



Memorandum

To: Elections Commission
From: John Arntz, Director
Date: January 26, 2024
RE: Department of Elections' Budget Proposals: Fiscal Years 2024-25 and 2025-26

This memorandum provides information on the Department of Elections' budget proposals for fiscal years (FYs) 2024-25 and 2025-26. The memorandum is intended to be read alongside the enclosed budget forms required by the Mayor's Office of Public Policy and Finance and the Controller's Office. The content of this memorandum is organized according to the budget forms.

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A. Budget Submission Process

In the fall of every year, all City departments prepare budget proposals. As do most departments, the Department of Elections (Department) operates on a rolling two-year budget; accordingly, this submission contains proposed amendments to the FY 2024-25 budget, approved last year, as well as a new proposal for FY 2025-26. The Department will submit its final versions of both to the Mayor's Office and the Controller's Office no later than the Charter-mandated deadline of February 21, 2024.

In accordance with San Francisco Administrative Code §3.3, the Department's final versions of these budget proposals must be subjected to public review in at least two public meetings prior to being submitted, with the first such meeting occurring at least 15 days before the meeting in which the Elections Commission can approve the proposals. After that, the Mayor's Office will incorporate that version into a citywide budget proposal to the Board of Supervisors no later than June 1, 2024, who, in turn, will make recommendations and return a final balanced budget to the Mayor for signature no later than August 1, 2024.

Only after the Mayor has signed the new citywide budget plan can any department implement their individual plan.

B. Citywide Priorities and Fiscal Outlook

The last set of budget instructions, jointly issued by the Mayor's Office and the Controller's Office, indicated that Mayor Breed's citywide priorities are: (1) Improving public safety and street conditions; 2) Citywide economic vitality; 3) Reducing homelessness and transforming mental health service delivery; and 4) Accountability and equity in services and spending. Per these instructions, all departments must maximize the use of resources to advance these priorities, while reducing overall expenses.

San Francisco's Five-Year Financial Plan projects a two-year General Fund deficit of around \$800 million, growing to over \$1 billion by FY 2027-28. To help address both the city's short- and long-term shortfalls, the Mayor has directed all departments to make reductions equivalent to 10% of their adjusted General Fund support in FY 2024-25 and 10%, ongoing from FY 2025-26. In identifying such reductions in their budgets, the Mayor directed all departments to consider taking the following actions:

- Eliminating budgeted positions that have been "held for attrition" and remain vacant;
- Eliminating costs associated with non-essential or discretionary services;
- Suspending programs and initiatives that are funded in the base budget, but have not yet started, and;
- Identifying alternative revenue sources that can support ongoing expenditures over a multi-year period.

C. Department's Budget Overview

While preparing these budget proposals, the Department strove to balance the need to be responsive to the Mayor's directives while still providing established election services and programs. Following is a brief explanation of what guided and informed the Department's expenses included in its FY 2024-25 and FY 2025-26 budget proposals.

1. Legally Mandated Programs

The Department remains committed to fulfilling its mission by maintaining its core voting services and legally-mandated voter programs (e.g., in-person and by-mail voting services, multilingual and accessible voting resources) through the two elections scheduled over the next two fiscal years (i.e., the November 5, 2024 Consolidated General Election and the June 2, 2026 Statewide Direct Primary Election). Continued funding for these services will be necessary to ensure the City can meet its obligations under federal, state, and local law (e.g., §203 of the Voting Rights Act, the Help America Vote Act).

Under applicable law, the Department must complete a myriad of highly specific tasks in very specific ways. Per state and local election law, such tasks include, for example: a) the production of official ballots and Voter Information Pamphlets in multiple languages and formats for each election cycle, b) the administration of vote-by-mail and accessible vote-by-mail programs, c) the facilitation of multilingual and barrier-free in-person early voting services and Election Day services, d) the collection and processing of voted ballots, and e) the completion of the Canvass and release of final election results.

By law, the Department must also provide ongoing (i.e., year-round) accessible and equitable outreach and education to San Francisco voters. For example, outreach campaigns between the City's March and November voting periods will need to help raise awareness about noncitizen registration and voting in the Board of Education contest, which will appear on the November 5, 2024 ballot. Outreach on this topic will be necessary because noncitizen voting is still a relatively new program. Most recently, on August 8, 2023, the California Court of Appeal reaffirmed the right of San Francisco's non-citizens to vote in School Board elections after a lower court decision had required the Department to put this program on hold. In other words, current case law permits non-citizen parents of children residing in San Francisco to once again vote in local School Board Elections. Consequently, the Department has a duty to inform such residents that they are eligible and make sure they know how to register and vote.

As another example, in light of the fact that several ranked-choice voting (RCV) contests will appear on the November 5, 2024 ballot, the Department will need to deliver in-depth and equitable outreach on this topic to both those with long voting histories and those just beginning to vote in local elections. The provision of practical, effective outreach on RCV has been, and will remain, the focus of the Department for any election with RCV contests on the ballot.

On a broader note, in order to ensure civic engagement in each of the elections scheduled in FY 2024-25 and FY 2025-26, the Department will need to continue to encourage every eligible but unregistered San Franciscan to become a registered voter. The Department's budget proposals thus seek funding for several registration-related outreach strategies, all of which are centered around making eligible but reluctant or disinterested San Francisco residents feel more empowered to cast their vote. Such outreach incorporates, among other things, the use of official notices sent by postal mail and email, utilization of various forms of media, collaboration with hundreds of community outreach partners (both those with and without grant funding), dissemination of printed and digital materials, and the delivery of in-person outreach to venues across the City.

2. Human Resource Needs

One of the keys to the success of San Francisco's election programs has been the dedication of a team of full-time personnel to maintain continuity in the City's election programs and services. This stability has contributed to a consistently high quality of service for voters. In addition to conducting outreach, processing registrations, and maintaining voting sites, materials, equipment, and the records of voters in between election cycles, Department staff are also responsible for completing the many tasks required of any city department. These include, for example, managing Department facilities and equipment; data entry; processing inquiries and mail; accounting, payroll, and personnel functions, etc.

