-efficient ways to maintain its core programs while improving access to election services for all San Francisco voters and potential registrants. Consequently, although these budget proposals include funding for the expansion of certain services and programs, the Department was nevertheless able to meet the Mayor's target budget reductions.

These proposals also reflect the Mayor's directive to focus on serving San Francisco's most vulnerable populations and the Department's corresponding commitment to embedding principles of equity into both its internal and external programs. These proposals show that, over the next two fiscal years, the Department will continue to work to find new ways to protect the voting rights of the City's communities of color and other vulnerable populations, to further expand its voter education programs, and to strengthen its outreach partnerships with local community leaders. With similar goals in mind, these proposals show that

the Department intends to continue cultivating an internal culture of inclusion and belonging for all of its employees by providing racial equity trainings and expanding its recruitment strategies to diversify candidate pools.

In addition to including fixed operating costs, the Department's proposals for FY 2021-22 and FY 2022-23 contemplate the variable revenues, revenue recoveries, and expenditures the Department expects to incur as a result of conducting the two elections scheduled in this budget cycle: the June 7, 2022, Statewide Direct Primary Election and the November 8, 2022, Consolidated General Election, as well as District elections. The proposals also contemplate expenditures expected to result from the Department's involvement in San Francisco's redistricting and reprecincting projects, which, per local law, must follow the release of 2020 federal decennial census data.

As in all years, the Department's budget proposals for FY 2021-22 and FY 2022-23 are informed by a large number of federal, state, and local laws which require the Department to provide certain services, follow certain procedures, develop certain materials, and maintain certain technologies. Although the budget proposals assume various expenditures reflective of the current law, the Department recognizes the possibility that a few significant changes may be made to the current legal and regulatory landscapes, impacting the Department's budget.

Some of the most critical upcoming legislative changes include 1) potential adoption of the Voter's Choice Act elections model in future San Francisco elections, which would require the Department to replace neighborhood polling places with centralized vote centers and mail ballots to all registered San Francisco voters; 2) potential passage of Assembly Bill 37, which would mandate the mailing of ballots to all registered voters in California, and 3) potential introduction of new minority languages for San Francisco following the release of 2020 federal decennial census data, which would require the Department to provide most of its materials and services in those additional languages. Following the passage of any major election-related legislation, the Department would need to amend its budget proposals to accurately reflect operational and staffing expenditures.

2. Vital Voter Services

As part of its mission to conduct free, fair, and functional elections in San Francisco, the Department's budget proposals for the next two fiscal years include funding necessary to maintain convenient and equitable election services for all potential and existing registrants, including San Franciscans living in the City's most vulnerable communities or residing in neighborhoods with below City average voter turnout. Many such services are associated with a) the vote-by-mail program, b) the early voting program, and c) the operation of the City's polling places on Election Day, each of which is described below.

a. Vote-by-Mail Program

To maintain safe access to essential voter services during the COVID-19 pandemic, several temporary state and local legislative mandates (local *Ordinance No. 200400*, Governor's *Executive Order N-64-20*, and *Assembly Bill 860*) went into effect for the November 3, 2020 election, mandating universal ballot mailing and universal access to Accessible Vote-by-Mail (AVBM) systems (which had been limited to voters with disabilities, voters serving in the military, and voters living overseas). Assuming these changes will not be made permanent by the state legislature before the City's next two scheduled election cycles begin, San Francisco voters will once again need to request vote-by-mail ballots, and the use of AVBM system will once again be restricted to voters with disabilities, voters serving in the military, and voters living overseas.

While a reversion of the law regarding vote-by-mail ballot mailing and AVBM usage is likely to result in a reduction in printing, assembly and mailing costs for the June 2022 and November 2022 elections, relative to those incurred during the November 3, 2020 election, it will also necessitate an increase in voter outreach and education costs. More specifically, assuming the temporary provisions allowing universal ballot mailing and AVBM access are not made permanent, the Department will need to send multilingual mailings and digital notices prior to the June 2022 election reminding San Francisco voters that vote-by-mail ballots will only be sent on request and that the AVBM system will once again be restricted to voters with disabilities, voters serving in the military, and voters living overseas. (Voters whose registration records include a preference for receiving vote-by-mail ballots in all elections will continue to receive ballots in the mail). To mitigate the potential confusion caused by alternating between automatically ballot mailing and on-request ballot mailing, the Department's budget proposals include funding for additional outreach strategies to inform voters about their voting options in the upcoming elections.

These budget proposals also contemplate costs necessary to continue the Department's vote-by-mail drop-off program, which was expanded during the November 3, 2020 election to provide voters with additional convenient options to return their vote-by-mail ballots. Under this program, the Department will organize ballot drop-off stations in each of the City's Supervisorial districts, beginning the weekend prior to Election Day, as well as provide curbside drop-off stations outside City Hall during the entire 29-day voting period. The Department believes that maintaining an expanded ballot drop-off program in the upcoming elections will provide a convenient service to the City's growing population of vote-by-mail voters in a manner that promotes equity and access.

