

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Ben Kallos
Chair, Committee on Governmental Operations



Hearing on the Fiscal 2015 Preliminary Budget & the Fiscal 2014 Preliminary Mayor's Management Report

Board of Elections

March 25, 2014

Latonia McKinney, Deputy Director

John Russell, Principal Legislative Financial Analyst

Table of Contents

Board of Elections Overview	1
BOE Financial Summary	1
Fiscal 2015 Preliminary Plan Highlights.....	1
BOE's Fiscal 2014 Budget.....	1
BOE's Fiscal 2015 Budget.....	2
BOE Five Year Actual Expenditures	2
BOE Capital Program	2
Issues	2
Poll Worker Performance Incentive	2
Department of Investigation Probe of BOE operations.....	3
Appendix A: Budget Actions in the November and Preliminary Plans	4
Appendix B: Fiscal 2015 Contract Budget	5
Appendix C: Fiscal 2013 Preliminary Mayor's Management Report	6

Board of Elections Overview

The Board of Elections (The Board or BOE) conducts, as specified by State Law, all elections within the City of New York. The Board has a central office and five borough offices. The Board receives and examines candidates' petitions, registers voters either by mail or on specified registration days, and keeps current the City's voter registration lists. The Board staff holds and keeps minutes of all of the Commissioners' meetings.

BOE Financial Summary

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Spending						
Personal Services	\$57,647	\$52,679	\$63,117	\$70,517	\$29,117	(\$34,000)
Full-Time Salaried	15,810	19,035	27,176	27,176	10,176	(17,000)
Unsalaries	35,487	28,148	33,389	37,889	16,389	(17,000)
Additional Gross Pay	223	207	89	89	89	0
Overtime	5,825	4,883	1,292	3,792	1,292	0
Amounts to be Scheduled	0	0	1,146	1,146	1,146	0
Other	302	405	24	424	24	0
Other Than Personal Services	\$52,187	\$54,791	\$72,875	\$72,792	\$47,369	(\$68,000)
Supplies and Materials	3,133	5,232	3,783	3,811	3,783	0
Property and Equipment	3,896	1,575	1,359	1,759	800	(559)
Other Services and Charges	21,431	23,785	44,895	20,814	20,366	(24,529)
Contractual Services	23,727	24,188	22,838	46,408	22,420	(418)
Fixed and Misc. Charges		10				0
TOTAL	\$109,835	\$107,469	\$135,992	\$143,309	\$76,486	(\$25,506)
Funding						
City Funds			\$133,258	\$140,258	\$76,486	(\$56,772)
State			2,172	2,361		(2,172)
Federal - Other			562	690		(562)
TOTAL	\$109,835	\$107,469	\$135,992	\$143,309	\$76,486	(\$59,506)
Budgeted Positions						
Total	340	323	346	346	346	0

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.

Note: Spending for other salaried and unsalaried personnel includes expenditures for the Board's more than 36,000 poll workers.

Fiscal 2015 Preliminary Plan Highlights

BOE's Fiscal 2014 Budget

In the Preliminary Plan, the Board's expense budget for Fiscal 2014 totals \$143.3 million including \$72.8 million in Personal Services funding to support 346 full-time positions and over 36,000 poll workers. This total takes into account additional expenses associated with the current fiscal year's heavy election schedule, which includes the Mayoral primary and general elections, and the June federal primary election. Thus, the Board's Fiscal 2014 total is substantially higher than any

of the Board's previous five-year actual expenditures, which peaked at \$109.8 million in Fiscal 2012, leaving the potential for a year-end budget surplus.

BOE's Fiscal 2015 Budget

The Board's Fiscal 2015 proposed budget of \$76.5 million is likely to be modified to meet the Board's changing needs. Because of the nature of elections, the BOE's budget varies significantly from year-to-year based on several variables, including the type of election (local, statewide, congressional or presidential), implementation of new voter laws, and special elections and other changes in election scheduling, many of which occur mid-year. While BOE routinely identifies budget shortfalls, funding for any deficits are added to the Board's budget by the fiscal year's end.

Budgeted headcount for Fiscal 2015 totals 346 positions which is an increase when compared to Fiscal 2013. Included in last year's Executive Plan was baseline funding beginning in Fiscal 2014 of \$659,000 for 23 voting machine technicians to address technical issues with the new voting machines.

BOE Five Year Actual Expenditures

<i>Dollars in Thousands</i>	Fiscal Year				
	2009	2010	2011	2012	2013
Personal Services	\$25,976	\$26,951	\$48,487	\$57,651	\$52,682
Other Than Personal Services	55,079	68,755	54,387	52,187	54,791
Agency Total	\$81,054	\$95,706	\$102,874	\$109,839	\$107,473

Note: Funding for poll workers shifted from OTPS to the PS beginning in Fiscal 2011 due to an Internal Revenue Service ruling that said they should be considered New York City employees and not consultants.

BOE Capital Program

Included in the Capital Plan for 2014 are planned commitments totaling \$9.2 million for BOE equipment and infrastructure. BOE capital projects in the Capital Plan include purchasing voter machines, call center upgrades, relocation of offices and additional warehouse space.

