

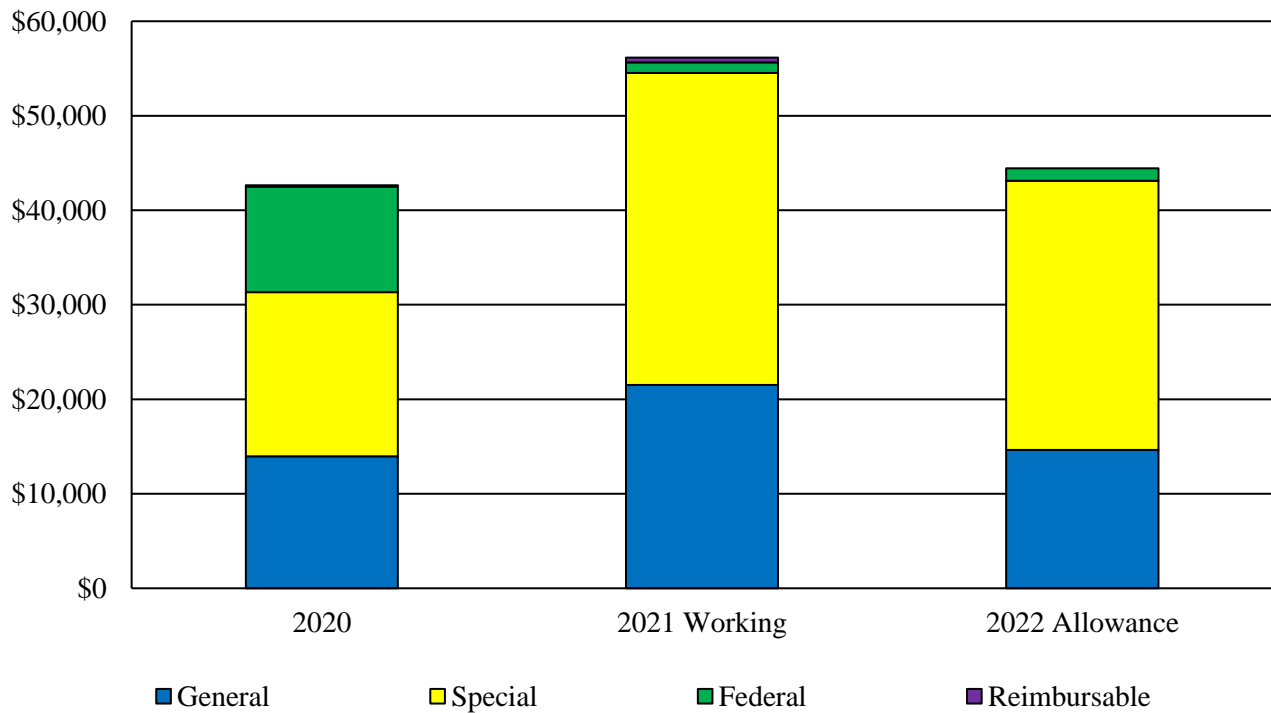
D38I01
State Board of Elections

Executive Summary

The State Board of Elections (SBE) is a five-member board charged with managing and supervising elections in the State, registering voters, and coordinating candidacy.

Operating Budget Summary

**Fiscal 2022 Budget Decreases \$11.7 Million, or 20.9%, to \$44.4 Million
(\$ in Thousands)**



Note: The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes annual salary review adjustments and annualization of general salary increases.

- General funds and special funds in the allowance decrease substantially from the working appropriation. Fiscal years with presidential general elections generally result in higher election costs. In addition, fiscal 2021 had additional one-time costs associated with developing vote-by-mail infrastructure while also accommodating in-person voting options with appropriate health protections.

- The fiscal 2021 working appropriation is overstated because some of the one-time unanticipated costs were initially funded with special (local) funds through a budget amendment, but a general fund deficiency appropriation is provided to replace a portion of that special fund appropriation. Both amounts are currently accounted for in the working appropriation, distorting the change. At this time, SBE is unable to provide information on the precise amount of the additional special funds that will be canceled. As a result, the change in funding between years is unclear.

Key Observations

- ***Major Information Technology (IT) Projects:*** Cost estimates have changed for both of SBE’s major IT projects. The Agency Election Management System increases from what SBE anticipated during the 2020 session primarily due to being funded through the Major Information Technology Development Project Fund for an additional year. The 2022 Pollbook Project shifts substantially more costs to local governments.

Operating Budget Recommended Actions

1. Adopt committee narrative requesting a report on cost sharing.
2. Adopt committee narrative requesting quarterly reports on Major Information Technology Development Project activities and spending.

D38I01
State Board of Elections

Operating Budget Analysis

Program Description

The State Board of Elections (SBE) is a five-member board charged with managing and supervising elections in the State; ensuring compliance with State and federal election laws, including the federal Help America Vote Act; assisting citizens in exercising their voting rights; and providing access to candidacy for individuals seeking elected office. Individuals from both major parties are appointed to SBE by the Governor with the advice and consent of the Senate for staggered four-year terms. The board appoints a State Administrator, also with the advice and consent of the Senate, who is charged with oversight of the board's functions and supervising the operations of the local boards of elections (LBE). LBEs process voter registration records for the statewide voter registration database, establish election precincts, staff polling places, provide and process absentee and provisional ballots, and certify local election results. The mission of SBE is to administer the process of holding democratic elections in a manner that inspires public confidence and trust. SBE's key goals are:

- to ensure that all eligible Maryland citizens have the opportunity to register to vote; and
- to provide a voting process that is convenient and accessible.

