



**New York City Council**

Christine C. Quinn, Speaker

**Finance Division**

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**Hearing on the Mayor's Fiscal Year 2012 Preliminary Budget &  
the Fiscal Year 2011 Preliminary Mayor's Management Report**

**Board of Elections**

March 16, 2011

**Committee on Government Operations**

Hon. Gale A. Brewer, Chair

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# Summary and Highlights

## Board of Elections

*Dollars in Thousands*

	2009 Actual	2010 Actual	2011 Adopted	2011 Feb Plan	2012 Feb Plan	Difference, 2011 – 2012*
<b>Spending</b>						
Personnel Services	\$25,976	\$26,951	\$18,274	\$44,962	\$33,013	\$14,739
Other Than Personal Services	55,079	68,755	71,098	58,371	36,895	(34,202)
<b>Table Total</b>	<b>\$81,054</b>	<b>\$95,706</b>	<b>\$89,371</b>	<b>\$103,333</b>	<b>\$69,908</b>	<b>(\$19,463)</b>

*\*Difference refers to the variance between the Fiscal 2011 Adopted Budget and the Projected Fiscal 2012 Budget.*

The Fiscal 2012 Preliminary Budget for the Board of Elections (approximately \$69.9 million) is \$19.5 million less than the agency’s Fiscal 2011 Adopted Budget of \$89.4 million. The proposed Fiscal 2012 appropriation is approximately \$33.4 million less than the Board’s Fiscal 2011 Budget as proposed in the February Plan. The \$19.5-million decrease is attributable to the \$5.1-million funding reduction contained in the February Plan, as well as budget reductions that have lowered the agency’s baseline funding over the course of several financial plans. The steeper \$33.4-million deficit, between the current Fiscal 2011 plan and the Fiscal 2012 February Plan, is predominantly caused by higher projected expenses for an election year, as well as \$14 million in one-time funding added to the agency’s Fiscal 2011 budget since Adoption. This recently-proposed funding is intended to cover costs associated with additional poll worker expenses associated with both the Primary and General elections this past fall, along with the recognition of State and federal grants.

## Issues and Budget Highlights

- **New Voting Machines.** Last Fall, the Board conducted its first ever elections using optical scan voting machines for both the Primary and General Elections.
- **Budget Reductions.** BOE’s Adopted Budget included an Other Than Personal Services (OTPS) Program to eliminate the Gap (PEG) reduction of \$5.2 million and a Personnel Services (PS) PEG reduction of \$2.8 million for Fiscal 2011. The 2010 November Plan included funding to restore both aforementioned PEG. The November plan also included a new PEG to reduce the Department’s OTPS budget by \$5.1 million in Fiscal 2011 and \$6.6 million in Fiscal 2012. The February Plan adds \$5 million in new needs funding to pay for additional poll worker training and compensation in Fiscal 2011.
- **Reforms.** On December 6, 2010, Mayor Michael R. Bloomberg announced a set of reforms designed to make voting more convenient and flexible for all New Yorkers and issued a report showing that New York has the most restrictive election policies in the country and decades of declining voter turnout.

## Board of Elections

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 holds and keeps minutes of all of the Commissioners' meetings on the Board of Elections.

### Board of Elections

*Dollars in Thousands*

	2009 Actual	2010 Actual	2011 Adopted	2011 Feb Plan	2012 Feb Plan	Difference 2011-2012
<b>Spending</b>						
<b>Personal Services</b>	<b>\$25,976</b>	<b>\$26,951</b>	<b>\$18,274</b>	<b>\$44,962</b>	<b>\$33,013</b>	<b>\$14,739</b>
Full-Time Salaried – Civilian	14,418	15,605	14,049	22,049	14,072	23
Other Salaried & Unsalaries	4,211	4,736	1,674	20,362	16,390	14,716
Additional Gross Pay	277	893	89	89	89	0
Overtime - Civilian	6,942	5,574	1,292	1,292	1,292	0
Fringe Benefits	128	143	24	24	24	0
Amounts to be Scheduled	0	0	1,146	1,146	1,146	0
<b>Other Than Personal Services</b>	<b>\$55,079</b>	<b>\$68,755</b>	<b>\$71,098</b>	<b>\$58,371</b>	<b>\$36,895</b>	<b>(\$34,202)</b>
Supplies and Materials	3,410	2,987	3,081	4,581	3,081	0
Property and Equipment	901	461	800	1,587	800	0
Other Services and Charges	15,911	19,428	29,081	12,989	10,595	(18,486)
Contractual Services	34,857	45,816	38,136	39,214	22,420	(15,716)
Fixed and Misc. Charges	0	62	0	0	0	0
<b>TOTAL</b>	<b>\$81,054</b>	<b>\$95,706</b>	<b>\$89,371</b>	<b>\$103,333</b>	<b>\$69,908</b>	<b>(\$19,463)</b>
<b>Funding</b>						
<i>City Funds</i>			89,371	97,253	69,908	(19,463)
<i>State</i>			0	5,223	0	0
<i>Federal-Other</i>			0	857	0	0
<b>TOTAL</b>			<b>\$89,371</b>	<b>\$103,333</b>	<b>\$69,908</b>	<b>(\$19,463)</b>
<b>Headcount</b>						
Full-Time Salaried	340	341	319	319	319	0