Other costs associated with the vote-by-mail program, which are assumed in the Department's budget proposals, include those for developing accessible, multilingual vote-by-mail materials and informational resources; assembling and mailing vote-by-mail packets to local voters who prefer to vote by mail; processing vote-by-mail ballot applications and maintaining voter records; maintaining an online ballot tracking system (separate from the SOS system); processing and counting voted ballots in a timely manner; and facilitating an outreach program for voters whose ballots are challenged due to any curable defect such as a lack of signature.

b. Early Voting Program

While the November 3, 2020 election broke vote-by-mail turnout records across the country, many San Franciscans still took advantage of the City's early in-person services; these services include conditional (late) registration, provisional voting, accessible ballot marking equipment, distribution of translated materials, personal and language assistance, and ballot return. The Department believes that maintaining early voting services in San Francisco is thus critical to maintaining equity and conducting fair elections.

For many years, the Department has operated an early voting center outside of its office in City Hall; for the November 2019 and March 2020 elections, the Department expanded this early in-person voting model by operating one and two satellite voting centers, respectively, as well. However, public health concerns required the Department to limit early in-person voting for the November 3, 2020 election to a single outdoor site located in front of Bill Graham Civic Auditorium. The expanded layout of this voting facility allowed the Department to serve a large volume of in-person voters while protecting the health and safety of both elections staff and voting center visitors.

The budget proposals assume the Department will no longer need to process in-person voters in a large outdoor setting, and will instead resume operating its main voting center at City Hall. (Such a reversion to the traditional approach would result in

significant cost savings that could be used instead to fund early voting operations at several smaller voting centers.) Accordingly, the budget proposals include funding to operate three satellite voting centers for upcoming elections. The Department believes that distributing voting centers across the City would make early in-person voting both more convenient and more equitable, and would particularly benefit voters residing relatively far away from City Hall who need conditional (late) registration, provisional voting, accessible ballot marking equipment, personal and language assistance, or curbside voting services.

c. In-Person Services at Polling Places

In accordance with state law, the Department will need to maintain one polling place for every 1,000 registered voters (totaling approximately 588 citywide) in upcoming elections unless San Francisco transitions to the Voter's Choice Act elections model. This geographic density provides San Francisco residents the opportunity to receive election-related services within a few blocks from their homes. Assuming the City does not make a transition to VCA model elections in the near future, the Department's budget must include the costs of maintaining a full range of multilingual and accessible services at all of the City's polling places. However, as part of its effort to reduce election costs overall, the budget proposals include savings the Department anticipates capturing as a result of improved efficiencies in poll worker recruitment, training, and placement strategies.

3. Accessible and Equitable Voter Outreach

As part of its operating expenses, budget proposals for the next two fiscal years include funding necessary to continue supporting the Department's accessible and equitable voter education and outreach programs. The Department's current outreach strategies utilize a wide array of multilingual, barrier-free media as well as presentations in venues across the City, all of which are designed to encourage eligible residents to register to vote, learn about their voting options, and participate in the upcoming elections. As it has done in recent years, the Department seeks funding for several outreach partnership grants in its budget proposals.

Over the next two years, the Department plans to continue expanding outreach programs developed specifically for members of the City's communities of color, voters who are elderly, voters living in neighborhoods with turnout below the City average, voters who prefer to speak languages other than English, voters with disabilities, and voters who are unhoused or housing insecure. Outreach strategies developed with such populations in mind include direct and indirect distribution of digital and print materials, official mail notifications, placement of news and radio advertisements, and broadcasting of public service announcements, all available in translated and accessible formats. The Department will also continue to provide outreach to San Francisco's first-time voters and facilitate voter preregistration of 16- and 17-year-through youth engagement programs such as the High School Student Poll Worker and Student Ambassador programs.

As part of its ongoing commitment to voting rights equity in the City, the Department will prioritize the needs of San Francisco's communities of color when developing its voter outreach, education, and election-related programs. In addition to expanding its direct efforts to reach voters and potential registrants in San Francisco's most diverse neighborhoods, the Department plans to continue collaborating with a number of community-based organizations that specialize in providing services to specific communities of color. Consistent with its recently developed Racial Equity Action Plan, the Department also intends to continue working with a number of nonprofit organizations who are particularly well-poised to assist in disseminating

essential election information – such as how to find language and accessibility resources, how and when to register to vote, and how and when to vote by mail or in person – using community-specific outreach strategies.

a. Outreach to San Franciscans on Parole

In the November 3, 2020 election, California voters approved Proposition 17, which amended the state Constitution to allow otherwise eligible residents who are on parole to register to vote. To notify San Francisco voters about this change to state voting eligibility requirements, the Department plans to incorporate focused messaging into various mailings, education, and outreach. For example, approximately one month before every election, the Department sends Voter Information Pamphlets to all registered voters and official mailers to all households in San Francisco advertising the date of the upcoming election and highlighting key election information; these materials will be adapted to include prominent notices that residents on parole are now eligible to register and vote in California. The Department will also update its “evergreen” materials and presentations designed for multi-election use to include information about voter registration while on parole.

