



February 9, 2022

Department of Elections' Budget Proposals: Fiscal Years 2022-23 and 2023-24

Introduction

The mission of the Department of Elections (Department) is to provide equitable access to voting and election-related services and to conduct free, fair, and functional elections for the City and County of San Francisco. In upholding its mission, the Department must comply with all applicable federal, state, and local law, including the minority language provisions of the Voting Rights Act of 1965, the accessible voting provisions of the Americans with Disabilities Act of 1990, and the general provisions of the Uniformed and Overseas Citizens Absentee Voting Act of 1986, the Help America Vote Act of 2002, the California Elections Code, the San Francisco Municipal Elections Code, and Chapter XIII of the City Charter.

The Department continuously works to ensure that every eligible San Franciscan has access to safe, barrier-free registration and voting options and to improve both its internal and public-facing programs with the goals of making them ever more efficient and responsive to the needs of San Francisco's communities. In addition, as part of an ongoing effort to inspire public confidence in the electoral process and encourage voter participation, the Department maintains transparency in all of its operations, incorporating public feedback into its programs and services and working collaboratively with local partners to find new ways to engage voters in San Francisco's elections. Serving a current base of over 500,000 registered voters, the Department:

- Facilitates the filing of local candidate nomination papers, ballot measures, and ballot arguments;
- Produces San Francisco's official ballots and voter information guides in multiple languages and formats;
- Offers voter education and outreach to registered voters and potential registrants throughout the City;
- Administers a universal (automatic) vote-by-mail program for over 500,000 locally registered voters;
- Facilitates registration and voting in local Board of Education elections for eligible non-citizens;
- Secures and operates accessible neighborhood polling places for each election;
- Recruits and trains poll workers to serve a linguistically and culturally diverse voter population;
- Offers early in-person voting opportunities beginning 29 days before each election;
- 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 after Election Day; and
- Conducts a canvass (audit) of all votes cast to verify the validity of election results before certification.

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 2022-23 and FY 2023-24 and is organized as follows:

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A. Budget Submission Process

As do most City departments, the Department of Elections operates on a rolling two-year budget. This year's budget proposals therefore contain proposed amendments to the FY 2022-23 budget, which was approved last year, as well as a new proposed budget for FY 2023-24. Per San Francisco Administrative Code (SFAC) §3.3, the Department will present its budget proposals in two public meetings, currently scheduled for January 28, 2022 and February 14, 2022.

The Department will submit its FY 2022-23 and FY 2023-24 budget proposals to the Mayor's Office and the Controller's Office no later than February 22, 2022 using the directions and forms jointly issued by the Mayor's Office of Public Policy and Finance and the Controller's Office on December 21, 2021.

Next, the Mayor's Office will review departmentally-submitted budget proposals in the context of proposing a citywide budget to the Board of Supervisors (Board) by June 1, 2022. 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 have until July 29, 2022 to adopt the two-year citywide budget. Only after this last step can the Department implement its budget.

B. Key Budget Considerations

Citywide Balance. The Joint Report Update to the City's Five-Year Financial Plan projects a \$26.2 million General Fund surplus for FY 2022-23 and a \$81.9 million surplus for FY 2023-24, a combined two-year surplus of \$108.1 million. This surplus is the result of overall revenue growth, record returns in the City's pension system, as well as citywide constraints on major new costs over the last two budget cycles. Although the current budget outlook alleviates the need to propose cuts to FY 2022-23 and FY 2023-24 budgets, the Mayor's Office has instructed all departments to maintain balanced budgets and to avoid requesting increases in General Fund support, aiming to improve core service delivery without adding net new costs.

Citywide Priorities. While compiling its FY 2022-23 and FY 2023-24 budget proposals, the Department worked diligently to reflect Mayor Breed's current citywide priorities: (1) restoring vibrancy to San Francisco, including improved public safety and street conditions; (2) recovery of the local economy; (3) reprioritization of funding to improve core service delivery; and (4) accountability and equity in delivery of programs, services, and spending as well as find effective ways to maintain core programs while expanding access to election services and programs for all San Francisco voters and potential registrants.