Performance Analysis: Managing for Results

1. In the 2020 General Election, Voters Took Advantage of Different Voting Options

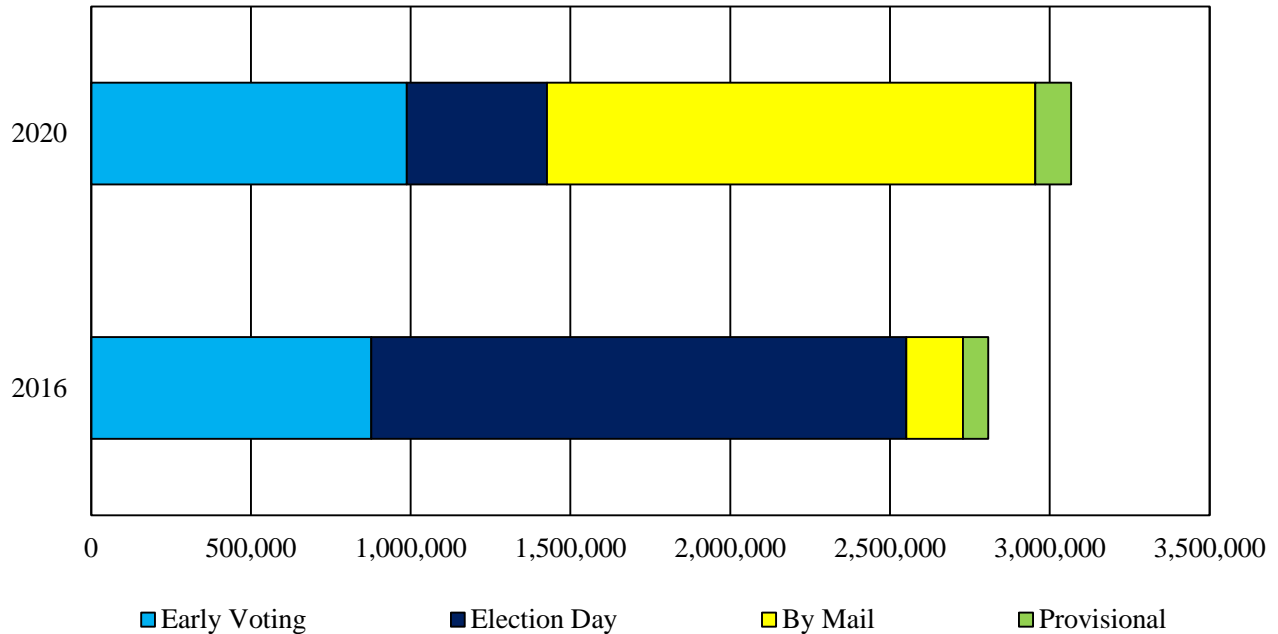
To balance public health and voting accessibility concerns during the pandemic, voters were presented with expanded voting options in the 2020 general election:

- although the number of polling places decreased dramatically from conventional elections, more voting centers were offered in the 2020 general election than in the primary;
- all registered, active voters received a mailed ballot application in the general election; and
- voters had access to more ballot drop boxes than in the primary.

SBE reported in its Managing for Results submission having mailed 3.58 million ballots, with 95.5% of ballots successfully delivered, while 4.5% were undeliverable. **Exhibit 1** compares turnout in the 2020 presidential general election with the 2016 presidential general election. With the additional options and individuals' concern about their own or public health, the voter turnout by method shifted dramatically from prior elections. In 2020, half of voters voted by mail, whereas just 6% voted absentee

in 2016. In addition, approximately twice as many voters voted in early voting (32%) than on Election Day (14%) in 2020 but, in 2016, the reverse was true when 60% of voters voted on Election Day, and 31% voted during early voting.

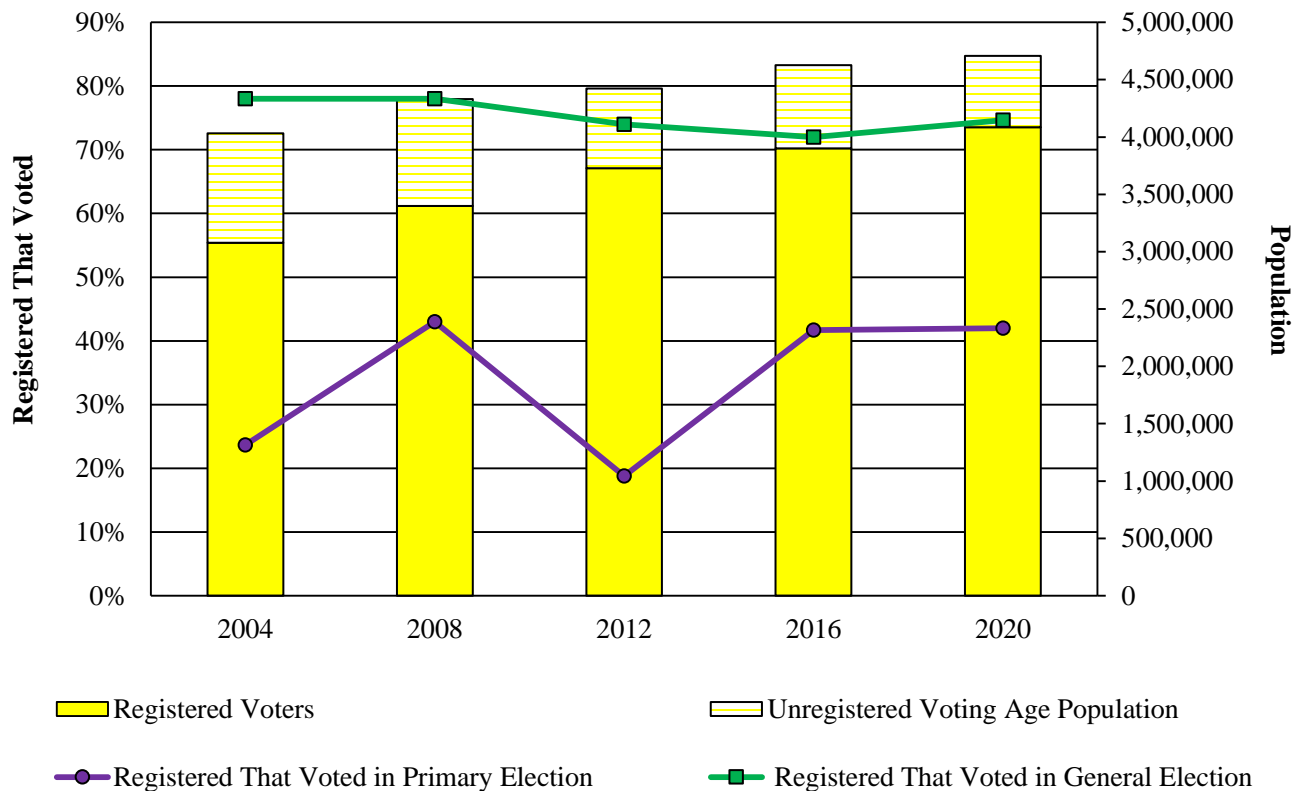
Exhibit 1
Turnout by Method
2016 and 2020 Presidential General Elections