As with outreach to other vulnerable populations, the Department’s budget proposals include grant funding to partner with community-based organizations who work with San Franciscans currently or formerly involved in the justice system. The Department intends to create and provide digital trainings as well as plain language print materials on topics such as voter registration for newly eligible voters, ways to vote, and general election information, to these outreach grantees. These new resources will also be made available to members of the general public. The Department will also continue to work closely with the Prisoner Legal Services Unit (PLS) of the Sheriff’s Department to administer the Incarcerated Person Voting Program, which provides direct voter education and registration services to City residents currently involved in the justice system.

4. Racial Equity in Internal Policies and Practices

The Department of Elections recognizes that addressing issues of racial equity is a critical component of its fundamental goal of providing fair and accessible registration, voting, and outreach programs to all San Franciscans. The Department also recognizes that addressing racial equity issues faced by voters across the City requires the diligent maintenance of an internal culture of inclusion because a workforce supported by a strong culture of racial equity and inclusion will result in better experiences for all of the voters and potential registrants served. Consequently, the Department’s budget proposals not only reflect the Department’s ongoing commitment to providing equitable services and outreach citywide, but also reflect an increased effort to embed principles of racial equity into its internal programs and policies.

Guided by the Office of Racial Equity’s citywide Racial Equity Framework, the Department drafted and released the first phase of its Racial Equity Action Plan (REAP) in December 2020. This first phase of the REAP outlines the Department’s racial equity goals and describes some concrete actions the Department plans to take in the next two years to advance racial equity in its internal policies and practices. As indicated in the Department’s budget proposals for FY 2021-22 and FY 2022-23, implementing some of the actions in this first phase of the REAP, including, for example, 1) designing an internal Training and Professional Development Program to assist Department employees with professional development, training, and skill building, and 2) developing an Applicant Barriers Assessment (ABA) tool to evaluate any obstacles that hinder the application progress of new applicants or current Department employees, will require additional staff time and supplemental funding.

5. Redistricting and Reprecincting after the Census

The Department's approved budget for FY 2021-22 includes \$175,000 to support the work of the City's Redistricting Task Force, which, per local law, will be charged with redrawing the City's supervisorial district lines. The Department seeks to increase this funding by \$75,000 to fund outreach and advertising strategies to inform residents about the new district lines.

The Department's budget proposals also include funding to support the many actions which the Department will be required to take following the Redistricting Task Force's determination of new local voting districts in April 2022. (For details, see California Elections Code, §§12200-12262, which specify the rules under which each elections official must "divide the jurisdiction into precincts and prepare detail maps or exterior descriptions thereof".)

Although the redrawing of precinct lines will begin in FY 2021-22, the Department expects its staff will need to continue working in the field to physically identify and map the City's new voting district boundaries well into FY 2022-23, which is likely to result in additional human resources costs. The process of redrawing the City's precinct lines within the newly established federal, state, and local voting district lines will also involve significant database work in FY 2022-23, including a rebalancing of the number of voters within new precincts; the redrawing of the GIS shapefile that depicts street segments; the re-assignment of street segments to their new precincts and districts in the Election Information Management System; and the design and printing of new maps depicting the City's new federal, state, and local voting district boundaries and precinct lines. Following the last federal decennial census, the Department hired a ArcGIS cartographic contractor to assist with these tasks. However, to conserve funds in the next budget cycles, the Department plans to complete this work by leveraging the skills of its workforce.

6. Pending Legislative Changes

Following are pending legislative changes that are not reflected in the Department's budget proposals. The passage of any of these legislative changes would significantly impact the Department's operational and staffing expenditures, and necessitate the Department to amend its budget proposals for FY 2021-2022 and FY 2022-23.

a. Voter's Choice Act

On May 19, 2020, the Board of Supervisors (Board) enacted Ordinance No. 200400, adding Article XI, consisting of sections 1101, 1102, and 1103, to the San Francisco Municipal Elections Code (SFMEC), which requires the Department of Elections to submit a report to the Board, as well as to the Elections Commission, "*regarding the potential implementation of the Voter's Choice Act in San Francisco for elections to be held in 2021 and thereafter*" by February 28, 2021. (At the time of this writing, the Department is in the final stages of drafting this report, which includes a detailed budgetary analysis.)