Although the City continues to face challenges stemming from the COVID-19 pandemic, the Department has remained committed to fulfilling its mission to conduct free, fair, and functional elections. Going forward, as San Francisco recovers, these budget proposals show the Department's commitment to continuing to fulfill its mission and to maintain a high level of public service through all of the elections scheduled over the next two fiscal years, namely, the November 8, 2022 Consolidated General Election, the November 7, 2023 Municipal Election, and the March 5, 2024 Consolidated Presidential Primary.

Legal Requirements. As with all of its budget proposals, the Department's FY 2022-23 and FY 2023-24 budget proposals are informed by the provisions of a large number of federal, state, and local statutes which require the Department to provide certain services, follow certain procedures, develop certain materials, and use certain technologies. The most significant such law, passed in 2021, was Assembly Bill (AB) 37, which made permanent the temporary rule mandating universal ballot mailing. AB 37 also required California elections officials to make their remote accessible vote-by-mail systems available to all registered voters, extended the period in which VBM ballots could be accepted, and mandated new VBM ballot drop-off infrastructure within specific criteria. Each of these changes will impact the Department's budget going forward.

Poll Worker Stipend. Despite the fact that every registered voter will now automatically receive a vote-by-mail ballot packet in all future elections, it will continue to be important for the Department to provide convenient, multilingual, and accessible in-person voting services to San Franciscans who prefer to cast a ballot at their neighborhood polling places. Given that the poll workers who assist voters at the polls are essential to facilitating in-person voting, the Department's FY 2023-24 budget proposal seeks an increase in poll worker stipends going forward. This stipend increase should not only help the Department's poll worker recruitment activities, but also recognize the efforts of those who assist members of our communities to cast their vote at the polls.

Voting System Contract. San Francisco's current voting system contract with Dominion Voting Systems expires in March of 2023, which falls within FY 2022-23. Although the City has indicated support for the use of an open source voting system, no such system has been yet certified for use in California. Under the current state testing and certification timelines, it is unlikely that any open source voting system be certified in 2022, when the Department would need to issue a Request for Proposals and begin bidding out for a new contract. Under a new contract, the City's options would continue to be limited to voting systems using

proprietary software at least in the near-term; these budget proposals therefore include funding for two one-year extensions of the current contract.

Voter Outreach. Finally, the Department's FY 2022-23 and FY 2023-24 budget proposals include funding to maintain adequate levels of voter outreach and education. This will be particularly vital in light of the many changes brought on by recent state and local redistricting, complexities unique to the March 5, 2024 Presidential Primary Election, and recently expanded registration eligibility requirements under Proposition 17. To ensure all San Francisco residents, whatever their needs or life circumstances, have access to reliable, current, and easy-to-understand election information, the Department has included funding requests for a variety of outreach strategies, including both direct outreach methods such as distribution of print and digital notices, as well as indirect methods, such as collaboration with nonprofit organizations and city agencies who serve voters in potentially challenging circumstances, including voters with disabilities, voters experiencing homelessness, and voters involved in the criminal justice system.

C. Operational Necessities

1. Vote-By-Mail Operations. Per the universal vote-by-mail (VBM) and accessible vote-by-mail (AVBM) system provisions of AB 37, the Department's budget proposals contemplate expenditures necessary to mail ballots to all of the City's approximately 500,000 registrants and to maintain the AVBM system. Such expenses include VBM packet production, translation, assembly, and mailing costs, as well as wage costs associated with voter database record maintenance, online ballot tracking, and cast VBM ballot processing, including multi-step signature verification and voter notification programs.

The Department's budget proposals also contemplate various expenses associated with potential expansion of the new VBM ballot drop box infrastructure that currently includes 34 ballot drop boxes installed across the City. The need for an increase in the number of ballot drop boxes available will likely result from the feedback of partner organizations, some of whom have already expressed a preference for adding more drop boxes in particular neighborhoods of the City. The Department's FY 2022-23 budget proposal therefore includes funding to support installation of additional 17 ballot boxes, for a total of 51 ballot boxes in the City, or one for every 10,000 voters. Both budget proposals also include ongoing costs that will be incurred on a per-box basis. Given that California law requires designated ballot retrievers to work in teams on particular schedules, the number of ballot collection rental vehicles will rise commensurate with the number of drop boxes deployed, along with wages.