Source: State Board of Elections

As shown in **Exhibit 2**, while the number of voters that cast ballots in the 2020 presidential general election increased from the 2016 presidential general election, the voter participation rate increased by only 3 percentage points. Participation in the presidential primary election was level compared with the 2016 turnout. The relatively flat participation rate despite increased numbers of voters results from a steady increase in the voting age population and an increase in the proportion of the eligible population registered to vote. The proportion of the voting age population registered to vote in the presidential election has increased in each of the prior five elections.

**Exhibit 2
Registered Voters and Participation
Presidential Primary and General Elections 2004-2020**



Source: Governor’s Fiscal 2022 Budget Books

Fiscal 2021

Proposed Deficiency

As shown in **Exhibit 3**, five general fund deficiency appropriations are provided for SBE, totaling \$8.5 million. The funding provided by these deficiency appropriations comprises nearly 40% of SBE’s fiscal 2021 general fund appropriation. Unforeseen costs associated with administering the presidential general election during the pandemic account for \$7.3 million of the deficiency funding, with an additional \$0.5 million that resulted from the need to increase mailed ballots.

Exhibit 3
General Fund Deficiencies
Fiscal 2021

<u>Purpose</u>	<u>Amount</u>
General Fund Share of Unanticipated Presidential General Election Costs	\$7,303,324
Provide Funding for the Voting System through the Full Fiscal Year	633,906
Additional Ballots	472,469
Three Legal Settlements	66,020
Increase FTE of Office Secretary II Position	9,405
Total	\$8,485,124

FTE: full-time equivalent

Note: Most of the legal settlement deficiency reflects settlements for two cases: \$35,650 pertaining to a case about the petition requirements for nonprincipal political parties during the pandemic; and \$27,000 pertaining to a case about access to the voter registration database.

Source: Governor’s Fiscal 2022 Budget Books

LBEs are the source of SBE’s special funds. Under current law, SBE shares certain costs with LBEs equally, while others are borne entirely by local governments or entirely by the State. However, the statute determining categories of spending to be split leaves room for interpretation on which election administration costs are to be shared by the State and local governments. This flexibility has complicated the understanding of how certain costs resulting from changes made to the administration of the 2020 presidential election cycles will be split and decisions about the allocations of costs have appeared to change throughout the fiscal year.

For example, during fiscal 2021, a \$16.4 million special fund amendment provided SBE with an appropriation to support the additional costs of the election. The supporting documentation provided with the budget amendment indicated that approximately 47% of the appropriation would likely be replaced with general funds during the legislative session. Subsequently, the State Board voted to completely support the cost of mailed ballot applications with State funds, which at the time increased the estimated general fund share of the costs to 72%, as submitted by SBE to the Department of Legislative Services (DLS) on August 21, 2020. DLS notes that the funding provided in the deficiency appropriations for the State share of these additional costs reflects neither the initial 47% nor the later 72% estimate. SBE indicates that it will make a final determination on the split at closeout. As a result, it remains unclear how much special funding from the amendment will be canceled. Without clarity on this, it is uncertain how much of the fiscal 2021 working appropriation is effectively double budgeted.

To improve the predictability of cost sharing going forward, DLS recommends committee narrative requesting that SBE submit a report detailing how it currently allocates costs, based on type of expenditure, separately identifying those that are required to be shared through the statutory language and which categories of costs are shared on a discretionary basis.

In addition, \$633,906 of the deficiency funding supports the cost of the voting system through the full fiscal year. At the time of the fiscal 2021 budget submission, the voting system was not funded through the full fiscal year because SBE had not yet determined whether it would purchase or lease voting equipment when the incumbent contract expired at the end of the third quarter of fiscal 2021. DLS notes that, regardless of the decision, SBE could have predicted that voting system costs would be incurred in that quarter and could have estimated a cost for it. Subsequently, SBE decided to continue to lease the voting equipment, and the deficiency provides the fourth quarter of funding for the voting system.