Given the time-sensitive nature of nearly all registration, voting, and ballot processing tasks, it will always be necessary to periodically incorporate a large number of seasonal employees into the Department's workforce. These tasks include facilitation of candidate filings, maintenance of voting records, signature comparison on vote-by-mail ballot envelopes, poll worker training, preparation of polling places, processing and counting of voted ballots, and the completion of numerous post-Election Day canvass and certification processes. Given that the Department needs both long and short-term employees to complete its mission and comply with all applicable law, these budget proposals seek funding to pay the wages to both types of workers.

3. Fixed Operational Costs

The Department retains full responsibility for the regular and consistent facilitation of all City elections in the context of an ever-changing landscape. In order to effectively adapt to changes while ensuring the rights of all local voters, the Department needs to remain firmly planted on a solid operational foundation while maintaining a reliable array of office space, equipment, supplies, vehicles, and software. Consequently, among the Department's fixed operating costs in its budget proposals are those related to lease of the warehouse (for equipment and supply storage), vehicle rentals, along with licensing and maintenance contract fees for use of the Election Information Management System and Accessible Vote-By-Mail System. Fixed costs also cover on-going use of voting, ballot processing, and general office software and equipment.

While the Department's regular and daily operational expenses generally undergo only small changes from one fiscal year to the next, the expenditures necessary to maintain legally mandated programs and salaries for long and short-term employees tend to vary more. The exact degree of this variation depends largely on the type of election held in each fiscal year (e.g., statewide general, statewide primary), as well as on other fluctuating factors, including the impact of new election laws and regulations; increases or decreases in the number of locally registered voters; and changes in voter turnout. But perhaps the most significant fluctuating factor is the number of candidates and measures that appear on official ballots and Voter Information Pamphlets in a given election. This factor is crucial because it determines the total number of ballot cards and the length of the Pamphlet, which affects the size of major expenses like ballot printing and processing, postage, translation, salaries, etc.

D. Near-Term Fluctuating Factors

1. FY 2024-25

In FY 2024-25, the Department will conduct the November 5, 2024 Consolidated General Election, which will likely be one of the largest and most complex elections in the City's history. The main factors informing this expectation are: 1) the historically

high voter turnout for presidential elections, 2) a very long ballot, and 3) a large array of information to be printed in the Voter Information Pamphlet.

Accordingly, the Department developed its FY 2024-25 budget proposal to keep pace with these projected higher workloads. Numerous projects will be affected as the result of needing to, for example, a) process many new registrations and updates; b) deliver presidential-contest, noncitizen voting and RCV voter education; c) produce a multi-card ballot and a Voter Information Pamphlet that includes hundreds of pages; d) devote several months of planning work with translation, printing, and mailing vendors; e) provide convenient, multiformat, and multilingual election services to tens of thousands voters and new registrants; f) process several millions of ballot cards; and g) devote more time to staff hiring and training, as required to create a capable workforce.

Due to the overlap between city budget process timelines and election preparation timelines, many if not most of the fluctuating factors described in this memo will not coalesce into known factors until well after the Department's budget proposals have been finalized. In particular, as of the time of this writing, none of the November 5 state and local statutory filing deadlines have passed and thus much remains to be known about the contest content and resultant formatting of the ballot or the Voter Information Pamphlet. The next two sections discuss these topics in greater detail.

1.1. November 2024 Ballot

1.1.1 Legislative Background

In 2022, local voters approved Measure H, which amended the City Charter to mandate that all contests for San Francisco's Mayor, Sheriff, District Attorney, City Attorney, and Treasurer, which had been held in odd-numbered years, be conducted instead in presidential election years, which are even-numbered. This measure also moved ballot measure contests to even-numbered years or special elections and lowered the number of signatures required to place local petitions on the ballot. Taken together, these changes will increase the length of most future ballots.

Also last year, state legislators passed Assembly Bill (AB) 1416, which requires the Secretary of State (SOS) to include the same information about a state ballot measure's supporters and opponents that appears in the state voter information guide on the ballot itself. AB 1416 also allows, but does not require, county officials to do the same for local ballot measures. Specifically, the law allows counties to make this decision, provided they do so at least 30 days before the applicable submission deadline for local measures and they apply their decision to all local measures. Accordingly, on July 18, 2023, the San Francisco Board of Supervisors opted out of AB 1416 for the March 5, 2024 election via an ordinance (File No. 230663).

The Board's initial decision was based largely on the Department's estimate of a \$1M increase in costs if San Francisco were to remain opted in for the future elections -- as set against the citywide directive to help balance the budget deficit. However, the Board amended the ordinance such that it would only apply to the next fiscal year (and consequently, to only the March 5, 2024 election). As of the date of this writing, the Board has yet to decide how AB 1416 will apply to future elections, including the November 5, 2024 general election. Per AB 1416 provisions, the Board must do so by early July. If and when the Board decides to remain opted into AB 1416, that decision will cause the length of San Francisco's now longer ballots to become even longer. The following sections describe the ballot production schedule in the upcoming election, main factors that will influence the length of the ballot, potential ramifications of a longer ballot, and potential solutions.

1.1.2 Ballot Production Schedule

By the July deadline to decide whether to implement AB 1416 for the November 5, 2024 election, only one local ballot filing deadline for this election will have closed, namely the nomination period for the local offices of the Mayor and Board of Supervisors (Districts 1, 3, 5, 7, 9, 11), which closes on June 11, 2024. The other three local filing periods, all of which determine ballot contents, will still be open. Specifically, the period for submission of ordinances and declarations of policy will remain open until August 2, and then the period for submission of district measures, as well as the nomination period for offices of the City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, BART Board (Districts 7 and 9), Board of Education, and Community College Board, will remain open until August 9, 2024.

This decision deadline also falls before dates when the Department will receive ballot content from the SOS. That is, the Department will receive the translated titles and summaries for state measures from the SOS on or around August 13, and will receive the certified translated lists of federal and state candidates on August 29.

Given these local and state deadlines, the earliest the Department would have all ballot content would be around August 30. The Department would then need to take several weeks to arrange, proof, and finalize this content before sending it to the vendor for ballot printing and assembly. In short, this means that, in the context of deadlines mandated by state and local law, it will not be possible for the Board of Supervisors to evaluate the content and length of San Francisco's November 5, 2024 ballot by the July AB 1416 decision deadline.