2. In-Person Voting Services. In accordance with state law, the Department will continue to provide accessible in-person voting opportunities for all elections falling in the next two fiscal year cycles. The Department's budget proposals thus include costs necessary to continue to operate its Voting Center at City Hall beginning 29 days before each election and through each Election Day. Maintaining this option will allow the Department to provide consistent service to local voters who prefer to register to vote, update registration, vote in person, or pick up ballots at City Hall. Most Voting Center costs are related to supplies and wages. These budget proposals also seek funding to maintain San Francisco's full range of multilingual and accessible services at nearly 600 polling places located throughout the City, making in-person voting both more convenient and more equitable.

Although City poll workers form the backbone of the in-person voting process, often making the difference between a positive voting experience and a difficult one, recruitment of poll workers, especially those with bilingual skills, has become increasingly difficult. To recognize the vital services performed by these individuals, while alleviating some of the persistent difficulties the Department has experienced in their recruitment and expanding economic opportunities for those who serve our communities,

the Department's FY 2023-24 budget proposal seeks a \$55-\$65 increase in poll worker stipends to \$235-\$295, depending on their assignments (the current rates are between \$180 and \$230).

As part of its ongoing effort to help poll workers leverage their election experience into future careers, the Department will also continue providing an array of career resources to poll workers, including resume templates and official letters of service verification. Similarly, as part of its ongoing effort to make in-person voting as accessible and equitable as possible, the Department will continue to recruit poll workers who can provide services to voters in both English and other commonly spoken languages. To that end, the Department will continue to make a good faith effort to go beyond the minimum state-mandated language requirements when recruiting and assigning bilingual poll workers, working closely with its community partners to determine if a need exists for a bilingual assistance within a precinct and considering additional factors such as the number of requests for translated election materials on file within each precinct.

3. Voting System Contract. Under Article IX, §9.118 of the San Francisco Charter, any "contracts or agreements entered into by a department, board or commission having a term in excess of ten years, or requiring anticipated expenditures by the City and County of ten million dollars, or the modification or amendments to such contract or agreement having an impact of more than \$500,000 shall be subject to approval of the Board of Supervisors (Board) by resolution." With the City's current voting system contract with Dominion Voting Systems (DVS) expiring at the end of March 2023, the Board must decide whether to approve one or both of the one-year options to extend the term of the contract. Depending on the Board's decision, the Department may need to issue a Request for Proposals for a new voting system in mid-2022.

Although the November 7, 2023 Municipal, the March 5, 2024 Presidential Primary, and the November 5, 2024 Consolidated General Elections will fall approximately 7, 11, and 18 months, respectively, after the expiration of the current contract with DVS, the first two elections will fall within the first of two previously negotiated one-year extensions of the current contract (to March 31, 2024) and the third election will fall within the second such extension (to March 31, 2025).

If the City decides not to approve one or both extensions with DVS, and instead requires the Department to put the City's voting system contract out to bid, the Department anticipates the process of securing a next voting system vendor contract and familiarizing elections staff and San Francisco voters with that system would take approximately 10-13 months. This estimate is based on the time it took the Department to secure and implement the current voting system:

Bid and Negotiation Period (6-8 months): The first step in this phase would be to draft and issue a Request for Proposals. Once the RFP response deadline had passed, a selection panel of experts would then invite respondents to publicly demonstrate their voting systems and would then evaluate the systems and bids and select a vendor. Following vendor's selection, the Department would need to negotiate and execute the contract, and complete various contracting steps, including likely obtaining the Board's approval for the new agreement since the contract amount may exceed \$10 million.

Implementation and Outreach Period (4-5 months): After negotiating a new contract, Department staff would need to configure and test the voting system equipment, revise all affected procedures and produce new staff and poll worker training materials, develop a comprehensive voter outreach program as well as a calendar of public voting system demonstration events.

As shown in the table below, the date the DVS contract ends, the approximate date the Department would begin the bidding out process, and the date of the first election in which local voters would use the new voting system all depend on whether the Board of Supervisors approves the extension options available under the current DVS contract:

	No extension	1st extension approved	2nd extension approved
DVS contract end date	March 31, 2023	March 31, 2024	March 31, 2025
Date to issue new RFP	Approx. July 2022	Approx. July 2023	Approx. July 2024
RFP bid and negotiation period	Approx. July 2022 – March 2023	Approx. July 2023 – March 2024	Approx. July 2024 – March 2025
Implementation and outreach period	Approx. May 2023 – October 2023	Approx. May 2024 – October 2024	Approx. December 2025 – May 2026
Date voters use system	November 7, 2023	November 5, 2024	June 2, 2026