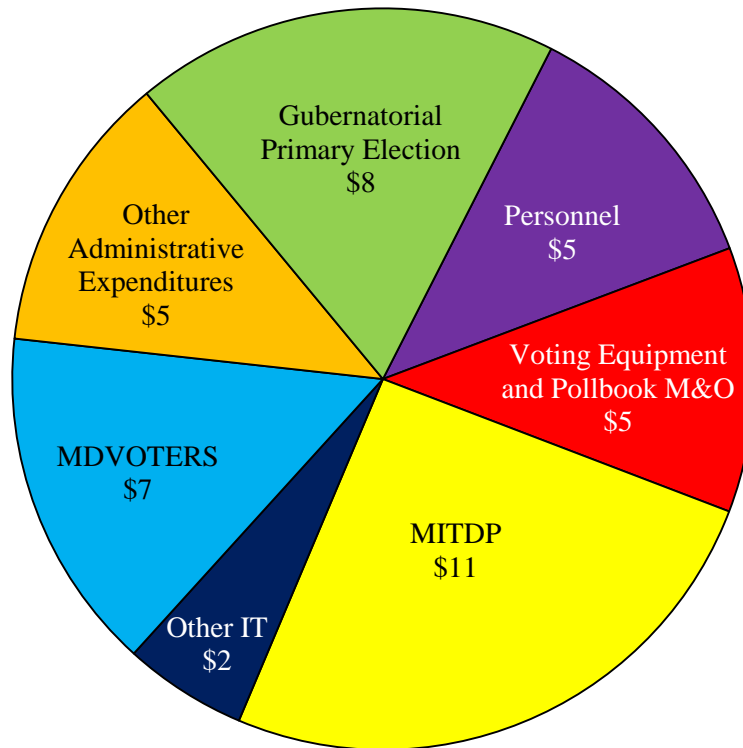
Cost Containment

In response to the COVID-19 pandemic, the Administration’s budget balancing plan, approved by the Board of Public Works on July 1, 2020, decreased SBE’s appropriation by \$8,760, including \$8,075 in general funds and \$685 in special funds, as part of an across-the-board reduction to State agency unemployment insurance contributions.

Fiscal 2022 Overview of Agency Spending

As shown in **Exhibit 4**, nearly half of the allowance (46%) supports information technology (IT) expenditures, including the Maryland Voter Registration System (MDVOTERS), SBE’s two major IT projects, election administration systems, and software licenses. During fiscal 2022, SBE will administer the gubernatorial primary. Costs associated with this election total nearly 20% of SBE’s allowance. Examples of costs incurred for administering the election are printing costs, voter mailings, temporary staffing, transportation of voting equipment, and a post-election audit. Approximately 12% of SBE’s allowance is designated for voting equipment and pollbook maintenance and operational costs. In fiscal 2022, pollbook maintenance costs are higher than in prior years because the budget provides funding for both the operational costs of the legacy pollbooks and the new pollbooks, which are expected to be used for the 2022 gubernatorial primary.

Exhibit 4
Overview of Agency Spending
Fiscal 2022 Allowance
(\$ in Millions)



IT: Information Technology
MDVOTERS: Maryland Voter Registration System
MITDP: Major Information Technology Development Project
M&O: maintenance and operations

Note: The fiscal 2022 allowance includes annual salary review adjustments and annualization of general salary increases.

Source: Governor’s Fiscal 2022 Budget Books

Proposed Budget Change

As shown in **Exhibit 5**, the fiscal 2022 allowance decreases by \$11.7 million compared to fiscal 2021 with substantial decreases among both general and special funds. The allowance assumes that many election costs will return to prior year levels and that the extraordinary fiscal 2021 levels of

D38101 – State Board of Elections

expenditures will not continue. While one-time election costs incurred due to changes in administrative decisions about the general election account for a substantial portion of the decrease, a gubernatorial primary election would also be expected to cost less than a presidential general election, which also contributes to the decline. Some of the decrease in the budget from the working appropriation to the allowance may be overstated because, as discussed above, SBE expects to cancel some fiscal 2021 special funds, potentially as much as \$8.2 million. Decreases in postage, printing, privacy sleeves, ballot drop boxes, and call center costs are likely overstated by double-budgeted general and special funds.

**Exhibit 5
Proposed Budget
State Board of Elections
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2020 Actual	\$13,960	\$17,381	\$11,153	\$147	\$42,641
Fiscal 2021 Working Appropriation	21,499	33,045	1,103	500	56,147
Fiscal 2022 Allowance	<u>14,656</u>	<u>28,453</u>	<u>1,327</u>	<u>0</u>	<u>44,435</u>
Fiscal 2021-2022 Amount Change	-\$6,843	-\$4,592	\$224	-\$500	-\$11,711
Fiscal 2021-2022 Percent Change	-31.8%	-13.9%	20.3%	-100.0%	-20.9%
 Where It Goes:					<u>Change</u>
Personnel Expenses					
2 new positions.....					\$133
Employee and retiree health insurance.....					83
Reclassification and regular earnings increases for positions working outside their scheduled duties, partially offset by the deficiency providing additional funds for a position in fiscal 2021.....					49
Annualization of fiscal 2021 2% general salary increases.....					41
Reduce turnover by 0.9 percentage points.....					34
Annual salary review adjustment.....					15
Restoration of one-time reduction in unemployment contributions.....					9
Workers' compensation premium assessment.....					-96
Other fringe benefit adjustments.....					5
Equipment and IT Expenses					
Planned purchase or lease of pollbooks as part of the MITDP.....					8,509
Pollbook maintenance and operations, including licensing, hosting, and repair costs, a portion of which is for contingency planning should new pollbooks not be acceptable in time for gubernatorial primary.....					2,226