1.1.3 Ballot Length Factors

The length of San Francisco's ballot varies, depending in large part on the type of election held. In estimating ballot length for the November 5, 2024 election, the Department began by considering ballot length for the last three presidential elections (2012, 2016, and 2020). Next, the Department estimated how long each of these ballots would likely have been if they had complied with current Measure H rules by listing contests for the local offices of Mayor, District Attorney, Sheriff, and Treasurer.

Table 1 below illustrates the estimated length of these ballots under Measure H rules.

Table 1: Ballot Card Count

Election Year	# of Ballot Cards (Historical)	# of Ballot Cards (If Measure H had been in place)
2020	4 cards	5+ cards
2016	5 cards	6+ cards
2012	3 cards	4+ cards

Another factor contributing to ballot length is whether the City decides to remain opted in or to opt out of AB 1416. Given that, for each local ballot measure, staying opted in to AB 1416 would add about 250 characters (125 for the list of proponents and 125 for the list of opponents), the net increase to ballot content will depend very much on the number of local measures.

Although the number of candidates and measures will not be known until the summer 2024, the Department believes that it is very likely the November election ballot will exceed six cards.

1.1.4 Ramifications of a Longer Ballot

The first consideration is new costs. Each additional ballot card contributes to increased assembly and mailing expenses. According to the Department's VBM packet assembly vendor, the estimated cost of printing each additional card is \$0.33. For 560,000 packets (approximately half a million local voters, plus enough for estimated replacement requests), this would mean a cost of approximately \$185,000 per additional card. The cost of assembling ballot packets would also increase, with six cards costing approximately \$0.96 per packet, and eight cards costing approximately \$1.64. For 560,000 packets, this would mean an additional cost of approximately \$190,000 per additional card.

While the costs of printing and assembly of ballots are generally commensurate with the number of cards, the costs of mailing VBM packets would significantly increase if the ballot were to exceed five cards. One reason for this is that, under United States Postal Services regulations, VBM packets may qualify as "letters" if they weigh less than 3.5 ounces. While a five-card ballot packet would weigh less than this limit, a packet containing six or more ballot cards would exceed this limit, and would need to be mailed as "letter-flat". Again, with a need to print and distribute approximately 560,000 VBM packets, the increase of the 14-cent cost for mailing a letter VBM packet to the 30-cent cost for mailing a letter-flat VBM packet would mean total increased costs of approximately \$90,000. These costs would, of course, be in addition to the other costs described in the preceding paragraphs.

Beyond cost considerations, having a longer ballot will have an impact on voters. Given that return envelopes cannot exceed the current dimensions, folding and enclosing six or more ballot cards is likely to result in torn envelopes, which in turn could lead to delays in voters' returning their voted ballots to the Department.

Adding more cards will result in increases to salaries and overtime for ballot processing staff as well as a possible need to lease more ballot processing space (as the Department did, for example in 2020 election). This is because ballot processing staff and the equipment used for ballot processing have unavoidable physical limitations. For example, return envelopes containing more than five cards would be much thicker than those processed in recent elections, and cause more jams when the cards move through USPS' and Department's equipment. which in turn, will result in more damaged ballots. Since many damaged ballots cannot be read by scanning machines, this would likely result in the need for staff to hand-duplicate many more voted ballots. In total, based on historical data, if ballot length were to exceed more than five cards, the Department estimates that staffing costs would amount to approximately \$300,000 and if the Department must, and is able to lease additional space, the Department estimates that leasing costs would amount to approximately \$700,000.

Also, additional ballot cards not only impacts the production and processing of VBM packets, but also the ballots used at each of the City's 501 polling places. For instance, the production cost is \$.33 for each card printed for use at polling places. State law requires the Department to provide a number of ballots that equals at least 75% of the number of voters registered in a precinct. Without considering an increase in registration totals for the November 2024 election, and applying the current registration total of 500,000 voters, the Department would need to have printed and then deliver an additional 375,000 cards for each additional card comprising the ballot for each voter. The production cost would be around \$124,000 for each additional card. However, the production costs do not include the extra time needed to test the cards in each precinct tabulator, packaging the ballots specific to each precinct, retrieving cards after the polls close, etc.

The ballots for the upcoming March 2024 election illustrate the importance of considering the space available on ballot templates when formatting content. The Department formats three bilingual ballots comprised of English/Chinese, English/Spanish, and English/Filipino. On average the text for measures on the English/Filipino ballot requires around one-

quarter inch more space on the ballot than does the text for measures on the English/Filipino ballot. Likely, at a minimum, listing proponents and opponents with the text of each local measure would add another one-quarter inch to each measure. When multiplying the potential quarter-inch for each local measure associated with listing proponents and opponents to the current length of the English/Filipino-language ballots, the ballot for the March 2024 election would have increased to being a three-card ballot rather than the current two-card ballot that voters will receive. Meaning, the impact of increasing the space needed for ballot content by one and three-quarter inches would have necessitated a third card. All of the hard costs specified above would then have applied to the current election.

1.1.5 Possible Solutions

Possible solutions related to ballot length are, of course, limited given the many ballot format/language requirements. However, one way to decrease costs associated with a long ballot that the City could consider would be to transition from a bilingual to a monolingual ballot format. However, this approach could present some significant challenges. One significant consideration to using a monolingual ballot is many voters likely cross-reference both languages on bilingual ballots when reviewing their ballots.

Another solution to decreasing the length of the November 5 ballot, without jeopardizing language access, would be for the Board of Supervisors to either opt out of AB 1416 for this election, or to remain opted in, contingent on that decision not adding an additional ballot card. This contingent opt in could also include a provision that the Department would add a short instruction regarding where to find the list of measure opponents and proponents in the Voter Information Pamphlet. (The Department included a similar statement on the March 5 ballots.)

