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Report on the Fiscal 2017 Executive Budget New York City Board of Elections May 13, 2016

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Executive Budget Summary

- **Expense Budget Overview.** The New York City Board of Election's (BOE or the Board) proposed Fiscal 2017 Expense Budget totals \$123.7 million, including \$52 million in personal services funding to support 475 full-time positions and over 30,000 poll workers.
- **Executive Budget Changes**
 - **New in the Executive Budget.** The Fiscal 2017 Executive Budget includes \$23.5 million in new needs and \$12 million in other adjustments, of which \$9 million is anticipated to be rolled into the Fiscal 2017.
 - **BOE Contract Budget.** The BOE's contract budget for Fiscal 2017 totals \$37.8 million to support 49 contracts. As the BOE is responsible for printing all ballots for elections held in the City, printing contracts total \$17.1 million and represent 45 percent of BOE's contract budget.
 - **Capital Budget:** The BOE's planned capital commitments for Fiscal 2017 total \$2.9 million. BOE capital projects include IT upgrades, call center upgrades, and relocation of offices and additional warehouse space.

BOE Reform Proposal.

During the Presidential Primary held on Tuesday, April 19, 2016, voters in the City reported several problems, including unknowingly being removed from voter rolls, having their party affiliation changed, poll sites opening late, and malfunctioning voting machines. It is estimated that BOE removed close to 120,000 registered voters in Brooklyn from the voter registration rolls. As a result the BOE suspended two employees without pay. The New York City Comptroller and the State Attorney General have both launched audits of the BOE.

On April 25, Mayor de Blasio announced he would make \$20 million available to the BOE for reforms, under the condition that they sign a binding agreement by June 1, 2016. The funding for the Mayor's proposed reforms were not included in the 2017 Executive Plan. The reforms fall into three categories: 1) identifying and rectifying systemic challenges by hiring an outside consultant and posting all job vacancies; 2) enhancing poll worker training and increasing salaries; and 3) improving communication with voters. The last category includes legislation recently passed by the Council. They include Int. 463-A (Vacca) that requires email and text message notifications to voters; Int.659-A (Kallos) which creates a voter information portal that can track absentee ballots; and Int. 62-A (Garodnick) which requires notices on former poll sites.

BOE Overview

This report provides an overview of the Board of Elections Fiscal 2017 Budget, a review of the significant initiatives included in the Executive Budget, and a summary of the Department's Capital Budget for Fiscal 2016-2017. Appendix 1 reports the changes made to the Fiscal 2016 and Fiscal 2017 Budget since adoption of the Fiscal 2016 Budget. For additional information on the BOE's Budget and its various programs, please refer to the "Fiscal 2017 Preliminary Report" available on the Council's website.

BOE Financial Summary						
	2014	2015	2016	Executive Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$16,325	\$17,676	\$20,413	\$25,234	\$22,097	\$1,683
Other Salaried and Unsalaries	33,987	26,581	37,759	32,939	23,603	(14,155)
Additional Gross Pay	285	1,358	89	89	221	132
Overtime - Civilian	6,450	4,869	2,292	2,292	4,874	2,582
P.S. Other	(1)	(3)	0	0	0	0
Fringe Benefits	364	326	24	282	414	390
Amounts to be Scheduled	0	0	1,146	1,146	1,146	0
Subtotal	\$57,410	\$50,807	\$61,724	\$61,982	\$52,356	(\$9,368)
Other Than Personal Services						
Supplies & Materials	\$3,824	\$3,903	\$4,281	\$4,676	\$6,000	\$1,719
Fixed & Misc. Charges	9	35	0	0	10	10
Property & Equipment	587	3,569	2,550	4,156	1,958	(592)
Other Services & Charges	25,764	26,232	24,039	24,693	25,601	1,562
Contractual Services	28,569	21,626	47,659	36,919	37,822	(9,837)
Subtotal	\$58,753	\$55,364	\$78,529	\$70,444	\$71,391	(\$7,138)
TOTAL	\$116,163	\$106,170	\$140,252	\$132,426	\$123,746	(\$16,506)
Funding						
City Funds			\$140,252	\$132,311	\$121,716	(\$18,536)
State			0	30	1974	1974
Federal - Other			0	84	56	56
TOTAL	\$116,163	\$106,170	\$140,252	\$132,426	\$123,746	(\$16,506)
Budgeted Headcount						
Full-Time Positions - Civilian	367	367	335	455	450	115
Amounts to be Scheduled	0	0	25	25	25	0
TOTAL	367	367	360	480	475	115

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.*

The BOE's Fiscal 2017 Executive Budget totals \$123.7 million, \$14.2 million less than the BOE's Fiscal 2016 Adopted Budget of \$140.3 million. Of the total, 98 percent of the BOE's Fiscal 2017 budget is City funding. 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.