D38101 – State Board of Elections

Where It Goes:	<u>Change</u>
Voting equipment lease payment, reflecting contract renewal and modifications, mostly offset by funding voting system through the full fiscal year	303
Cybersecurity contracts	150
One-time pollbook server upgrade	-586
Voting equipment transportation.....	-658
Other election security contracts, including 2 Factor Authentication and an endpoint management tool.....	61
Election Administration Expenses	
Ballots and privacy sleeves	221
Generator and wheelchair ramp rental	10
Align post-election audit with fiscal 2020 actuals	-145
Ballot boxes, a one-time 2020 election cost.....	-178
Support and temporary staffing.....	-919
Postage costs due to anticipated substantial decrease in vote-by-mail participation.....	-900
Personal protective equipment	-1,066
Voting supplies for LBEs for the early voting sites and polling places	-1,069
Voter communication, including public awareness campaign and call center costs.....	-1,645
Mailed ballots and ballot applications, due to anticipated substantial decrease in vote-by-mail participation.....	-16,534
Administrative Expenses	
Cybervulnerability training and other training costs	136
Sign language interpreting services, unintentionally not budgeted in fiscal 2021	28
Contractual full-time equivalents	26
Rent	21
Reduce campaign finance support staff to accommodate cost containment	-44
One-time fiscal 2021 legal settlement costs	-66
One-time IT purchases	-80
Reduced travel to accommodate cost containment	-81
Other.....	300
Total	-\$11,711

IT: information technology
LBE: local boards of elections
MITDP: Major Information Technology Development Project

Note: Numbers may not sum to total due to rounding.

Personnel Data

	<u>FY 20 Actual</u>	<u>FY 21 Working</u>	<u>FY 22 Allowance</u>	<u>FY 21-22 Change</u>
Regular Positions	43.80	43.80	45.80	2.00
Contractual FTEs	<u>1.88</u>	<u>1.38</u>	<u>1.38</u>	<u>0.00</u>
Total Personnel	45.68	45.18	47.18	2.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.66	1.50%
Positions and Percentage Vacant as of 12/31/20	3.00	6.85%
Vacancies Above Turnover	2.34	

- The fiscal 2022 allowance adds 2 positions for SBE: an election reform administrator; and a database administrator. The election reform administrator will manage some outreach activities and oversee statewide training and education of election officials and election judges. The database administrator will support the Agency Election Management System (AEMS), the statewide electronic pollbook system, and manage SBE’s databases.
- Chapter 449 of 2020 required 2 positions to be added to the fiscal 2021 budget to enforce campaign finance violations and ensure compliance with campaign finance law. These positions were not added to the fiscal 2021 or 2022 budget. SBE has utilized a staffing contract to perform the duties of 1 position. Another position, that is currently vacant, is expected to assume the responsibilities of the other position. SBE indicates that should additional positions be provided in the budget, as were created in statute, additional reviews and audits would be performed.

Issues

1. Major Information Technology Development Projects

SBE is overseeing two ongoing Major Information Technology Development Projects (MITDP): AEMS; and the 2022 Pollbook Project. Both projects' cost estimates have changed from what was anticipated in the Governor's Fiscal 2021 Budget Books.

Agency Election Management System

Once completed, AEMS will be an application integrated with MDVOTERS and will offer various functionality from ballot definition to results reporting.

Project Costs

In the 2020 session, SBE testified that the Governor's 2021 Budget Books estimate of project costs (\$4.4 million) did not align with SBE's estimate of project costs based on expenses incurred to date and projected estimates for the remainder of the work. SBE estimated that the final cost of the project would be \$3.5 million. Given that the agency testified that it had excess appropriation, and the State faced a structural shortfall, project funding was aligned with SBE's estimate.

However, the first quarterly report submitted four months later, on July 1, 2020, estimated the project would cost \$4.3 million at implementation (which SBE notes is different than completion). The Governor's Fiscal 2022 Budget Books now present a higher estimate of the project's total cost (\$5 million), representing a 43% increase compared to the level SBE estimated during the 2020 session.

However, the increase in total project cost appears to result from DoIT retaining oversight of the project as an MITDP in fiscal 2022, which was not envisioned in the Governor's Fiscal 2021 Budget Books. SBE indicates that the \$1.4 million provided in the allowance will be used to maintain the system and change it as necessary to reflect legislative changes, redistricting, voting system upgrades, and other improvements. Each of the identified fiscal 2022 activities would not create something novel but would modify the system that is planned to be completed at that time. After the project is moved out of the major IT program, costs like those incurred in fiscal 2022 will likely be included in SBE's operating budget.