1.2. November 2024 Voter Information Pamphlet

In estimating the length of the November 5, 2024 Voter Information Pamphlet (VIP), the Department took an approach similar to the one it took in estimating the length of the November 2024 ballot. That is, the Department started with the length of the VIP for the last three presidential elections (2012, 2016, and 2020) and applied Measure H rules to approximate the number of pages the Department would have needed to devote to new items (e.g., local candidate statement sections and informational sections for local measures). Table 2 below illustrates the estimated length of these VIPs under Measure H rules:

Table 2: VIP Page Count

Election Year	VIP Page Count, Historical	VIP Page Count (If Measure H had been in place)
2020	233	360+
2016	313	440+
2012	147	274+

In the event that the VIP will include more than 300 pages in the November 2024 election, the City will need to accept certain financial implications. One such implication will be that many costs associated with production and delivery (e.g., translation, assembly, postage, etc.) will substantially increase. For example, according to the VIP printing vendor, the time necessary to complete VIP binding and ink jetting processes for 300+ pages will increase by 50% or more. This increase in production time will, in turn, result in increases to the Department's human resources needs (more Department staff will need to be ready to coordinate with the vendor in order to turn around batches of proofed and translated pages in an efficient manner). The Department is thus currently brainstorming ways to mitigate these increases in production time and work hours; one option

would be to create a separate supplemental VIP for voters containing only local ballot measure legal text, with all remaining information included in the main VIP.

2. FY 2025-26

In FY 2025-26, the Department will conduct the June 2, 2026 Statewide Direct Primary Election. Due to a shorter projected ballot and VIP, the Department assumes corresponding reductions in human resource expenses, vendor services, etc. Accordingly, the Department expenditure levels for this election are lower, as compared to the levels that will be necessary to administer the general presidential election in FY 2024-25. In other words, the Department's FY 2025-26 budget proposal will fall back to its base budget as contemplated in the Budget System. However, as with its FY 2024-25 proposal, the Department must seek funding in its FY 2025-26 budget proposal to support legally-mandated services, outreach programs (with a focus on hard-to-reach and vulnerable populations), human resources, and operational expenses.

E. Elections Commission Request for Information

This section contains information requested by the Elections Commission in its *List of Regularly Requested Information*.

1. For each contract the Department has (e.g. sole-source or resulting from an RFP), show which budget line items the contract contributes to, as well as name of the entity the contract is with, the contract's start and end date, the dollar amount for each year, what the contract is about, and whether the contract was sole-source or from competitive bidding.

The Department's budget proposals for FY 2024-25 and FY 2025-26 include contracts with five vendors. Table 3 provides the information requested above, followed by a brief description of the purpose of each of these contracts.

Table 3: Department Contracts

Account	Account Description	Vendor	Start Date	End Date	Dollar Amount	Procurement Authority
527990	Other Professional Services	Dominion Voting Systems	01/30/2019	03/31/2025	\$2,100,000	Bidding
527610	Systems Consulting Services	DFM Associates	10/01/2021	09/30/2031	\$191,100	Sole Source
527610	Systems Consulting Services	Runbeck Election Services	02/01/2024	01/31/2028	\$89,090 (varies)	Sole Source
529990	Other Equipment Maintenance	OPEX Corporation	07/01/2022	06/30/2027	\$30,352 (varies)	Sole Source
527610	Systems Consulting Services	Democracy Live	07/01/2023	06/30/2025	\$49,000	Sole Source

Voting System Contract. In 2023, the Department exercised both year-long extension options allowed under the contract with Dominion Voting Systems for the use of its voting system to conduct San Francisco elections. That is, this contract was extended through the 2024 presidential election cycle, which includes the March 5, 2024, Presidential Primary Election and the November 5, 2024, Consolidated General Election. This contract will consequently now expire at the end of March 2025.

Although last year, the Department's plan was to issue a request for proposals to secure a new voting system in the spring of 2024, the market for voting systems that can support local ranked-choice voting (RCV) remains limited. Of the voting systems currently approved for use by the California Secretary of State (SOS) (see <https://votingsystems.cdn.sos.ca.gov/cert-and-approval/vote-sys-appr-in-ca-10-30-23.pdf>), only the Dominion system supports both RCV and multiple languages.

On a related note, although the Department understands that many interested parties, including the Elections Commission, prefer that the next San Francisco voting system to be an open-source system; unfortunately, at this time, no such system has been approved for use by the SOS.

Election Information Management System Contract. As with voting systems, only the SOS has authority to certify the local voter registration databases used in tandem with California's VoteCal system. As of this year, only two such systems have been certified: the Election Information Management System (EIMS) and the Data Information Management System (DIMS). Along with the vast majority of counties, the Department uses EIMS to manage a myriad of processes, including voter record maintenance; the processing of new voter registrations; the recording of voter histories; the processing of local petitions and local candidate filings; the tracking of vote-by-mail ballots from delivery through return and processing; the organization of poll workers and polling place assignments; and the administration of street index, voting district map, and precinct data.

Vote-by-Mail Ballot Sorting Equipment Maintenance Contract. Department personnel use two previously purchased Agilis Ballot Sorting System units to process returned vote-by-mail ballot envelopes. With these units, staff 1) capture a digital image of each envelope, including the voter's signature, 2) scan the barcode on the envelope, and 3) link the ballot envelope image to the recipient file in EIMS. After staff verify the ballot envelope signature compares to signature(s) on file, that envelope will be sorted and readied for opening and counting. (If a given signature does not match, the envelope is stored separately until the challenge is resolved, at which point the envelope can be re-scanned for opening.) Only Runbeck Election Services can provide maintenance for the Department's Agilis Ballot Sorting System units.

Vote-by-Mail Ballot Extraction Equipment Maintenance Contract. The Department owns eight OPEX Model 72 envelope opener and content extractors. Department staff use these machines to extract ballot cards from accepted vote-by-mail ballot envelopes while protecting the secrecy of each ballot, which is the most labor-intensive part of vote-by-mail ballot processing. The Department intends to continue using and maintaining these units in the upcoming elections.

Accessible Vote-by-Mail System Contract. State law requires all county election officials to maintain an Accessible Vote-by-Mail (AVBM) System that allows any voter to access, navigate, mark, and print their ballot online using assistive technology. Accordingly, the Department has offered this service in every election since 2018 via Democracy Live's OmniBallot Secure Select System, which is currently the only such system certified in California offering a single link to access and mark a ballot.