The BOE's total headcount for Fiscal 2017 is 475 positions, for a net increase of 115 positions when compared to the Fiscal 2016 Adopted Budget. This increase is the result of the BOE converting temporary positions to full-time positions.

Executive Budget Actions

The Fiscal 2017 Executive Budget includes \$23.5 million in new needs and \$12 million in other adjustments. The following new needs are included in the plan:

- \$10 million for general other than personal services costs for the State Legislative Primaries on September 13, 2016 and the General Presidential Election on November 8, 2016;
- \$8.1 million for poll workers for the next two elections; and
- \$3.7 million for voting machine support service contracts.

Actual Expenditures

BOE Actuals <i>Dollars in Thousands</i>	Fiscal Year					
	2010	2011	2012	2013	2014	2015
PS	\$26,951	\$48,487	\$57,651	\$52,682	\$57,410	\$50,807
OTPS	68,755	54,387	52,187	54,791	58,753	55,364
Agency Total	\$95,706	\$102,874	\$109,839	\$107,473	\$116,163	\$106,170

From Fiscal 2010 through 2015, the Board's total expenditures averaged \$106.4 million per year, peaking at \$116.2 million in Fiscal 2014. Funding for poll workers shifted from Other Than Personnel Services to Personnel Services beginning in Fiscal 2011 due to an Internal Revenue Service ruling that said they should be considered New York City employees and not consultants.

During Fiscal 2015, the Board conducted several notable local elections, including the 2014 gubernatorial election, thus creating the need for additional funds. In Fiscal 2015, expenses were budgeted at \$110 million and the Board ended the year with a \$6 million budget surplus.

Preliminary Budget Highlight

Funding for Tablets. The Fiscal 2017 Preliminary Plan for the BOE included additional funding of \$726,000 in Fiscal 2017 for electronic tablets on Election Day. The BOE uses the tablets for reporting election results, checking in with poll workers, and helping voters find their election district and poll site.

Appendix 1: BOE Fiscal 2017 Budget Actions since Fiscal 2016 Adoption

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
BOE Budget as of the Adopted 2016 Budget	\$140,253	\$0	\$140,253	\$87,650	\$0	\$87,650
New Needs - Prelim. 2017						
Election Day Tablet Support	\$0	\$0	\$0	\$414	\$0	\$414
Election Event Tablet Deployments	0	0	0	312	0	312
Subtotal, New Needs	\$0	\$0	\$0	\$726	\$0	\$726
Other Adjustments - Prelim. 2017						
Budget Modification	\$0	\$0	\$0	\$0	\$0	\$0
FY16 NYS Voting Access	0	942	942	0	0	0
FY16 Voter Ed Grant	0	1,062	1,062	0	0	0
Polling Place Access	0	140	140	0	0	0
Subtotal, Other Adjustments	\$0	\$2,145	\$2,145	\$0	\$0	\$0
TOTAL, All Changes Prelim. 2017	\$0	\$2,145	\$2,145	\$726	\$0	\$726
BOE Budget as of the Preliminary 2017 Budget	\$140,253	\$2,145	\$142,398	\$88,376	\$0	\$88,376
New Needs - Exec. 2017						
Consultant Costs	\$1,500	\$0	\$1,500	\$0	\$0	\$0
Intra-city Vehicle Maintenance	0	0	0	4	0	4
One Time Lease Costs for 42 Broadway	0	0	0	820	0	820
OTPS for Two Elections	0	0	0	10,019	0	10,019
Poll Workers for 2 Elections	0	0	0	8,189	0	8,189
Voting Machine Support Services Contract	0	0	0	3,700	0	3,700
Voting Results Transmission and Internal Communications	0	0	0	840	0	840
Subtotal, New Needs	\$1,500	\$0	\$1,500	\$23,572	\$0	\$23,572
Other Adjustments - Exec. 2017						
City Rollover	(\$9,300)	\$0	(\$9,300)	\$9,300	\$0	\$9,300
Heat, Light and Power	(141)	0	(141)	(86)	0	(86)
Help America Vote Act New York State Rollover	0	(1,032)	(1,032)	0	1,032	1,032
Help America Vote Act New York State Rollover - Intra-city Funding	0	(942)	(942)	0	942	942
Help America Vote Act Rollover	0	(56)	(56)	0	56	56
Lease Adjustment.	0	0	0	553	0	553
Subtotal, Other Adjustments	(\$9,442)	(\$2,030)	(\$11,471)	\$9,768	\$2,030	\$11,798
TOTAL, All Changes - Exec. 2017	(\$7,942)	(\$2,030)	(\$9,971)	\$33,340	\$2,030	\$35,370
BOE Budget as of the Fiscal 2017 Executive Plan	\$132,311	\$115	\$132,426	\$121,716	\$2,030	\$123,746