Timeline Concerns

The AEMS project has been delayed several times. SBE has attributed several delays to the original vendor's underestimation of the scope of work. After more than four years of development, AEMS was used successfully in parallel to the legacy system in the 2020 presidential general election. AEMS will be used for the first time alone in the 2022 gubernatorial election. In the meantime, AEMS is still being tested. Although planned to be implemented by the end of calendar 2020, migration of AEMS to the MDVOTERS platform was anticipated to be delayed until March 2021. The delay resulted from AEMS developers being reassigned to work on the MDVOTERS platform to

accommodate the various changes made to the 2020 elections and to assist in migrating to a new data center. However, with the submission of the most recent quarterly report on January 12, 2021, AEMS' migration to MDVOTERS has been delayed another month and is now planned for April 2021. It was determined that more time was needed to perform testing and conduct a full system statewide mock election. **The agency should comment on how it plans to proactively monitor progress of its MITDPs and how it will require satisfactory and timely performance from its vendors.**

2022 Pollbook Project

The goal of the 2022 Pollbook Project is to implement a new pollbook system in time for the 2022 gubernatorial elections. The project involves replacing existing pollbooks with new pollbooks, potentially connecting the new pollbooks through a Wide Area Network, integrating the new pollbook system with existing SBE systems, and training staff to use the new pollbook system. The implementation is planned to be complete in time for the gubernatorial primary (June 2022). The funding stream anticipated in the Governor's Fiscal 2022 Budget Books plans for equipment to be financed through the State Treasurer's Office (STO); as a result, the associated funding is planned to continue through fiscal 2024. However, SBE emphasizes the decision to finance the project through STO has not been made yet and will only apply should SBE choose to purchase instead of lease a pollbook system. SBE indicates that the funding stream anticipated in the Governor's Fiscal 2022 Budget Books prematurely determines through which fiscal year the payments for the new pollbook system may continue.

More Costs Shifted to Local Governments

The project's total cost has decreased \$810,274 from what was anticipated in the Governor's Fiscal 2021 Budget Books. Despite the overall decrease, there has been a substantial shift in the planned cost share resulting in an increase in local funding. The Governor's Fiscal 2021 Budget Books anticipated that the project to be mostly borne by local governments but that the State would contribute approximately 31% (\$9.3 million) toward the project's total cost. However, the Governor's Fiscal 2022 Budget Books have reduced the State share of the cost to approximately 11% (\$3.3 million).

SBE did not provide an explanation for why more costs were shifted to local governments but indicated that the State will equally share personnel and project management costs, while local funds will cover the entirety of equipment and software. In addition to the higher share of costs, the revised funding stream also frontloads more costs. **Exhibit 6** shows the effect of the project's changing cost share and timeline of local funding for the project. In fiscal 2022, local contributions will be nearly double the amount projected during the 2020 session.

Exhibit 6
Comparison of Local Funding Estimate
Fiscal 2020-2024 Est.
(\$ in Thousands)

	<u>2020 Act.</u>	<u>2021 Est.</u>	<u>2022 Est.</u>	<u>2023 Est.</u>	<u>2024 Est.</u>	<u>Total</u>	<u>Local Share of Total Cost</u>
Estimate (2020 Session)	\$125	\$1,151	\$5,387	\$7,288	\$7,018	\$20,970	69.38%
Estimate (2021 Session)	125	1,151	10,648	8,243	5,975	26,142	88.87%
Difference	\$0	\$0	\$5,261	\$955	-\$1,043	\$5,172	

Source: Governor’s Fiscal 2021 and 2022 Budget Books

The change in funding distribution could pose risks to the project’s success. The information technology project report (ITPR) indicates that county government funding is an external dependency of the project and that funding poses a medium risk to the project’s success. Because most of the project will be supported through local funding, LBEs requested that the project be funded through STO. For two consecutive years, the ITPR noted that vendors might be unhappy if the project is financed through STO because of the resulting impact on the timing of the vendor receiving payment. Despite concerns raised in the ITPR, potential bidders were not made aware of financing timelines before their responses to the request for proposals were due at the end of January 2021.

Timeline Concerns

Resource availability was ranked as a high risk for the project due to concerns that SBE subject matter experts and management might not be able to commit enough time to meet with the 2022 Pollbook Project team. DLS notes that the 2022 Pollbook Project is planned to be implemented and ready for use in the 2022 gubernatorial primary, which is also the first election the new AEMS project will be in solo use. In addition, SBE has already postponed implementation of a new voting system because, between redistricting and implementation of the two new systems, LBEs may not have the capacity to support another major transition for the voting system as well. **The agency should comment on how it is planning to ensure the successful implementation of the 2022 Pollbook Project while also preparing for the gubernatorial election.**

The 2022 Pollbook Project timeline has very little buffer should delays occur. The project’s timeline plans to select a vendor and implement the new pollbook solution within six months of selection, with selection anticipated in April 2021. It will also take up to 15 weeks to train staff to use the new pollbook system. Unlike AEMS, the pollbook system cannot be used in parallel to the legacy system should there be any question about its functional ability. Due to concerns about this timeline,

D38I01 – State Board of Elections

language in the fiscal 2021 budget required the Department of Information Technology (DoIT) to affirm SBE’s backup plan should the new pollbook system not be available in time for the 2022 gubernatorial elections. Such affirmation was withheld in July 2020 pending receipt of more information from SBE. In the letter authorizing the release of both agencies’ restricted funds, the committees requested that DoIT submit its affirmation of the backup plan by December 1, 2020. SBE did not provide DoIT with the additional information until February 10, 2021. At the time of this writing, DoIT is still reviewing the contingency plan and expects to have feedback for SBE in March 2021.

Given the ongoing concerns about the project’s timeline, DLS recommends adopting committee narrative requesting quarterly reports on all IT development projects.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Local Cost Sharing: The committees are interested in the State’s cost-sharing structures with local boards of elections (LBE). The committees request that the State Board of Elections (SBE) submit a report identifying:

- how SBE interprets current statutory provisions governing the allocation of costs between SBE and LBEs, including identifying areas in which cost-sharing is viewed to be required and where it is discretionary, and how it makes those determinations;
- in as much detail as possible, each category of election expenditures and the current allocation of costs between SBE and LBEs for each category;
- any categories of expenditure in which the allocation of costs between SBE and LBEs has changed in the last two years; and
- categories of election expenditure for which the cost-sharing structure is defined on a case-by-case basis.