2. Include a breakdown of the “Non-Personnel Services” line item.

Table 4 below provides a breakdown of expenses budgeted in this account, (amounts over \$1M were itemized).

Table 4: Breakdown of the “Non-Personnel Services” Line Item

Account	Account Description	Dollar Amount FY 2024-25	Dollar Amount FY 2025-26
522020	Professional Staff Development	\$ 0	\$ 50,000
524010	Membership Fees for Attendance of Workshops	\$ 1,200	\$ 1,200
526610	Interpretation Services for ASL & Other Languages	\$ 1,000	\$ 1,000
526990	Fees for Outreach Event Attendance	\$ 5,850	\$ 5,850
527100	Payments to Poll Workers	\$ 573,280	\$ 573,280
527610	Systems Consulting Services (EIMS, AVBM, & Agilis Ballot Processing System)	\$ 289,111	\$ 289,111
527990	Other Professional Services (Voting System Contract, VIP Translation & Typesetting, & Election Night Staffing)	\$ 2,900,000	\$ 2,900,000
	• Voting System	\$ 2,100,000	\$ 2,100,000
	• Translation & Typesetting of the Voter Information Pamphlet	\$ 555,055	\$ 520,137
	• Outreach Marketing Services	\$ 225,000	\$ 225,000
	• Election Night Staffing for Processing Center	\$ 12,688	\$ 12,688
	• Other	\$ 7,257	\$ 42,175
528010	Scavenger Services	\$ 13,080	\$ 13,080
528030	Pest Control	\$ 5,000	\$ 5,000
528110	Security for School Sites & Ballot Staging Area	\$ 20,000	\$ 20,000
529310	Office Equip Maintenance	\$ 6,360	\$ 6,360
529990	Other Equip Maintenance (Opex Envelope Extractor, Fire Extinguisher, etc.)	\$ 12,210	\$ 12,210
530110	Property Rent (Ballot Loading Area at Cow Palace)	\$ 39,160	\$ 39,160
530210	Garage Rent	\$ 75,200	\$ 75,200
530310	Misc Facilities Rental	\$ 1,708,222	\$ 1,708,222
	• Warehouse Lease	\$ 1,662,240	\$ 1,662,240
	• SFUSD Facilities Serving as Poll Sites	\$ 45,982	\$ 45,982
530510	Payments for Private Poll Sites	\$ 91,000	\$ 91,000
531210	Vehicle Rental (for use by Deputy Sheriffs, Field Support, & Transport of Materials & Staff)	\$ 220,000	\$ 220,000

Account	Account Description	Dollar Amount FY 2024-25	Dollar Amount FY 2025-26
531990	Other Equipment Rentals (Forklift, Dollies, Tents, etc.)	\$ 49,000	\$ 49,000
535210	Freight-Delivery	\$ 5,000	\$ 5,000
535510	Copy Machine	\$ 40,000	\$ 40,000
535520	Printing	\$ 6,253,603	\$ 3,937,194
	<ul style="list-style-type: none"> Ballots, Vote-By-Envelopes, Inserts, & Mailers 	\$ 4,124,905	\$ 2,240,822
	<ul style="list-style-type: none"> Voter Information Pamphlets, Sample Ballots, and Facsimiles 	\$ 2,097,330	\$ 1,665,004
	<ul style="list-style-type: none"> Poll Worker Manuals 	\$ 31,368	\$ 31,368
535610	Postage (Mailing of Election Materials & Ballot Return Postage)	\$ 606,188	\$ 606,188
535710	Subscriptions (Online VIP Hosting)	\$ 18,258	\$ 18,258
535810	Outreach Advertising	\$ 298,243	\$ 298,243
535960	Software Licensing Fees for Various Web Applications	\$ 42,783	\$ 42,783
552210	Fees Licenses Permits (Permits for Porta-Potty Placement)	\$ 17,128	\$ 17,128
554610	Revolving Fund Activities	\$ 100	\$ 0

F. Budget Forms

The Mayor and Controller require departments to submit their budget proposals by completing the forms they jointly issue and to do so using the Budget Formulation and Management System. All of these forms are thus enclosed, with brief descriptions provided in this section. Please note that while the forms entitled “Budget Year” (BY) and “Budget Year Plus 1” (BY+1) refer to FY2024-25 and FY2025-26, those entitled “Prior Year” (PY) and “Current Year” (CY) refer to FY2022-23 and FY2023-24.

1. Form 1A and 1B: High Level Summary

Form 1A: Summary of Major Changes in the Proposed Budget. This form requires the Department to provide a high-level overview of the changes submitted in its budget proposals, with ten specific requests for information: 1) a summary of major changes the Department is proposing; 2) an explanation of how the Department met its target reductions and the high-level programmatic, operational, or staffing impacts of the proposed reduction; 3) a comparison of current year staffing levels with previous years and a description of any proposed position changes; 4) a summary of major spending changes; 5) a summary of revenue changes; 6) a description of any legislative changes sought; 7) a description of continuing and proposed contracting work under Prop J; 8) an explanation of any requested Transfers of Functions of positions; 9) an explanation of any requested interim exceptions for positions; and 10) a description of how the department has considered equity in its budget submission.

As shown below in Table 5, the Department’s FY 2024-25 proposal of \$25,026,734 and FY 2025-26 proposal of \$23,444,315 include General Fund support decreases of \$580,658 and \$513,685, respectively, as compared to the base budget approved last year.

The decrease in FY 2024-25 General Fund support results from two changes: first, a \$280,658 reduction in funding for some of the Department's operations as described in Budget Form 3A and second, a \$300,000 increase in revenue due to certain costs the Department expects to recoup for conducting district elections.

The \$513,685 decrease in FY 2025-26 General Fund support results from the same reduction the Department made in the prior fiscal year (\$280,658, as described above), minus \$50,000 for Minor Data Processing Equipment the purchase of which the Department would be unable to forgo again this year. The Department should also be able to realize \$216,334 and \$81,382 reductions in salaries and overtime expenses as well as a \$25,754 decrease in fringe benefits because it will need to hire fewer temporary employees to attend to the projected workload for the June 2, 2026 election. Finally, the Department expects a \$42,043 reduction in revenues in FY 2025-26, due to fewer candidates being expected to file and appear on the June 2026 ballot compared to the prior year.