In VCA model elections, county elections officials are required to mail ballots to all registered voters; provide a certain number of vote-by-mail drop-off stations during the early voting period; and replace neighborhood polling places with a certain number of vote centers during the early voting period and up through Election Day. If San Francisco chooses to adopt a VCA elections model, the transition would need to begin approximately 14 months before the first VCA Election Day, that is in April of 2021 for the June 2022 election or in September of 2021 for November 2022 election. Such a transition would bring major changes to how elections are held in the City and would significantly impact the allocation of necessary funding in the Department's budget proposals.

b. California Assembly Bill 37

In June of 2020, Governor Newsom signed Assembly Bill (AB) 860, which required California elections officials to mail ballots to all actively registered voters for the November 3, 2020 election only. As part of an effort to make this change permanent, California Assembly Members introduced AB 37 in December of 2020. *If signed into law, AB 37 would make universal ballot mailing a permanent fixture in California elections and require every California county, whether a VCA model jurisdiction or a traditional polling place model jurisdiction, to mail every active registered voter a ballot automatically for every election.*

Under the current polling place model, the Department mails ballots to approximately 75% of locally registered voters, all of whom have applied to vote by mail permanently. If San Francisco transitions to VCA model elections or if AB 37 passes, the Department would incur additional costs associated with expanding its vote-by-mail program to all actively registered voters. These increased printing, assembly, mailing, and vote-by-mail ballot processing expenditures would be in approximate proportion to the increase in voters who would receive vote-by-mail packets (from about 400,000 mailings to about 520,000) and would need to be reflected in the Department's budget proposals.

c. New Minority Language Determinations

The language minority provisions of the Voting Rights Act (VRA) require certain jurisdictions, including San Francisco, to provide all election materials and services in languages designated by the United States Census Bureau (Census) and the United States Department of Justice (USDOJ), using formulae set out in section 203 of the VRA's 52 USC §10503. Currently, the Department must provide all translated materials in Chinese and Spanish. (The Department also produces materials in Filipino, per the City's Language Access Ordinance, and provides facsimile ballots in Burmese, Japanese, Korean, Thai, and Vietnamese, as required under the state elections law.)

Minority language determinations are updated every five years and the Department expects to receive notification in FY 2021-22 about whether or not the City's list of designated minority languages (Chinese, Spanish) has changed. If one or more additional minority languages are added to the list, the Department would be required to produce materials and provide service in those languages, which would significantly increase the expenses associated with providing language access to City voters. Such new minority language related expenses would affect almost every account in the Department's budget, impacting the costs of translation, printing, mailing, staffing, administration of polling places, etc.

C. Budget Submission Forms

Per the instructions, the Department's proposals for FY 2021-22 (Budget Year 1) and FY 2022-23 (Budget Year 2) include explanations for any changes between revenues or expenditures in Budget Year 2 with parallel items in Budget Year 1.

1. Form 1A, 1B, 1C, and 1D: High Level Summary

Form 1A: Summary of Major Changes in Department's Proposed Budget. This form provides a high-level overview and details the changes submitted in the Department's budget proposals through an equity lens; it includes ten specific requests for information made with the big-picture goal of understanding both positive and negative impacts on equity issues. As noted below, the Department's budget proposals include funding to continue protecting the voting rights of all City residents by delivering core registration and election services to both potential registrants and active voters, and to continue providing outreach programs to vulnerable communities as well as to the general public.

The table below provides a snapshot of the Department's budget proposals:

	FY2021-22	FY2022-23
Total Expenditures	\$ 22,921,627	\$ 23,335,829
Total Revenue & Recovery	\$ 880,472	\$ 519,291
Total General Fund Support	\$ 22,041,155	\$22,816,538

The Department's budget proposals reflect three significant changes, all of which were made in response to the Mayor's directive to fund core City services that demonstrate meaningful and equitable outcomes for its residents:

1. Create a data-driven grant program to provide outreach to San Francisco's most vulnerable and hard to reach communities, with a focus on newly eligible residents involved with the justice system.
2. Expand and distribute voting center and ballot drop-off location infrastructure to encourage voters of color and people living in neighborhoods with voter turnout below the City's average to participate in elections.
3. Provide staff equity training using the City's Racial Equity Framework, and develop a regular staff survey protocol to monitor the Department's progress towards meeting its Phase One equity goals.

If funded, the Department will measure the success of these equity-focused programs by analyzing voter usage of services and evaluating feedback from voters, grant partners, and other interested stakeholders.

Form 1B: Target Efficiency/Reduction Proposal (automatically generated from the budget system). This form shows proposed target efficiency reductions. The Mayor has directed all city department to reflect ongoing target reductions equal to 7.5% in their budget proposals for the next two fiscal years. For the Department of Elections, such reductions correspond to \$504,347 in both FY 2021-22 and FY 2022-23. The Department intends to meet and exceed these target reductions through a combination of reallocating current staffing resources, rebalancing its already approved FY 2021-22 budget, identifying areas of operations in which the introduction of efficiencies would be feasible (e.g., incorporating remote hiring and training strategies, leveraging the skills and experience of the Department's workforce to perform services that were previously contracted out such as translations of election materials, the redrawing of San Francisco's precinct lines, etc.), and aligning its projected expenses more closely with certain anticipated characteristics of upcoming elections such as voter turnout, ballot length, etc.