### Agency Highlights

- **New Voting Machines.** This Fall, the Board conducted its first ever elections using optical scan voting machines for both the Primary and General Elections. These modern machines replaced the mechanical Shoup machines whose levers and reset arm has become familiar to New York City voters over the past many decades. Implementation of the new machines was required under the federal Help America Vote Act (HAVA). Under the new system, voters receive paper ballots and use pens to fill in ovals to mark their choices. Voters then feed their ballots into a scanner that records their votes.
- **Reforms.** “On December 6, 2010, Mayor Michael R. Bloomberg announced a set of reforms designed to make voting more convenient and flexible for all New Yorkers and issued a report showing that New York has the most restrictive election policies in the country and decades of declining voter turnout. The proposal calls for four changes to New York State election law, including: creating an early voting period; allowing New Yorkers to fill out their ballots at home before bringing them to their polling site

to be scanned; modernizing registration process and extending registration deadline from 25 days to 10 days before Election Day; and simplifying the ballot design with plain language instructions.

For the past several decades, New York voter turnout in municipal, state and federal elections has been declining, and is now lagging behind the rest of the country. In the last three state and federal election cycles, New York ranked 47<sup>th</sup> among states in average voter turnout.

#### Recommended Reforms:

- ❖ **Creation of an Early Voting Period:** 35 states currently offer early voting in some form, generally 1-2 weeks before Election Day at a selected number of “super poll sites.” An early voting period would give New Yorkers a much greater degree of flexibility as to where and when they vote.
- ❖ **At-home Ballot Completion:** The newly redesigned paper ballot system can provide a unique opportunity for voters to complete their ballots in the privacy of their homes and then bring them to the polling site for scanning and submission. This will ensure New Yorkers spend more time making informed decisions and less time waiting in line at the poll sites.
- ❖ **Streamlining Voter Registration:** New York State has some of the most cumbersome registration laws in the country. But we can immediately improve this situation by taking three simple steps. First, the law should be changed to allow registration [up to] ten days before Election Day, as is permitted by the New York State Constitution, rather than the 25 days permitted now. Second, modernizing the registration process by linking existing state and local databases to the Board of Elections would eliminate duplicative data entry and reduce the time required for processing. Lastly, New York State should allow voters to change their party affiliation, and participate in the primary of their choice, without having to wait over a year for the process to take its course. Such a reform would put New York State back in the mainstream, as 20 out of 25 states that require party affiliation to vote in primaries allow for changes within 30 days of Election Day.
- ❖ **Simplified Ballot Design:** Guaranteeing that ballot instructions are readily visible and in plain language will ensure that voters are better able to understand the process. Streamlining the ballot by eliminating unnecessary and uninformative text will make it easier to read.
- ❖ **Additional Enhancements:** Identifying and acting on additional reforms that may require a constitutional amendment should also be reviewed. For example, the current and ongoing efforts of the legislature to pass an amendment allowing for no-excuse absentee voting would also give voters additional flexibility and options on Election Day.”

*Source: Reform section taken from Mayor’s Press release (Dec. 6, 2010). Press release can be found at NYC.gov.*

#### Other Issues

- **BOE Budget Modifications.** In the past few years, in an effort to rein in spending and drive BOE to become more frugal in its spending patterns, OMB has set aggressive budgets for the agency. Over this time span, the City Council has sought and received from OMB assurances that should the Board’s funding prove mid-year to be insufficient, appropriate supplemental funding would be modified into its budget. While BOE finds such “budgeting by modification” to be distasteful, OMB has kept up its part of the bargain when verifiable deficits have occurred.

As an example, during Fiscal 2010, OMB added to BOE’s budget \$21.5 million: \$13.5 million in January to cover the cost of the November 2009 Runoff Election, \$7 million in the January Plan to cover a

general deficit, and \$1million at the time of Fiscal 2011 Adoption in June to cover an additional PS deficit. That BOE's Fiscal 2011 Adopted Budget may not have been sufficient to cover all twelve months of the fiscal year in no way should have hamstrung the agency's ability to operate during the first six months of the year during which the Primary and General Elections occurred.

Similarly, the 2010 November Plan included \$8 million to restore in Fiscal 2011 the across-the-board PEG reduction that had previously been included in the 2011 January Plan and a new PEG to reduce the Department's OTPS budget by \$5.1 million in Fiscal 2011 and \$6.6 million in Fiscal 2012.(see below)

The Board fully understands OMB's and Council's commitment to cover any legitimate funding shortfalls that and should act accordingly when making budgetary and planning decisions.