Information Request	Author	Due Date
Local cost-sharing	SBE	August 1, 2021

2. Adopt the following narrative:

Quarterly Reports on Major Information Technology Development Project Activities and Spending: The committees request that the State Board of Elections (SBE) submit quarterly reports on Major Information Technology Development Project (MITDP) activities. The report submitted on July 15, 2021, should include projected costs in each month of fiscal 2022, a description of project milestones and the date that each milestone is planned to be achieved, and a description of anticipated contingency planning activities throughout the year. In addition, each report should include the following for each project:

- a description of activities undertaken in the quarter, complete with dates identifying whether project milestones were achieved or if delays were experienced and an assessment of the resulting effect any delays experienced in the quarter have on the project’s overall timeline;
- actual project spending in each month of the quarter;

D38I01 – State Board of Elections

- an assessment of future risks to the project’s timeline and how SBE plans to mitigate those risks; and
- a summary of SBE’s contingency planning activities throughout the quarter.

Information Request	Author	Due Date
Quarterly reports on MITDP activities and spending	SBE	July 15, 2021 October 15, 2021 January 15, 2022 April 15, 2022

Updates

1. No Campaign Finance Classes Held in Calendar 2020

SBE indicates that no campaign finance classes were held in calendar 2020 due to the pandemic. SBE offered 10 classes during the 2016 presidential election cycle and 12 during the 2012 presidential election cycle. SBE indicates that it plans to implement virtual classes.

2. Motor Vehicle Administration Voter Registration Transactions Decrease during Pandemic Closures

On March 17, 2020, the Maryland Department of Transportation Motor Vehicle Administration (MVA) began offering limited in-person services and extended expiration dates for all licenses and other identification cards. Available data for 11 months in 2019 indicates that, on average, MVA processed approximately 10,859 new voter registrations, 19,617 residential address changes, 2,412 last name changes, and 5,179 political party changes each month. However, during the period of closure from March to July 2020, MVA voter registration transactions declined. On average in April and May 2020:

- 467 new voter registrations were processed (a 96% decrease from average transactions in the same months in 2019);
- 9,494 residential address changes were processed (a 50% decrease from average monthly transactions over April and May 2019);
- 274 last name changes were processed (an 87% decrease from average monthly transactions over April and May 2019); and
- 1,201 political party changes were processed (a 79% decrease from average monthly transactions over April and May 2019).

While MVA voter registration transactions can be convenient for voters, there are other options available to voters to ensure that their registration is accurate. The decrease experienced early in the pandemic is notable in light of concerns about undeliverable mailed ballots given the typical levels of address changes. Available data indicates that, after MVA entered its phased reopening plan, monthly voter registration transactions have since returned to prepandemic levels.

Appendix 1
2020 Joint Chairmen’s Report Responses from Agency

The 2020 *Joint Chairmen’s Report* (JCR) requested that the State Board of Elections (SBE) prepare seven reports, six of which have been submitted thus far. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Improving Coordination with the Board:*** SBE submitted a letter describing its existing communication with the board. However, SBE’s submission did not describe its plan for improved coordination between staff and the board, as requested in the JCR.

- ***Overview of Policy Regarding Detained Individuals:*** SBE submitted a copy of the Department of Public Safety and Correctional Services Secretary’s Directive on Inmate Voting Rights and Procedures and a copy of an absentee ballot application and a voter registration application. However, the submission did not examine whether there are opportunities for improvement within current State policy to provide greater access to voting for detained individuals, as requested in the JCR.

- ***2022 Pollbook Project Development Timeline:*** Further discussion of this report can be found in Issue 1 of this analysis.

- ***Quarterly Information Technology Development and Spending:*** Further discussion of these reports (three) can be found in Issue 1 of this analysis. The remaining report is due on April 1, 2021.

Appendix 2
Agency Election Management System
Major Information Technology Project
State Board of Elections

Ongoing								
Start Date: Fiscal 2017					Est. Completion Date: Fiscal 2022			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2021	2022	2023	2024	2025	Remainder	Total
GF	\$1.761	\$0.013	\$0.700	\$0.000	\$0.000	\$0.000	\$0.000	\$2.474
SF	1.761	0.013	0.700	0.000	0.000	0.000	0.000	2.474
Total	\$3.522	\$0.025	\$1.400	0.000	0.000	0.000	0.000	\$4.947

- **Project Summary:** The Agency Election Management System (AEMS) will be integrated with the Voter Registration System (MDVOTERS). The AEMS application functionality will include ballot definition, election result reporting, voting system interfacing, and post-election documentation.
- **Need:** The legacy election management system has become difficult and expensive to maintain.
- **Observations and Milestones:** AEMS was successfully used in parallel with the legacy system in the 2020 general election. The AEMS application is planned to be integrated with MDVOTERS in April 2021.
- **Changes:** In March 2020, the State Board of Elections (SBE) expected the project to cost \$3.5 million and that it would conclude in fiscal 2021. One year later, total project costs have increased nearly \$1.5 million to a total of \$5.0 million, and the project continues to receive funding in fiscal 2022, reflecting an additional year of maintenance and operations activities funded through the major information technology program.
- **Concerns:** The project has experienced numerous delays and is now expected to be migrated to MDVOTERS four months later than SBE anticipated in July 2020.