Below are factors for the Board to consider when making the decision on whether or not to extend the DVS contract:

- Any voting system must be certified by the California Secretary of State (SOS). Further, any certified voting system must be capable of conducting ranked-choice voting (RCV) elections. Currently, only 3 companies offer such systems: 1) Dominion Voting Systems (current contractor), 2) Elections Systems and Software (ES&S), and 3) Hart InterCivic.
- As the SOS notes in its certification documents for ES&S EVS version 6.0.4.2 (latest certified version), “the system is capable of configuring a Rank Choice Vote election for single seat contest; however, the system cannot tabulate Rank Choice Vote results. The system does produce a ‘Cast Vote Record’, however the data produced must be manually tabulated to follow a Rank Choice Vote algorithm.”
- As the SOS notes in its certification documents for the Hart VERITY VOTING 3.1 (latest certified version) “Verity Voting 3.1 does not perform RCV tabulation [...] This system, in combination with the software used to tabulate the XML export would require substantial further testing and approval before this system is used for an RCV Election.” Additionally, Hart’s headquarters are located in Texas, one of the states with which City departments are prohibited contracting in accordance with San Francisco Administrative Code, Chapter 12X.
- Currently no open source voting system has been certified for use in California. Considering that state certification usually requires more than six months, and can require a year or more, it is unlikely that such a system will be approved for use in California in 2022, when the Department would need to issue an RFP were the Board to choose not to extend the DVS contract.
- Because relatively few jurisdictions use RCV in their elections, the possibility exists that neither ES&S, nor Hart, nor any other voting system vendor with a system certified for use in California, will begin offering an RCV certified voting system in 2022. If the City does not opt to extend its current contract with DVS, it might therefore find itself in the position of renegotiating a contract for the same goods and services at a higher price, or if DVS decided not to submit a response to the RFP, the City might not have a voting system secured prior to the expiration of the current contract.

4. Accessible and Equitable Outreach. As is the case for all of its budget proposals, the Department's FY 2022-23 and FY 2023-24 budget proposals include the costs necessary to support its ongoing commitment to the delivery of equitable, accessible, and multilingual voter outreach and education programs.

The Department continues to attempt to reach San Francisco residents using a wide array of approaches, including direct education via print and digital materials, multimedia presentations, and community events, as well as indirect education via partnerships with community-based organizations who can help disseminate culturally competent and effective messages. While general election topics such as voter registration, voting methods, multilingual services, accessible voting, and ranked-choice voting always form the core of voter education, outreach in the upcoming fiscal years will also incorporate information about other relevant topics including impacts of local redistricting and reprecincting on San Francisco voters beginning with the November 2022 election and the aspects unique to presidential primary elections, including how a voter's political party preference will determine the presidential contest on their ballot, how a voter may change their political party preference, and what presidential primary ballot types will be available for voters registered with no party preference.

In addition to developing and distributing election information to the general public over the next two years, the Department will also continue to develop and distribute supplemental voter outreach tailored to the needs of San Francisco's more vulnerable and hard-to-reach populations, including first-time voters, voters of members of language minority groups, voters with disabilities, voters who are unhoused or housing insecure, and voters formerly or currently involved in the criminal justice system. Outreach strategies developed with such populations in mind include direct and indirect distribution of digital and print materials, official mail notices, placement of news and radio advertisements, and the broadcasting of public service announcements – all of which will continue to be available in translated and accessible formats.

Consistent with Mayor's Breed priorities, the Department plans to continue liaising with local nonprofit organizations who work with San Francisco's vulnerable and hard-to-reach populations – coordinating with these organizations to help ensure that all voters and members of the local electorate understand how to register to vote, how to receive, mark, and cast a ballot, and how to obtain language or accessible voting services and tools. Considering the fact that such indirect outreach has proven to be effective in the past years, the Department's FY 2022-23 and FY 2023-24 budget proposals include requests for continued community-based outreach grant funding. For similar reasons, and in support of Mayor's Breed Children and Family Recovery Plan, these budget proposals also include funding requests related to supplemental outreach developed for San Francisco's first-time voters including information on preregistration (for 16 and 17-year olds) and youth engagement programs such as the High School Student Poll Worker and Student Ambassador programs.