- **Pay Equity.** For several years, the BOE has been advocating for an increase in the salaries of its employees. Several years ago, the Board conducted a study showing that when compared to the salaries of the surrounding county Boards and those of the City's Campaign Finance Board, New York City BOE employees' salaries were among the lowest overall. The Board has sought a baseline addition of \$7 million to properly fund its salary costs. According to the Board, this is particularly vital given the substantial increase in required job expertise and training associated with election modernization and the Help America Vote Act.

### Financial Plan Actions

Over the past several Financial Plans, the Board has sustained significant baseline reductions. Some of these cuts were restored by the Mayor's Office of Management and Budget (OMB) in the current year, while outyear reductions accumulated.

- **PEG Restoration: Across-the-Board PS Reductions.** The 2010 November Plan included \$8 million to restore in Fiscal 2011 the across-the-board PEG reduction that had previously been included in the 2011 January Plan.
- **OTPS Reduction.** The 2010 November Plan included a new PEG to reduce the Department's OTPS budget by \$5.1 million in Fiscal 2011 and \$6.6 million in Fiscal 2012.
- **Poll Worker New Need.** The February Plan adds \$5 million to BOE's budget to pay for additional poll worker training and compensation in Fiscal 2011.
- **Grant Funding.** Since Adoption, the BOE has recognized the receipt of total grant funding of \$6 million for Fiscal 2011, including \$5.2 million in State grants and \$850,000 in federal grants.

## Fiscal 2012 Preliminary Contracts Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

Category	Number	Budgeted	Pct. of BOE Total	Pct. of City Total	Pct. Change from 2011 Adopted
Contractual Services General	2	\$1,500,000	6.7%	0.30%	0.0%
Telecommunications Maintenance	8	1,000	0.0%	0.00%	0.0%
Maint & Repair, General	1	1,132	0.0%	0.00%	0.0%
Office Equipment Maintenance	2	220,000	1.0%	1.54%	0.0%
Data Processing Equipment	1	200,000	0.9%	0.15%	0.0%
Printing Contracts	9	17,007,500	75.9%	51.70%	0.0%
Security Services	1	200,000	0.9%	0.23%	0.0%
Cleaning Services	1	100,000	0.4%	0.49%	0.0%
Transportation Expenditures	9	2,750,000	12.3%	0.03%	0.0%
Training Programs for City Employees	1	190,000	0.8%	1.33%	0.0%
Professional Services Legal Services	1	150,000	0.7%	0.15%	0.0%
Professional Services: Other	1	100,000	0.4%	0.08%	-99.4%
<b>Preliminary Budget</b>	<b>37</b>	<b>\$22,419,632</b>	<b>100.0%</b>	<b>0.22%</b>	<b>-41.2%</b>

**Note:** The BOE contracted out in the area of "Professional Services - Other" to obtain assistant rolling out its new voting machines. This contracted expense will not be required in Fiscal 2012 which explains the 99.4% reduction in that area.

## Appendix A: Budget Actions in the November and February Plans

Description	Fiscal 2011			Fiscal 2012		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as per June 2010 Plan</b>	<b>\$89,372</b>	<b>\$0</b>	<b>\$89,372</b>	<b>\$76,494</b>	<b>\$0</b>	<b>\$76,494</b>
<b>Program to Eliminate the Gap (PEGs)</b>						
OTPS Reduction	(\$5,118)	\$0	(\$5,118)	(\$6,586)	\$0	(\$6,586)
<b>Total PEGs</b>	<b>(\$5,118)</b>	<b>\$0</b>	<b>(\$5,118)</b>	<b>(\$6,586)</b>	<b>\$0</b>	<b>(\$6,586)</b>
<b>New Needs</b>						
Poll Worker Funding	\$5,000	\$0	\$5,000	0	\$0	\$0
<b>Total New Needs</b>	<b>\$5,000</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>PEG Restorations</b>						
PS Reduction Restoration	\$8,000		\$8,000			
<b>Total Peg Restorations</b>	<b>\$8,000</b>	<b>\$0</b>	<b>\$8,000</b>			
<b>Other Adjustments</b>						
Misc City Adjustments		\$0	\$0	\$0	\$0	\$0
Federal Grants & Adjustments	0	857	\$857			\$0
State Grants & Adjustments	0	5,222	\$5,222			\$0
<b>Total Other Adjustments</b>	<b>\$0</b>	<b>\$6,079</b>	<b>\$6,079</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total January Plan Budget Changes</b>	<b>\$7,882</b>	<b>\$6,079</b>	<b>\$13,961</b>	<b>(\$6,586)</b>	<b>\$0</b>	<b>(\$6,586)</b>
<b>Agency Budget as per the February 2011 Plan</b>	<b>\$97,253</b>	<b>\$6,080</b>	<b>\$103,333</b>	<b>\$69,908</b>	<b>\$0</b>	<b>\$69,908</b>