Table 5: Snapshot of the Department's Budget Proposals

	FY 2023-24			FY 2024-25		
	Base Amount	Final Amount	Changes	Base Amount	Final Amount	Changes
Total Expenditures	\$ 26,346,301	\$ 26,065,643	(\$ 280,658)	\$ 24,197,291	\$ 23,641,563	(\$ 555,728)
Total Revenue & Recovery	\$ 738,909	\$ 1,038,909	\$ 300,000	\$ 239,291	\$ 197,248	(\$ 42,043)
General Fund Support	\$ 25,607,392	\$ 25,026,734	(\$ 580,658)	\$ 23,958,000	\$ 23,444,315	(\$ 513,685)

Form 1B: Department Budget Summary. This form compares the Department's current budget against its proposals for the next two fiscal years. That is, it compares the Department's FY 2023-24 current budget to both its FY 2024-25 and FY 2025-26 proposals. (This form is automatically generated from data in the Budget System. It is important to note that in many ways it is more helpful to compare budgets across four-year cycles since most of the fluctuations in the Department's budgets across fiscal years result from the established election calendars. For example, fiscal years with higher-cost presidential elections will track other fiscal years with such elections better than fiscal years with smaller elections.)

Form 1C. Contingency. This form requires the Department to propose additional ongoing contingency savings in BY and in BY+1 on top of meeting budget targets. The Department is proposing a \$50,000 reduction in training costs should the Mayor's office choose to implement additional reductions.

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

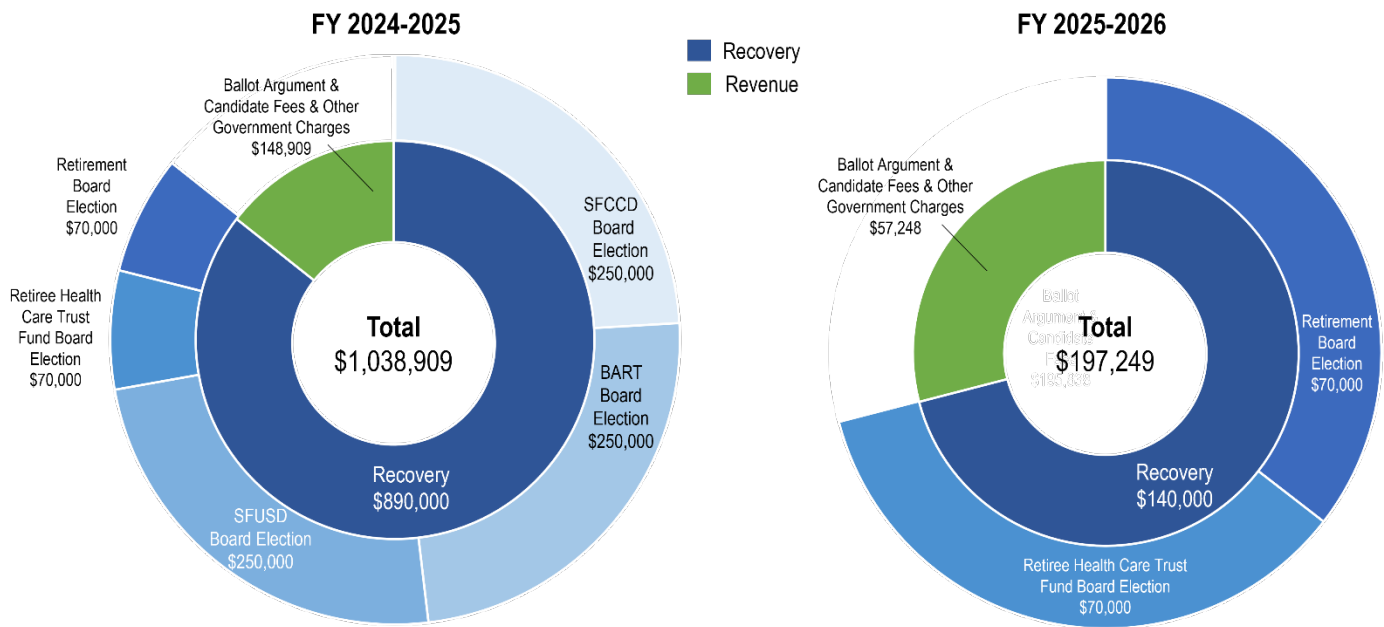
The Department's projected revenue and revenue recoveries total \$1,038,909 for FY 2024-25 and \$197,248 for FY 2025-26; these totals reflect revenues the Department expects to receive from the following sources:

1. *Candidate Filing and Paid Ballot Argument Fee Collections.* A combination of state and local law prescribe collection procedures and fee amounts for candidate filing and submission of paid ballot argument fees. In estimating revenues for elections in FY 2024-25 and FY 2025-26, the Department considered historical filing data in similar past elections, as well as the impact of Proposition H, passed in 2022, on the elections schedule.

2. *District and Agency Elections Revenue Recoveries.* Per state law, the Department may conduct district and agency elections and recoup the costs associated with administering such elections. The Department expects to realize such revenue recoveries from conducting two agency elections in both FY 2024-25 and FY 2025-26, namely the San Francisco Retirement Board Elections and the Retiree Health Care Trust Fund Board Elections. In addition, the Department expects to receive revenue recoveries in FY 2024-25, 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 2, 2026 General Election.

Graph 1 on the next page illustrates these projected revenue and recoveries for FY 2024-25 and FY 2025-26.

Graph 1: Revenue and Recoveries



Form 2A: Revenue Report. This form describes the changes in projected revenues and revenue recoveries and associated sources in the FY 2024-25 and FY 2025-26 budget proposals as compared to the base budget approved last year. It reflects a one-time increase of \$300,000 for FY 2024-25, when the San Francisco Unified School District, Community College District, and Bay Area Rapid Transit District consolidate their elections with the November 5, 2024 Consolidated General Election. It also reflects a decrease to candidate filing fees in FY 2025-26, as compared to FY 2024-25, because the Department expects to collect fewer filing fees in the June 2, 2026 election cycle as compared to the November 5, 2024 election cycle.