Taken together, all of the outreach-related costs contemplated in the Department's FY 2022-23 and FY 2023-24 budget proposals reflect the overarching goal of reaching, educating, and engaging as many City residents in as many communities as possible and were drawn up with two main objectives in mind: to provide effective, equitable, and accessible outreach to the public at large and to deliver supplemental outreach to vulnerable communities.

D. Budget Submission Forms

Per the budget instructions, the Department's budget proposals for FY 2022-23 (Budget Year 1) and FY 2023-24 (Budget Year 2) include explanations for any changes between revenues and expenditures in Budget Year 2 as compared to parallel items in Budget Year 1 that was approved during the last year's budget cycle.

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

Form 1A: Summary of Major Changes in the Department’s Proposed Budget. This form provides a high-level overview and details the changes submitted in the Department’s budget proposals; it includes nine specific requests for information made with the big-picture goal of understanding how the Department intends to improve core service delivery with budgeted general fund dollars.

As indicated in Form 1A, the Department is proposing changes in both its FY 2022-23 and FY 2023-24 budget proposals, partly in response to changes in state election law and partly in response to the number of scheduled elections. More specifically, these current budget proposals detail smaller changes to both fixed operating costs and variable expenses for the November 8, 2022, Consolidated General Election, which will take place in FY 2022-23, and more significant changes to costs for the November 7, 2023, Municipal Election and the March 5, 2024, Consolidated Presidential Primary Election, which will both take place in FY 2023-24 – larger changes in the second FY are largely commensurate with the fact that this FY includes two elections.

The main factor leading to increases in the current budget proposals is implementation of the provisions of Assembly Bill (AB) 37, which requires the Department to mail ballots and open the Accessible Vote-by-Mail system to all of the City’s 500,000 voters and to maintain an extensive drop box infrastructure throughout each 29-day voting period. In addition to necessitating the purchase of many materials, complying with AB 37 will require the Department to invest in procuring, installing, and publicizing the availability of the City’s expanded vote-by-mail ballot drop box program. Alongside AB 37 related changes, these budget proposals also contain a number of proposed changes related to the need to encourage more people to serve as poll workers, provide security at SFUSD facilities serving as polling places, procure certain new equipment, and expand outreach strategies.

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

	FY2022-23			FY2023-24		
	Base Amount	Final Amount	Changes	Base Amount	Final Amount	Changes
Total Expenditures	\$ 22,826,158	\$ 23,657,027	\$830,869	\$ 22,803,401	\$ 31,637,665	\$ 8,834,264
Total Revenue & Recovery	\$ 519,291	\$ 589,291	\$70,000	\$ 69,291	\$ 153,653	\$ 84,362
Total General Fund Support	\$ 22,306,867	\$ 23,067,736	\$760,869	\$ 22,734,110	\$ 31,484,012	\$ 8,749,902

Form 1B: Department Budget Summary (automatically generated from the Budget and Performance Measure System). This form shows the Department’s Total Budget Historical Comparison, which will be available in the Budget and Performance Measure System in mid-February.

Form 1C: Budget Equity. This form provides information on how the Department plans to advance racial equity in its services and programs.