Appendix 3
2022 Pollbook Project
Major Information Technology Project
State Board of Elections

Ongoing								
Start Date: Fiscal 2020					Est. Completion Date: June 2022			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2021	2022	2023	2024	2025	Remainder	Total
GF	\$0.125	\$1.151	\$1.335	\$0.662	\$0.000	\$0.000	\$0.000	\$3.274
SF	0.125	1.151	10.648	8.243	5.975	0.000	0.000	26.142
Total	\$0.250	\$2.303	\$11.982	\$8.905	\$5.975	\$0.000	\$0.000	\$29.416

- **Project Summary:** New pollbooks and related hardware will be procured. The pollbooks will have additional functionality and expanded capabilities for real-time monitoring through the use of a Wide Area Network to connect the pollbooks at each polling location. The project may be financed through the State Treasurer’s Office (STO) and the Governor’s Fiscal 2022 Budget Books anticipate funding stretching into fiscal 2024. At the time of this writing, SBE indicates it has not determined whether the project will be financed through STO.
- **Need:** The existing pollbook system has exceeded its useful life.
- **Observations and Milestones:** After receiving funds in fiscal 2020 and 2021, the pollbook solution that will be procured is still unknown. However, the pollbook solution request for proposals was released in November 2020 with bids due in January 2021.
- **Changes:** Most of the project’s cost (89%) is borne by local boards of elections (LBE), with the remaining 11% paid for with general funds. This represents a substantial cost shift from what was anticipated in fiscal 2021, when the State was planned to cover 31% of costs, and locals were planned to provide 69% of project funds. LBEs are also expected to contribute nearly twice as much in fiscal 2022 than was planned in the Governor’s Fiscal 2021 Budget Books.
- **Concerns:** SBE plans to select a vendor, implement the pollbook solution, and train users within approximately three quarters, allowing a minimal buffer should there be any delays in the project schedule before the new system is planned to be used in the 2022 gubernatorial election. The new system cannot be used in parallel with the legacy pollbook system.

**Appendix 4
Object/Fund Difference Report
State Board of Elections**

<u>Object/Fund</u>	<u>FY 20 Actual</u>	<u>FY 21 Working Appropriation</u>	<u>FY 22 Allowance</u>	<u>FY 21 - FY 22 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	43.80	43.80	45.80	2.00	4.6%
02 Contractual	1.88	1.38	1.38	0.00	0%
Total Positions	45.68	45.18	47.18	2.00	4.4%
Objects					
01 Salaries and Wages	\$ 4,470,857	\$ 4,614,475	\$ 4,841,612	\$ 227,137	4.9%
02 Technical and Spec. Fees	171,927	129,778	290,911	161,133	124.2%
03 Communication	228,809	151,604	208,368	56,764	37.4%
04 Travel	108,123	144,325	63,100	-81,225	-56.3%
07 Motor Vehicles	2,054	930	930	0	0%
08 Contractual Services	26,992,409	35,407,085	23,962,966	-11,444,119	-32.3%
09 Supplies and Materials	1,939,616	1,430,311	422,650	-1,007,661	-70.5%
10 Equipment – Replacement	3,828,794	4,815,569	13,629,008	8,813,439	183.0%
11 Equipment – Additional	4,002,743	22,250	0	-22,250	-100.0%
13 Fixed Charges	895,760	909,062	924,309	15,247	1.7%
Total Objects	\$ 42,641,092	\$ 47,625,389	\$ 44,343,854	-\$ 3,281,535	-6.9%
Funds					
01 General Fund	\$ 13,960,352	\$ 12,980,694	\$ 14,570,029	\$ 1,589,335	12.2%
03 Special Fund	17,380,923	33,042,135	28,447,067	-4,595,068	-13.9%
05 Federal Fund	11,152,788	1,102,560	1,326,758	224,198	20.3%
09 Reimbursable Fund	147,029	500,000	0	-500,000	-100.0%
Total Funds	\$ 42,641,092	\$ 47,625,389	\$ 44,343,854	-\$ 3,281,535	-6.9%

Note: The fiscal 2021 appropriation does not include deficiency appropriations or general salary increases. The fiscal 2022 allowance does not include annual salary review adjustments, or the annualization of general salary increases.

**Appendix 5
Fiscal Summary
State Board of Elections**

<u>Program/Unit</u>	<u>FY 20 Actual</u>	<u>FY 21 Wrk Approp</u>	<u>FY 22 Allowance</u>	<u>Change</u>	<u>FY 21 - FY 22 % Change</u>
01 General Administration	\$ 5,281,784	\$ 5,519,296	\$ 5,526,340	\$ 7,044	0.1%
02 Help America Vote Act	37,064,720	40,442,155	27,469,555	-12,972,600	-32.1%
03 Major IT Development Projects	294,588	1,663,938	11,347,959	9,684,021	582.0%
Total Expenditures	\$ 42,641,092	\$ 47,625,389	\$ 44,343,854	-\$ 3,281,535	-6.9%
General Fund	\$ 13,960,352	\$ 12,980,694	\$ 14,570,029	\$ 1,589,335	12.2%
Special Fund	17,380,923	33,042,135	28,447,067	-4,595,068	-13.9%
Federal Fund	11,152,788	1,102,560	1,326,758	224,198	20.3%
Total Appropriations	\$ 42,494,063	\$ 47,125,389	\$ 44,343,854	-\$ 2,781,535	-5.9%
Reimbursable Fund	\$ 147,029	\$ 500,000	\$ 0	-\$ 500,000	-100.0%
Total Funds	\$ 42,641,092	\$ 47,625,389	\$ 44,343,854	-\$ 3,281,535	-6.9%

Note: The fiscal 2021 appropriation does not include deficiency appropriations or general salary increases. The fiscal 2022 allowance does not include annual salary review adjustments, or annualization of general salary increases.