Form 2B: Fees and Fines. This form details various projected fees, including a breakdown of fee descriptions, amounts, and the applicable code sections authorizing the collection of fees projected in the FY 2024-25 and FY 2025-26 budget proposals.

Form 2C: Fee Cost Recovery. This form lists new and modified fees, fines, or service charges. *This form is not applicable, as the Department is not proposing any changes to existing fees.*

3. Form 3A and 3B: Uses

The Department’s projected upcoming expenditures total \$26,065,643 for FY 2024-25 and \$23,641,563 for FY 2025-26. These expenditures are grouped into seven major accounts, as listed in Form 1B and briefly described in this section.

Salaries include expenses for Department year-round and seasonal employees as well as overtime election cycle expenses.

Mandatory Fringe Benefits consist mainly of the health and retirement benefits the City provides to its employees.

Non-Personnel Services include necessary operational expenses, including Department contractual obligations (e.g., voting system lease); vehicle fleet and ballot processing equipment maintenance; ballot production, printing, assembly, and mailing; production, translation, and mailing of the Voter Information Pamphlet; poll worker and polling place provider stipends; polling place facility rental fees; vehicle and garage rental fees; warehouse lease; voter outreach advertising; and logistical expenses.

Outreach Grant Program shows funding for the Outreach Grant Program, i.e., paid partnerships with local non-profits.

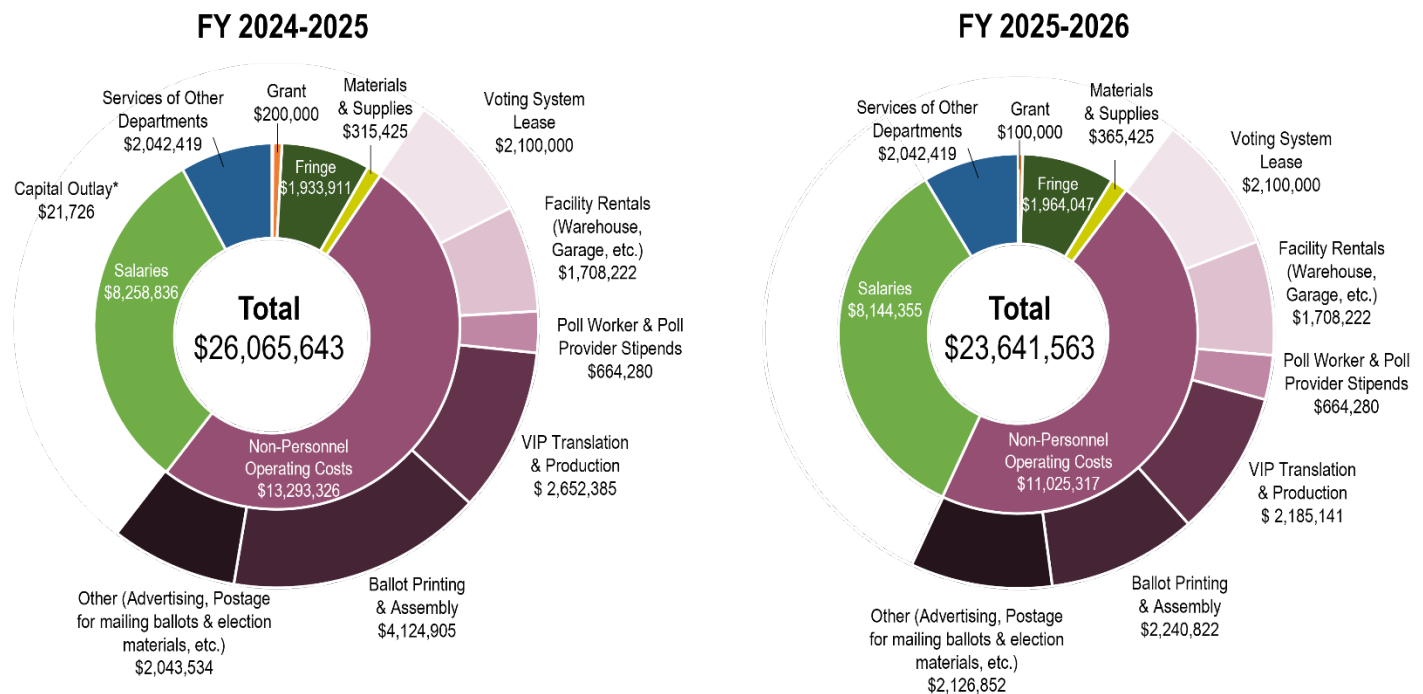
Capital Outlay shows the costs of new servers, as required to maintain the City’s voting and election readiness systems.

Materials and Supplies lists various types of basic supplies and materials (e.g., polling place posters, office paper).

Services of Other Departments itemizes the costs of both Department-specific intra-departmental services (e.g., Sheriffs for ballot security) and general pan-city costs (e.g., the Public Utilities Commission charges for light, heat, and power).

Graph 2 illustrates projected expenditures.

Graph 2: Expenditures



*Capital outlay includes costs of two new servers. In accordance with the City’s Budget System, these costs are not included in the totals of proposed budgets until formally approved by the Mayor’s Office.

Form 3A. Expenditure Changes. This form describes changes (decreases) to proposed expenditures for FY 2024-25 and 2025-26 budgets, as compared to the base budget. While the Department proposes both a \$280,658 decrease in its expenditures in FY 2024-25 and a parallel \$555,728 decrease in FY 2025-26, neither of those proposed decreases reflects a plan to cut any key election programs or services critical to fulfilling the Department's mission and legally-mandated responsibilities.

Per the Mayor's directive, the Department has not proposed any new initiatives in this budget cycle, and has instead prioritized identifying areas where efficiencies and funding reductions can be found while maintaining current levels of service. As detailed on Form 3A, these include reductions in expenditures for data processing equipment, materials and supplies, professional services, security, and vehicle rentals. Although the Department was able to identify savings in several accounts, it must be emphasized that the costs of conducting elections have not decreased; both fixed and variable costs are expected to continue to increase in the near term due to factors outside of the Department's control, such as inflation and rising wages.