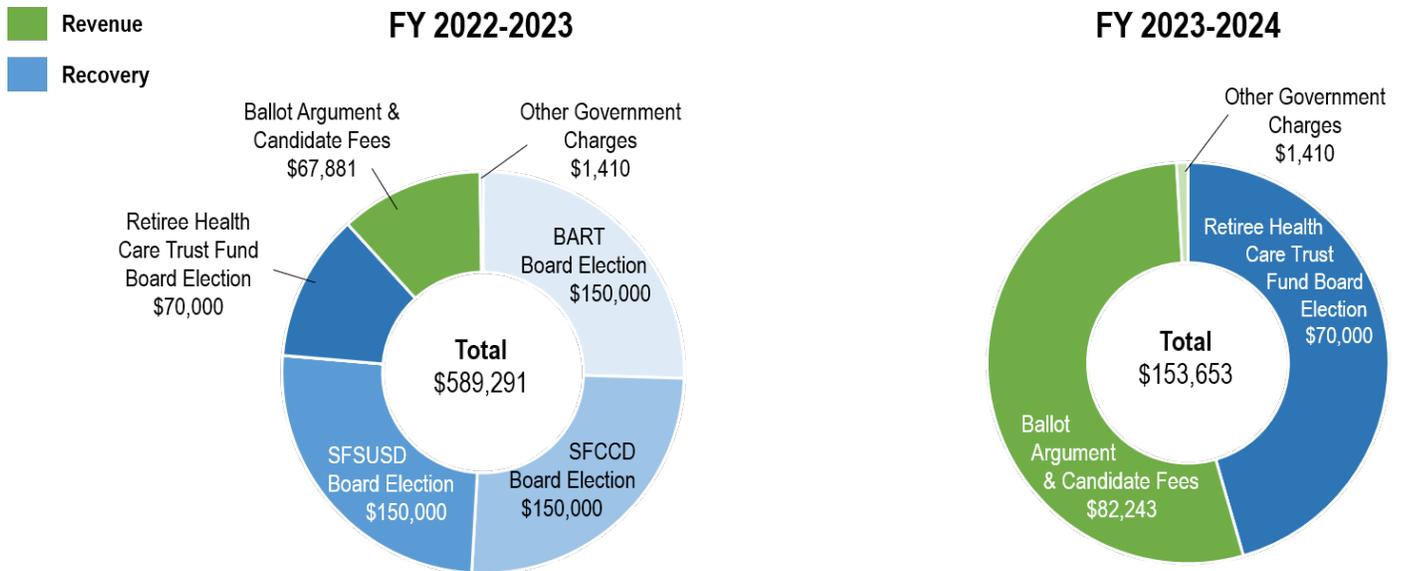
2. Form 2A, 2B, and 2C: Sources

The Department’s projected revenue and revenue recoveries in FY 2022-23 total \$589,291 and \$153,653 for FY 2023-24, 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 amount 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 filing data in elections similar to those occurring in FY 2023-24 and FY 2023-24.
2. *District and Agency Elections.* Pursuant to state law, the Department may conduct district and agency 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 2022 general election, the Department will realize revenue recoveries. In FY 2022-23, the Department will also conduct and recoup costs of one agency election: the Retiree Health Care Trust Fund Board election. While there are no scheduled district elections in FY 2023-24, the Department will conduct and realize revenue recoveries from conducting one local agency election: The Retiree Health Care Trust Fund Board election.

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

Figure 1



Form 2A: Revenue Report. This form details any projected revenues and revenue recoveries expected to be received by the Department 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 2021-22, as well as the Department’s FY 2022-23 and FY 2023-24 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.

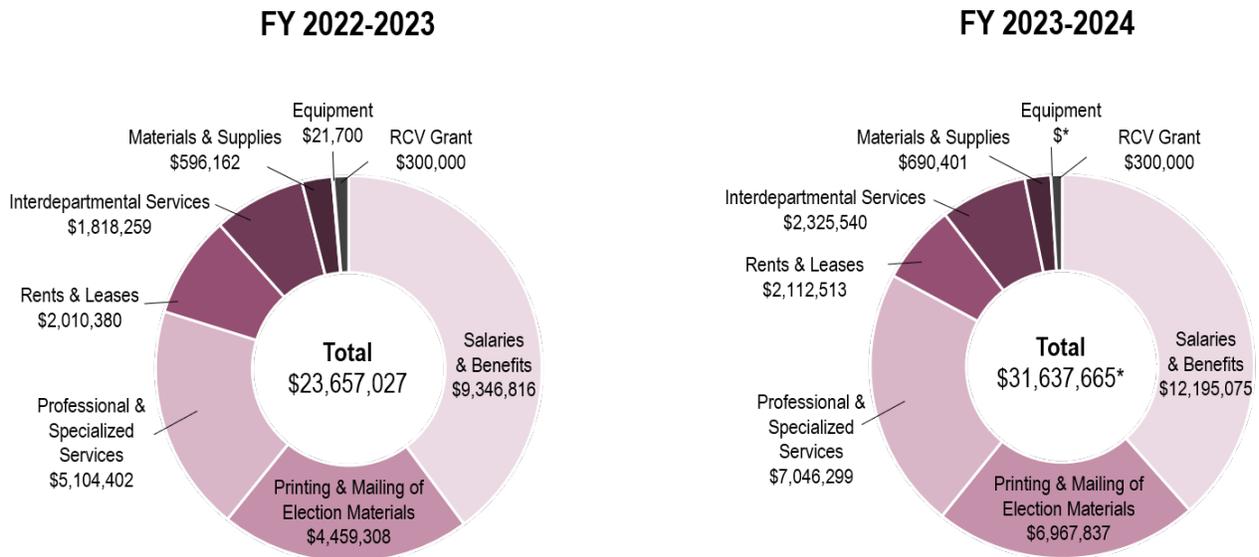
3. Form 3A, 3B, and 3C: Uses

The Department’s projected expenditures in FY 2022-23 total \$23,657,027 and \$31,637,665 in FY 2023-24, and reflect fixed and variable operating costs.