Issues

Poll Worker Performance Incentive

During the BOE's budget hearings last year, the Board testified that the performance incentive of \$35 per poll worker was inadequate and requested that it be increased to \$100. To be eligible for this incentive, poll workers must attend appropriate training, pass the exam, and work at least two elections during the year. The Board believes that this would enhance its ability to retain qualified poll workers from election to election, and would help ensure that all poll sites are staffed with trained and experienced poll workers on every election day. Implementation of this request would require additional funding totaling approximately \$2.3 million per year.

Department of Investigation Probe of BOE operations

According to a 70-page report released in December 2013 after a six-month probe, the Department of Investigation cited nepotism, political cronyism, violations of voter privacy and untrained workers as significant problems inside the City's Board of Elections.

Investigators found poll workers who routinely gave incorrect instructions to voters and recorded more than a dozen different types of violation of voter privacy. In 61 instances, investigators posing as ineligible voters, which included the deceased, convicted felons, and those who don't live in the City, were allowed to cast a vote. In addition, the investigation found 69 board employees who appeared to have a relative working within the BOE.

The report included 40 recommendations for the Board of Elections to improve its operations, including organizational and policy changes and better management of its registration rolls.

On February 28, 2014, The Council's Committee on Governmental Operations jointly with the Committee on Oversight and Investigations, held an oversight hearing on the DOI report in an effort to seek resolutions to the many issues sighted.

Appendix A: Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of FY 2014 Adopted Plan	\$133,258	\$2,734	\$135,992	\$76,486	\$0	\$76,486
New Needs						
June Federal Election	7,000		7,000			0
TOTAL, New Needs	\$7,000	\$0	\$7,000	\$0	\$0	\$0
Other Adjustments						
Federal Funding		128	128			0
State Grants		189	189			0
TOTAL, Other Adjustments	\$0	\$317	\$317	\$0	\$0	\$0
TOTAL, All Changes	\$7,000	\$317	\$7,317	\$0	\$0	\$0
Agency Budget as of FY 2015 Prelim Plan	\$140,258	\$3,051	\$143,309	\$76,486	\$0	\$76,486

June Federal Primary New Needs. The Preliminary Plan includes an increase in funding totaling \$7 million in Fiscal 2014 for additional poll worker expenses associated with the federal primary to be held in June. This new funding was based on a re-estimate of expenses after a mid-year evaluation of the Board's current fiscal year budget.

Appendix B: Fiscal 2015 Contract Budget

Category	Number	Budgeted	Pct of BOE's Total	Pct of City Total by Cat.
Contractual Services General	2	\$1,500,000	6.69%	0.27%
Telecommunications Maintenance	8	\$1,000	0.00%	0.00%
Maint & Repair, General	1	\$1,132	0.01%	0.00%
Office Equipment Maintenance	2	\$220,000	0.98%	1.58%
Data Processing Equipment	1	\$200,000	0.89%	0.09%
Printing Contracts	9	\$17,007,500	75.86%	53.17%
Security Services	1	\$200,000	0.89%	0.20%
Cleaning Services	1	\$100,000	0.45%	0.46%
Transportation Expenditures	9	\$2,750,000	12.27%	20.52%
Training Programs for City Employees	1	\$190,000	0.85%	1.17%
Professional Services Legal Services	1	\$150,000	0.67%	0.14%
Professional Services: Other	1	\$100,000	0.45%	0.05%
Fiscal 2015 Preliminary Budget	37	\$22,419,632	100%	0.19%

The BOE's contract budget for Fiscal 2015 totals \$58.2 million to support 37 contracts. Because the BOE is responsible for printing all ballots for elections held in the City, printing contracts represent 75.9 percent of its total contract budget and 55.3 percent of all printing contracts citywide. A plan to reduce the Board's printing costs by 30 percent by leveraging the City's purchasing power through the Department of Citywide Administrative Services was discussed during last year's budget hearing, however, the BOE's printing budget remains unchanged.

Appendix C: Fiscal 2013 Preliminary Mayor's Management Report

Performance Indicators	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Voter turnout - general election (000)	NA	NA	2,467	*	*	NA	NA
Voter Registration forms processed	NA	NA	642,460	*	*	NA	NA
Registered voters (000)	NA	NA	4,640	*	*	NA	NA
Poll worker attendance on Election Day (%)	NA	NA	95.6%	*	*	NA	NA
Voter complaints regarding poll workers	NA	NA	434	*	*	NA	NA
Voter complaints regarding poll workers - service	NA	NA	146	*	*	NA	NA
Voter complaints regarding poll workers - procedure	NA	NA	288	*	*	NA	NA
Voting equipment replacement rate - ballot scanners (%)	NA	NA	3.2%	*	*	NA	NA
Voting equipment replacement rate - ballot marking devices (%)	NA	NA	5.6%	*	*	NA	NA
Precision of unofficial election results (%)	NA	NA	1.0%	*	*	NA	NA
Interpreters deployed on election day	NA	NA	1,917	*	*	NA	NA
Interpreters deployed on election day - Bronx	NA	NA	156	*	*	NA	NA
Interpreters deployed on election day - Brooklyn	NA	NA	511	*	*	NA	NA
Interpreters deployed on election day - Queens	NA	NA	836	*	*	NA	NA
Interpreters deployed on election day - Manhattan	NA	NA	374	*	*	NA	NA
Interpreters deployed on election day - Staten Island	NA	NA	40	*	*	NA	NA