Form 1C: Department Budget Summary (automatically generated from the budget system). This form shows the Department's Total Budget Historical Comparison.

Form 1D: Inter-Departmental Service (IDS) Detail. This form lists decreases to funding required to maintain inter-departmental service accounts. The Department maintains 17 interdepartmental-service accounts, three of which are expected to have decreases in charges: the General Services Agency (for maintaining the City's Risk Management Program);

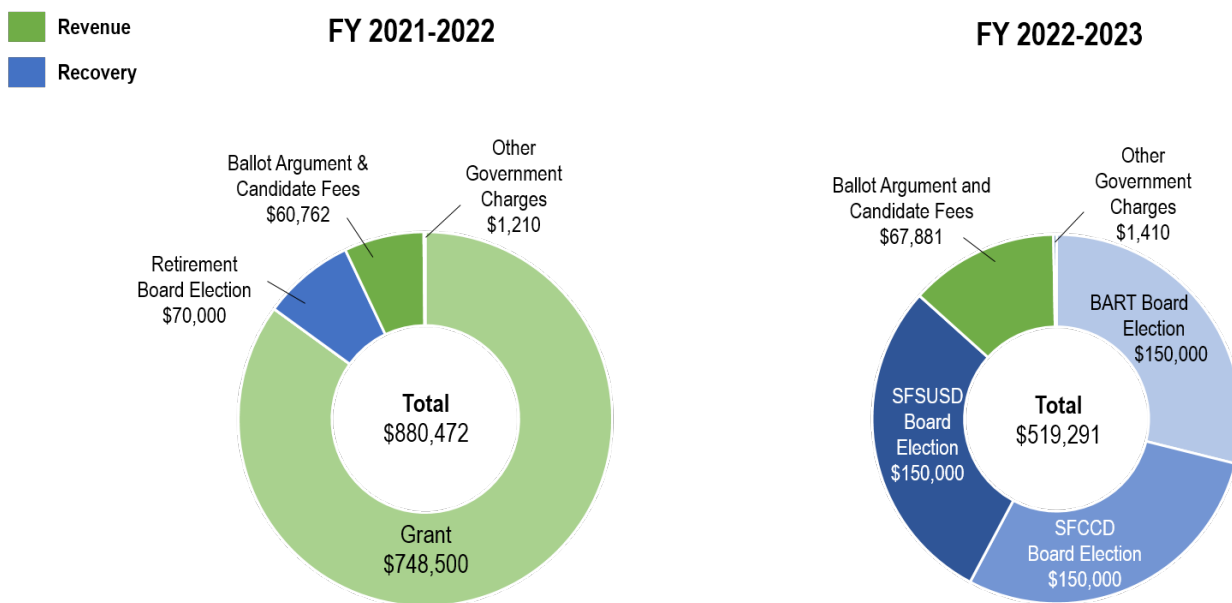
the Central Shops (for maintaining the Department’s fleet), and the Department of Human Resources (for providing services regarding personnel matters). Projected funding for all inter-departmental service accounts is listed on *Form 3A. Expenditures*.

2. Form 2A, 2B, and 2C: Sources: Revenues and Recoveries

The Department’s projected revenue and revenue recoveries in FY 2021-22 total \$880,472 and \$519,291 for FY 2022-23, and reflect revenues the Department expects to receive from the following sources:

1. *Candidate Filing and Paid Ballot Argument Fee Collections.* State and local laws detail fee amounts and the process via which the Department must collect candidate filing and submission of paid ballot argument fees for each election. In estimating these revenues, the Department considered historical filling data in elections similar to those occurring in FY 2021-22 and FY 2022-23.
2. *District and Agency Elections.* Pursuant to state law, the Department may conduct district elections and seek reimbursement to recoup the costs associated with administering such elections. Local districts conduct their scheduled elections in even-numbered years. In FY 2022-23, when the San Francisco Unified School District (SFUSD), Community College District (CCD), and Bay Area Rapid Transit District (BART) will consolidate their elections with the November general election, the Department will realize additional revenue recoveries. In addition, in FY 2021-22, the Department will conduct a Health Service Board election due to a vacancy.
3. *State Grant.* California’s 2019 Budget Act added \$87M in county funding to an original \$134M set aside in the Governor’s 2018-2019 budget for the replacement of voting technology. This law also modified the match requirement and allocated a specific amount to each county, based primarily on each county’s size, number of precincts, and voting equipment needs. The Department expects to receive reimbursement for voting system replacement costs totaling \$1,668,750 in FY 2020-21 and an additional \$748,500 in FY 2021-22. These reimbursements will partially offset the City’s leasing payments to Dominion Voting Systems.

Figure 1 below illustrates the projected revenue and recoveries and associated sources.



Form 2A: Department Revenue Report. This form details any projected revenues and revenue recoveries and notes variances from the approved base amount.