Among the Department’s fixed operating costs for FY 2022-23 and FY 2023-24 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 system for processing vote-by-mail ballots; 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 of election materials, vehicle rental costs, payments to poll workers and polling place providers, etc. Net variable costs are affected by many fluctuating factors, including the impact of new election laws and regulations, 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.

Figure 2 below illustrates the projected expenditures and associated sources.

Figure 2



*Equipment expenditures for 2023-24 are pending, and not reflected in this chart.

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 \$830,869 increase in its expenditures in FY 2022-23 and a \$8,834,264 increase in FY 2023-24.

501010 Perm Salaries-Misc-Regular. The Department seeks to substitute an 1840 Junior Management Assistant position, currently approved in the Annual Salary Ordinance, for a 1222 Senior Payroll and Personnel Clerk position to align the tasks expected to be performed by a person in this position with the City's classification structure. This substitution will result in approximately \$6,500 increase in permanent salaries in each fiscal year.

505010 Temp Misc Regular Salaries. In the months leading up to each election, the Department hires several hundred temporary employees to assist with a number of election tasks. A \$2,220,113 increase in temporary salaries in FY 2023-24 results from hiring seasonal personnel for two elections vs. one election in FY 2022-23.

Projected temporary salaries also reflect 3.5% increase in wages over the next two fiscal years, similar to the increase that occurred in most recent years under Memoranda of Understanding between SEIU Local 1021 and the City.

511010 Overtime - Scheduled Misc. In every election cycle, overtime costs strongly correlate with staffing levels. Given the proposed increases in temporary staffing necessary to conduct two elections in FY 2023-24, the Department projects corresponding overtime cost increase in the amount of \$400,000.

513010-519990 Fringe Benefits. Increases in fringe benefits, totaling \$1,702 and \$230,748, in FY 2022-23 and FY 2023-24, respectively, are proportional to increases in hourly wages and are calculated automatically by the Budget and Performance Measure System.

527100 Payments to Poll Workers. The Department's FY 2022-23 and FY 2023-24 budget proposal seeks a \$55-\$65 increase in poll worker stipends to \$235-\$295, depending on their assignments (the current rates are between \$180 and \$230). This increase amounts to additional \$185,860 per election.

530310 Misc Facilities Rental. A \$50,573 increase in FY 2023-24 results from increases in payments mandated under contractual obligations with the Port of San Francisco for leasing the warehouse space at Pier 31.

527990 Other Professional Services and 535520 Printing. Increases in these budget accounts, totaling \$346,368 and \$3,913,637 in FY 2022-23 and FY 2023-24, respectively, result from additional vote-by-mail ballot packet printing, assembly, and mailing, as required under Assembly Bill 37 passed last year, mandating universal vote-by-mail services.

528110 Security. In the most recent elections, the San Francisco Unified School District (SFUSD) requested the Department to provide private security services at SFUSD facilities used as polling places. This request results in an increase of \$73,500 and \$159,000 in FY 2022-23 and FY 2023-24, respectively.

535810 Advertising. A \$51,757 increase in advertising costs in FY 2022-23 and a \$201,757 increase in FY 2023-24 result from additional outreach strategies that the Department plans to implement to educate the public about periodic topics, including impacts of local redistricting and reprecincting on San Francisco voters beginning with the November 2022 election and the aspects unique to presidential primary elections.

542210 Hardware. A one-time increase of \$105,761 in FY 2022-23 results from a potential expansion of vote-by-mail ballot drop box infrastructure (from 34 boxes currently available to 51 boxes), creating higher densities of drop off boxes in neighborhoods with lower than average voter turnout.

530510 Payments For Polling Locations, 549510 Other Office Supplies, 531990 Other Equipment Rentals, 529990 Other Equip Maint., 530210 Garage Rent, 531210 Vehicle Rental, and 552210 Fees Licenses Permits. Increases in each of these budget accounts in FY 2023-24 reflect additional expenses the Department will incur as a result of having to conduct two elections vs. one election in FY 2022-23.