Form 3B. Position Changes. This form is used to show any proposed changes to approved positions. The Department does not propose any changes to the position classification structure approved under last year's Annual Salary Ordinance. The \$235,048 decrease in salary and fringe expenditures shown here for FY 2025-26 is due mainly to the Department's needing to hire fewer seasonal employees to assist with the June 2, 2026 election as compared to the November 5, 2024 election. This decrease in temporary staffing is mainly reflective of the type of the election scheduled and the historical workload in similar past elections. This form also shows a \$88,422 decrease in overtime expenditures in FY 2025-26. Because, in every election cycle, overtime costs strongly correlate with staffing levels, the projected decreases in temporary staffing strongly suggest overtime costs will also decrease.

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

Form 4A: New Equipment Requests. This form details requests for proposed equipment expenses, defined as items with a total unit cost of \$5,000 or more, including taxes and fees, with a useful life of three years or more. While the typical industry server lifespan is 5 years, the Department has been keeping many of its servers in use much longer. Replacing two servers per fiscal year would allow the Department to come up to standard. Given that, last year, the Department's request to purchase two servers in FY 2024-25 was approved, four of the ten servers housing San Francisco's essential election applications have now exceeded their lifespans. The Department is thus seeking approval of \$21,726 for the purchase of two additional servers in FY 2024-25. This purchase aligns with the City's disaster recovery goals by ensuring availability of critical hardware.

Form 4B: Fleet Requests. This form is used to describe new or replacement vehicle requests. *This form is not applicable, as the Department is not requesting any additions to its fleet in these budget proposals.*

5. Organizational Chart

This form shows the Departments filled and vacant (set for attrition savings) positions as approved per last year's Annual Salary Ordinance.

6. Prop J Contracting: Reporting Requirements

Prop J authorizes an outside service only when the private service provider can perform the service at a lower cost than it would cost for city employees to perform the same service. This form provides a cost analysis for any such service sought.

Since FY 2007-08, the Department has received approval to outsource assembly and mailing of vote-by-mail ballot packets and again seeks approval to obtain these services for the November 2024 election cycle in its FY 2024-25 budget proposal.

7. Interdepartmental Services Balancing

The Interdepartmental Services Balancing form details costs associated with interdepartmental services (IDS). The Department maintains IDS accounts with ten city departments and agencies. Some of these accounts provide election-related services while others provide general services to all City Departments.

The funds for general services IDS accounts are centrally loaded and contribute to the Department's fixed operating costs. Such charges include those billed from the Department of Technology for general support and telecommunication, the Public Utilities Commission for light, heat, and power, and the General Services Agency for general accounting support.

The funds for election-related services IDS accounts, on the other hand, fluctuate, and mainly on the basis of the number of scheduled elections in a fiscal year. Among such charges are those billed from the Reproduction and Mail Services Division for printing and reproduction of mailers and other official election materials, the Sheriff's Department for ballot security and collection services, and the Municipal Transportation Agency for Election Night collection of election results data.

G. Elections Commission's Budget

The Elections Commission's budget is contained within the Department of Elections' budget but under separate accounts, as noted in Table 6 below. To date, the Elections Commission has only submitted one request for funding. This request -- in the amount of \$1,500 for digitization its archived records in FY 2024-25 -- was entered into the City's Budget system under account 527990, as shown in Table 5 below. Should the Commission decide to submit changes, it must provide justification for each such change to the Director by Monday, February 19, 2024. (This will allow the Department two days to enter any proposed changes into the system and to complete forms by the Charter-mandated deadline of February 21, 2024.)

Table 6: Elections Commission's Budget

Account	Account Item	Charts Title	Dollar Amount	Dollar Amount
			FY 2024-25	FY 2025-26
527990	Other Professional Services	Non-Personnel Operating Costs	\$ 1,500	\$ -
530310	Misc Facilities Rental	Non-Personnel Operating Costs	\$ 267	\$ 267
535610	Postage	Non-Personnel Operating Costs	\$ 583	\$ 583
549990	Other Materials & Supplies	Non-Personnel Operating Costs	\$ 438	\$ 438
513010	Retire City Misc	Personnel - Fringe Benefits	\$ 7,664	\$ 7,548
514010	Social Security (OASDI & HI)	Personnel - Fringe Benefits	\$ 3,236	\$ 3,364
514020	Social Sec-Medicare (HI Only)	Personnel - Fringe Benefits	\$ 757	\$ 787
515010	Health Service-City Match	Personnel - Fringe Benefits	\$ 3,011	\$ 3,221
515020	Retiree Health-Match-Prop B	Personnel - Fringe Benefits	\$ 373	\$ 388
515030	RetireeHlthCare-CityMatchPropC	Personnel - Fringe Benefits	\$ 148	\$ 154
515710	Dependent Coverage	Personnel - Fringe Benefits	\$ 5,694	\$ 6,092
516010	Dental Coverage	Personnel - Fringe Benefits	\$ 515	\$ 532
519120	Long Term Disability Insurance	Personnel - Fringe Benefits	\$ 214	\$ 223
501010	Perm Salaries-Misc-Regular	Personnel - Salaries & Wages	\$ 52,189	\$ 54,249

H. Conclusion

In developing its budget proposals for FY 2024-25 and FY 2025-26, the Department made a concerted effort to strike a careful balance between supporting the City in its efforts to close a large projected budget shortfall and continuing to meet its mission. This mission is to provide equitable access to voting and election-related services to San Franciscans and to conduct free, fair, and functional elections. Given the magnitude of the projected budget deficit, the Department recognizes the need to implement cost-saving strategies and efficiencies whenever possible, but must, above all else, preserve the vital election services and programs all San Francisco voters are entitled to by law. These proposals thus reflect the Department's ongoing dedication to maintaining robust voter outreach and education programs as well as the provision of multilingual and barrier-free voter programs and services, all in the context of maximally cost-efficient and well-organized operations.