Form 2B: Fees and Fines. This form provides a breakdown of projected fee recoveries, along with fee descriptions, amounts, and relevant code sections, incorporating any fee revenue or recoveries previously budgeted for FY 2020-21, as well as the Department’s FY 2021-22 and FY 2022-23 year-end projections.

Form 2C: Fee Cost Recovery. This form is not applicable, as the Department is not submitting any new or modified fees, fines, or service charges in the budget proposal.

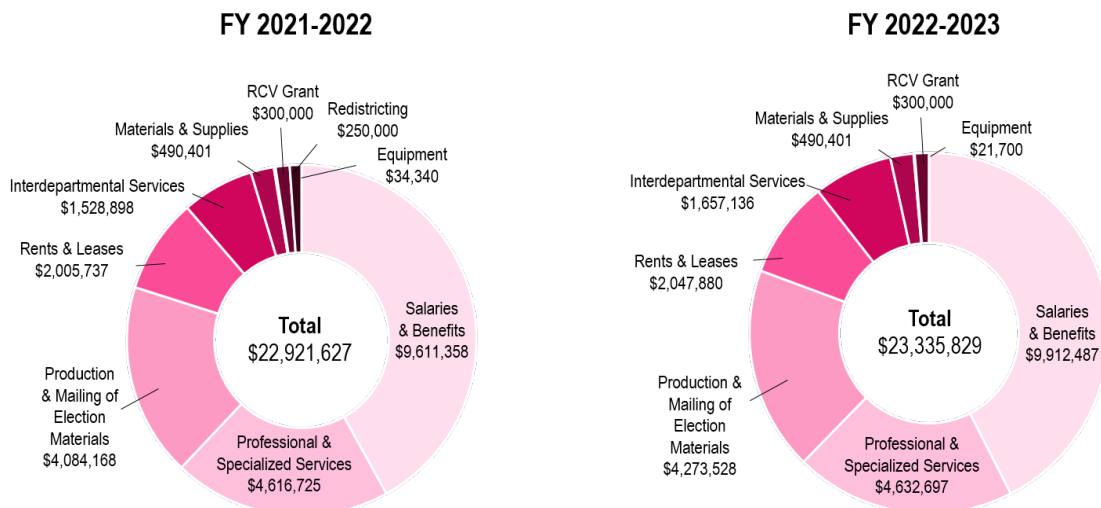
3. Form 3A, 3B, 3C, and 3D: Uses

The Department’s projected expenditures in FY 2021-22 total \$22,921,627 and \$23,335,829 in FY 2022-23, and reflect fixed and variable operating costs.

Among the Department’s fixed operating costs for FY 2021-22 and FY 2022-23 are those related to salaries and benefits of permanent employees; leasing of the Pier 31 warehouse; contractual obligations for the Election Information Management system that stores all voter records, the Agilis ballot-sorting systems for processing vote-by-mail ballots, and in-person voting technology; office expenses; vehicle fleet and equipment maintenance; and related on-going logistical expenses. As a general rule, the Department’s fixed operating costs undergo minimal changes from one fiscal year to the next.

The Department’s variable costs are dependent on the number and type of elections held in each fiscal year (e.g., statewide general, statewide primary, local) and include salaries of temporary employees, printing, mailing, and translation costs, vehicle rental costs, etc. Net variable costs are affected by many fluctuating factors, including the impact of new election laws and regulations; public interest in upcoming elections; the number of candidates and measures expected to appear on a ballot; as well as voter turnout, which determines the number of cast ballots the Department must process. With City elections recurring in four-year cycles, the Department estimates variable costs based on expenditures for parallel costs in recent elections of the same type. These expenditures include, for example, costs associated with ballot production, printing and assembly, as well as those associated with production, translation, and mailing of the Voter Information Pamphlet.

The figure below illustrates the projected expenditures and associated sources.



Form 3A: Expenditure Changes. This form lists increases and decreases in expenditures in both fiscal years along with expenditure accounts as compared to the base budget approved during the last year's budget cycle. Overall, the Department proposes a \$542,522 decrease in its expenditures in FY 2021-22 and a \$157,682 decrease in FY 2022-23.

501010 Perm Salaries-Misc-Regular. The increase in permanent salaries, \$19,900 and \$20,891 in FY 2021-22 and FY 2022-23, respectively, results from proposed substitution of a 1095 IT Operations Support V position, currently approved in the Annual Salary Ordinance, with a 1043 IS Engineer-Senior position, which would better align with the tasks expected to be performed by a person in this position, as explained in greater detail below in *Form 3B. Position Changes*.

505010 Temp Misc Regular Salaries. The increase in temporary salaries, \$536,763 and \$625,924 in FY 2021-22 and FY 2022-23, respectively, results from hiring personnel required to administer registration, voting, and other election-related processes at auxiliary vote centers as well as hiring staff to serve voters at ballot drop-off stations across the City. These temporary field personnel would prepare and organize voting materials such as official ballots, deliver and set up equipment and materials, issue ballots and process voters during the early voting period and on Election Day, and collect ballots, etc.