581064–581930 Interdepartmental Services. These budget accounts detail the costs of services performed for this Department by other departments. Many 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 Sheriff's Department (for ballot security and collection services), the Municipal Transportation Agency (for Election Night collection of results data), the Recreation and Parks Department (for renting their facilities to serve as polling places) as well as a one-time charge from the Department of Public Works for installation of additional ballot drop boxes.

Form 3B: Position Changes. This form shows any changes to the Department's positions already approved under the last year's Annual Salary Ordinance.

The Department does not propose adding any permanent positions to its classification structure already approved under the last year's Annual Salary Ordinance and only seeks one substitution.

The Department seeks to substitute an 1840 Junior Management Assistant position, currently approved in the Annual Salary Ordinance, for a 1222 Senior Payroll and Personnel Clerk position to align the tasks expected to be performed by a person in this position with the City's classification structure.

This substitution will result in \$6,441 increase in permanent salaries in FY 2022-23 and \$6,598 in FY 2023-24

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

Form 4A: New Equipment Requests. During last year's budget cycle, the Department received approval to purchase two servers in FY 2022-23. The Department continues to seek approval of \$21,700 for the purchase of two servers in FY 2023-24. This request is being made because four 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. The Department seeks approval of \$16,546 in FY 2022-23 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 elements, the facility's floor must be regularly swept and cleaned. The purchase of a 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. In its FY 2022-23 budget proposal, the Department seeks approval to contract out the same services for the 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. Interdepartmental Services Balancing

The Interdepartmental Services Balancing form details costs associated with unbalanced interdepartmental services (IDS) maintained by the Department.

The Department maintains 20 IDS accounts with other city departments and agencies. 17 of these departments provide services to Elections; through the remainder three accounts with Retirement and Health Service Systems, the Department generates revenue by providing election services. The funds for some IDS are centrally loaded by the Mayor's Office, and contribute to the Department's fixed operating costs. Other interdepartmental services are specific to election services and fluctuate based on the number of scheduled elections in a fiscal year. Fixed IDS charges include those incurred for services from the Department of Technology (for general support and telecommunication services), the Public Utilities Commission (for light, heat, and power); the General Services Agency's fees (for general accounting support), and from Central Shops (for maintaining the Department's fleet). Variable interdepartmental charges include those incurred for services from the Reproduction and Mail Services Division (for printing and reproduction of mailers and other election materials); the Sheriff's Department (for ballot security and collection services); and the Municipal Transportation Agency (for Election Night collection of results data).

IDS budget requests must be discussed and agreed to by both requesting and performing departments. As of this writing, the Department is awaiting the Sheriff's Department, the Municipal Transportation Agency, the Department of Public Works, and the Department of Technology to complete their budget entries so that the IDS accounts can be balanced.

7. Organizational Chart

The Department has 39.5 permanent FTEs approved in the last year's Annual Salary Ordinance; organizational chart included with the budget forms shows both filled and vacant positions, including proposes changes.

E. Conclusion

The Department's budget proposals for the next two fiscal years were drafted with three main goals in mind: 1) to continue to fulfill its mission of providing equitable access to voting and election-related services and conducting free, fair, and functional elections for the City and County of San Francisco, 2) to provide effective, equitable, and accessible outreach to the public at large and to deliver supplemental outreach to vulnerable communities, and 3) to respond agilely and effectively to transformations in the elections landscape and changes in public health mandates while sustaining a collaborative and harmonious working culture. Only with stable support from the General Fund can the Department accomplish these goals.

These budget proposals therefore reflect the Department's ongoing focus on providing high-quality elections services and programs to local voters using prudent and cost-efficient strategies. Over the next two fiscal years, the Department will remain

vigilant in its efforts to improve both its internal and public-facing programs with the overarching goals of making them ever more efficient and responsive to the needs of San Francisco's communities, all while maintaining careful fiscal discipline and seeking added efficiencies whenever possible.

Going forward, the Department remains committed to upholding its mission, increasing public confidence in the electoral process and encouraging voter participation, and working collaboratively with the Department's many community-based partners, individuals in state and local government, members of the Elections Commission, and the public to advance the City vision and goals.