As discussed above, the Department will also need to hire temporary personnel to assist with the redrawing of precinct lines following the City's redistricting process; this will be done in lieu of hiring an outside contractor.

Projected temporary salaries also reflect 3.5% increases in wages, as negotiated in the current Memoranda of Understanding.

513010-519990 Fringe Benefits. Increases in fringe benefits, totaling \$46,323 and \$52,939, in FY 2021-22 and FY 2022-23, respectively, are proportional to increases in hourly wages and are calculated automatically by the budget system.

522020 Training Costs Paid To Vendors. The Department seeks \$100,000 in both fiscal years to provide training to all staff on racial equity, skill-advancing, and career growth.

524010 Membership Fees. The Departments seeks \$1,200 in each fiscal year to cover costs associated with staff attendance at workshops and seminars; reimbursement for field expenses; and membership fees for the California Association of Clerks and Election Officials (CACEO).

527100 Payments to Poll Workers. The Department proposes a decrease of \$167,580 in both fiscal years to stipends paid to poll workers. This decrease assumes that the Department would no longer need to staff polling places with additional poll workers to maintain health and safety protocols, as was necessary in the November 3, 2020 election. The Department also intends to realize additional cost-efficiencies from a strategic assignment of poll workers to sites.

530310 Misc Facilities Rental. A \$425,135 decrease in FY 2021-22 and \$382,992 decrease in FY 2022-23 results primarily from the Department's plan to lease a smaller space for ballot processing (relative to the large space rented for the November 3, 2020 election inside Bill Graham Civic Auditorium). These anticipated lower lease costs are partially offset by increases in payments under contractual obligations with the Port of San Francisco for the storage of voting equipment and other vital election documents at the Pier 31 warehouse, as well as rental and service costs expected to be incurred during the operation of the Department's three proposed satellite vote centers. In addition, under the new precinct lines in FY 2022-23, the number of polling places may increase, resulting in higher facilities rental costs.

527990 Other Professional Services, 535520 Printing, and 535610 Postage. Decreases in these three accounts totaling \$776,145 and \$570,813 in FY 2021-22 and FY 2022-23, respectively, are attributed to savings the Department will realize from the reversion of the law that mandated universal vote-by-mail ballot mailing to all active registered voters in the November 3, 2020 election. Accordingly, and assuming no change to the relevant law, the Department anticipates realizing decreases in vote-by-mail ballot packet printing, assembly, and mailing. These anticipated decreases are partially offset by the costs of outreach to inform voters about changes to ballot delivery and return options in the upcoming elections.

538000 CBO Services – Budget. As part of its continuing effort to provide comprehensive and inclusive voter education to vulnerable and hard to reach populations, the Department seeks to increase its grant funding by additional \$50,000 in each fiscal year.

560000 Equipment Purchase-Budget. The Department seeks \$34,341 and \$21,700 in FY 2021-22 and FY 2022-23, respectively, to purchase a floor sweeper and two servers; these are described in greater detail below in *Form 4A. New Equipment Requests* and *Form 4B: Fleet Purchases*.

581064–581930 Interdepartmental Services. These accounts detail the costs of services performed for this Department by other departments. Some of these services are fixed and centrally loaded by the Mayor’s Office, such as those from the Department of Technology and the Public Utilities Commission (for light, heat, and power). Others are specific to elections and fluctuate based on the number of scheduled elections in a fiscal year. Variable interdepartmental charges include those incurred for services from the Real Estate Division (for janitorial services at Pier 31 warehouse); the Sheriff’s Department (for ballot security and collection services); and the Municipal Transportation Agency (for Election Night collection of results data).

5279901 Other Professional Services (Redistricting). The Departments seeks an additional \$75,000 as a one-time expense in FY 2021-22 to support the work of the Redistricting Task Force, as described above.

Form 3B: Position Changes. The Department does not propose adding any permanent positions to those already approved under the last year’s Annual Salary Ordinance. The Department does seek to substitute one position: a 1095 IT Operations Support V position, currently approved in the Annual Salary Ordinance, for a 1043 IS Engineer-Senior position, which would result in an increase in permanent salaries totaling \$19,900 in FY 2021-22 and \$20,891 in FY 2022-23.

The proposed substitution is necessary because the duties associated with the current 1095 classification do not encompass the Department IT Manager’s actual responsibilities. While a City employee in a 1095 “unit leader” position is normally only responsible for help desk support functions and overseeing a team’s resolutions of service requests, the Department’s IT Manager is in fact responsible for maintaining the myriad technologies, software, and infrastructure needed to support over 400 personnel in multiple locations, using several proprietary and in-house platforms and applications, while ensuring the Department’s systems meet all cybersecurity requirements and anticipating the ongoing need to adopt new technologies.

As the Department’s lead technology and security officer, the IT Manager coordinates with local, state, and federal government officials, including the Department of Homeland Security, the California Secretary of State’s office, the San Francisco Department of Technology, and other county elections officials. The IT Manager also works to enhance the Department’s cyber-attack prevention capabilities, develops protocols for protecting election infrastructure, voting systems, other sensitive hardware, and confidential voter data, designs cybersecurity trainings and conduct security drills for elections personnel,

assesses, integrates, documents, all while implementing maintenance and upgrades to the hardware and software used by the Department for sensitive and high volume elections-related processes.

Although Form 3B shows an increase in temporary salaries in terms of 4.72 and 5.33 full-time equivalent positions in FY 2021-22 and FY 2022-23, respectively, these positions will not in fact be full-time. These increases result from the hiring of seasonal employees to staff additional vote centers and ballot drop-off stations, and the hiring of temporary staff to perform the work associated with redrawing precinct lines following the Redistricting Task Force's release of new supervisorial district lines.

The increase in fringe benefits costs on Form 3B reflects wage increases in the City's current Memoranda of Understanding.

Form 3C: Layoffs. The Department is not proposing any layoffs.

Form 3D: Contingency Reductions. This form lists proposed contingency plans to meet the ongoing 2.5% required reduction from adjusted base budget in FY 2021-22 and FY 2022-23, should economic conditions continue to worsen. The form also lists the impacts of this potential reduction on the Department's services and programs.

The Department would meet a potential reduction of 2.5% primarily by consolidating some official election mailings; tasking Department staff to complete some of the translation work currently completed by certified translation vendors; replacing the distribution of some printed training and outreach materials with digital copies; eliminating nightly on-call support for ballot-processing equipment; and decreasing the use of vehicle rentals.

These changes would likely result in a reduction in voter contacts resulting from fewer mailed communications; a decrease in the level of review of translated official elections materials; a decrease in the efficiency with which poll workers requesting printed training materials would receive them; potential ballot processing delays due to decreased support provided by the equipment vendor; and delays in completing field work at in-person voting sites due to truncated vehicle rental schedule.

4. Form 4A and 4B: Equipment and Fleet Requests

Form 4A: New Equipment Requests. The Department seeks approval of \$21,700 for the purchase of two servers in each fiscal year. This request is being made because six of the Department's ten servers housing critical election applications have exceeded their lifespans. While the typical industry server lifespan is 5 years, with consistent maintenance, the Department has been able keep its servers in use longer. Replacing two servers per fiscal year would allow the Department to reach its 5-year replacement goal. This purchase thus aligns with the City's disaster recovery goals by ensuring availability of replacement hardware for servers running mission critical applications.

Form 4B: Fleet Purchases. The Department seeks approval of \$12,640 in FY 2021-22 for the purchase of one battery-powered electric floor sweeper to be used at the Department's warehouse and storage facility at Pier 31. Due to the accumulation of dust and debris at Pier 31 from environmental factors, the facility's floor must be regularly swept and cleaned. The purchase of one floor sweeper, which would be operated by Department staff, is expected to offset the current costs of contracting professional cleaning services for the duration of the equipment's lifespan.

5. Prop J Contracting: Reporting Requirements

The Department has received approval to contract out the assembly and mailing of vote-by-mail ballot packets every year since FY 2007-08. During last year's budget cycle, the Department received approval to contract out the same services for the June 2022 election and is now seeking approval for the November 2022 election. In support of its current request, the Department has submitted a comparative cost analysis on the Prop J Contracting: Reporting Requirements form.

6. Organizational Chart

The Department has 39 FTEs approved in the last year's Annual Salary Ordinance; organizational chart included with the budget forms shows both filled and vacant positions.

D. Conclusion

The Department's budget proposals for FY 2021-22 and FY 2022-23 were developed with the goal of striking a careful balance between supporting the City in its efforts to close a projected budget shortfall and continuing to deliver essential elections services to City residents while advancing the Department's strategic goals:

1. Provide fully equitable and accessible registration, outreach, and voting services to all eligible San Francisco residents.
2. Strengthen collaboration with community-based organizations and city agencies to provide meaningful voter education.
3. Incorporate the impact of racial equity and vulnerable population issues into service, staffing, and budget decisions.
4. Support the City's Redistricting Task Force, and then update voter rolls and align precinct lines with new district lines.

Recognizing both the current economic environment and the need to address equity concerns while providing essential registration and voting services, the goal of these budget proposals is to retain the delivery of high levels of service to San Francisco residents using prudent and cost-efficient strategies. The Department therefore worked diligently to effectively reallocate its current resources, identify new processing efficiencies, and realign services to meet target reductions while protecting the voting rights of all San Franciscans, particularly those in marginalized communities.

These budget proposals reflect the Department's ongoing efforts to maximize the effectiveness of City resources while improving all elections-related services. Over the next two years, the Department will continue to exercise fiscal discipline and to find or create added efficiencies whenever possible. Only with stable support from the General Fund can the Department continue to accomplish its mission to conduct free, fair, and functional elections in the City and County of San Francisco.