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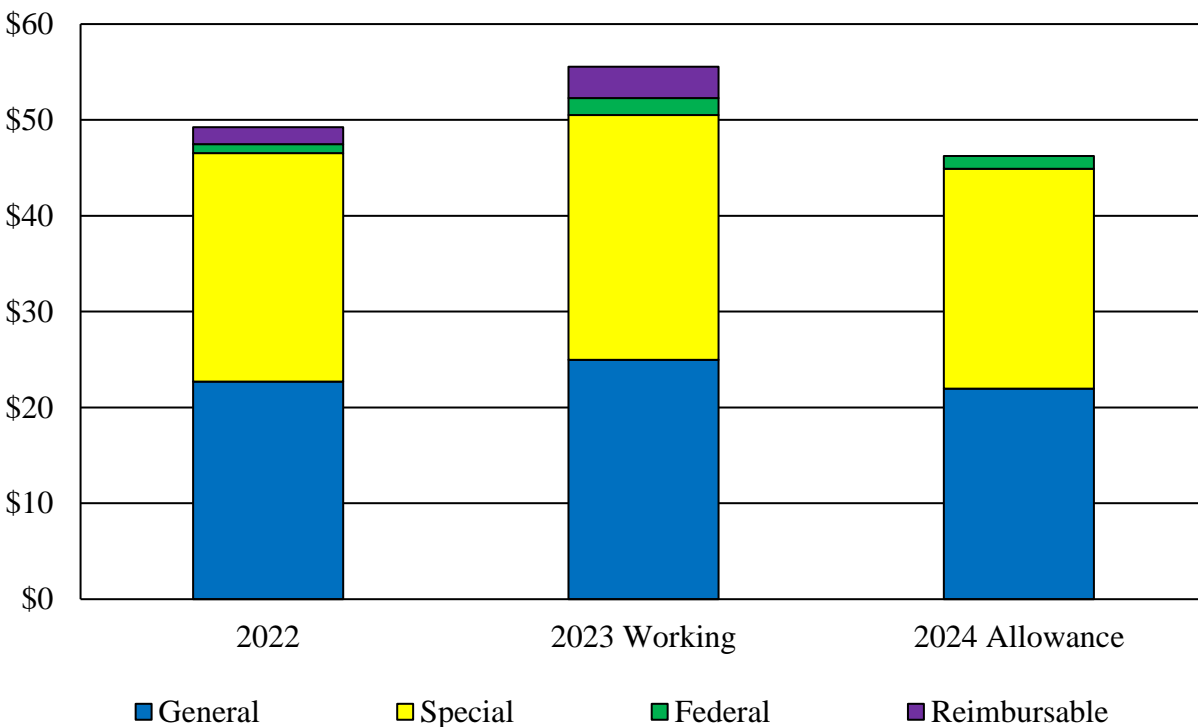
The State Board of Elections (SBE) is a five-member board charged with managing and supervising elections in the State, registering voters, and coordinating candidacy.

Operating Budget Summary

Fiscal 2024 Budget Decreases $9.3 million, or 16.8%, to $46.2 million
($ in millions)

Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

- The fiscal 2024 allowance decreases by $4 million compared to fiscal 2023 due to mandated funding for the Fair Campaign Financing Fund (FCFF) in fiscal 2023; as a result of Chapter 733 of 2021, the next potential mandated funding will not occur until closer to the 2026 election cycle.

Analysis of the FY 2024 Maryland Executive Budget, 2023

- A decrease of $3.3 million in reimbursable funds represents the fiscal 2023 State share of costs for the Pollbook Project. In fiscal 2024, the general funds for SBE's Major Information Technology Projects (MITDP) are budgeted within the Department of Information Technology's (DoIT) budget and will be added to SBE as reimbursable funds during the fiscal year. Overall, the funding for the Pollbook Project decreases by $1.3 million in fiscal 2024, including both the State and local share.

- The fiscal 2024 budget includes two new MITDPs for SBE (New Voting System and Campaign Reporting Information System).

Key Observations

- ***Pollbook Project Continues to Hit Project Milestones:*** Despite several setbacks the previous year, the Pollbook Project has continued to meet milestones and will be ready for mock elections in December 2023 before the Presidential Primary election in April 2024.

- ***Mail-in Voting Remains Popular, Second to In-person Voting:*** Compared to the 2018 gubernatorial election, mail-in voting is up 350%, comprising more than a quarter of all votes cast in the 2022 general election. In-person voting, whether it be early voting or on election day, remains the most popular method for Marylanders to vote.

Operating Budget Recommended Actions

1. Adopt committee narrative requesting information on the Voting System Solution and Campaign Reporting Information System Major Information Technology Development Projects.

2. Adopt committee narrative requesting quarterly reports on Major Information Technology Development Project activities and spending.

Operating Budget Analysis

Program Description

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 (1) to ensure that all eligible Maryland citizens can register to vote and (2) to provide a voting process that is convenient and accessible.

Performance Analysis: Managing for Results

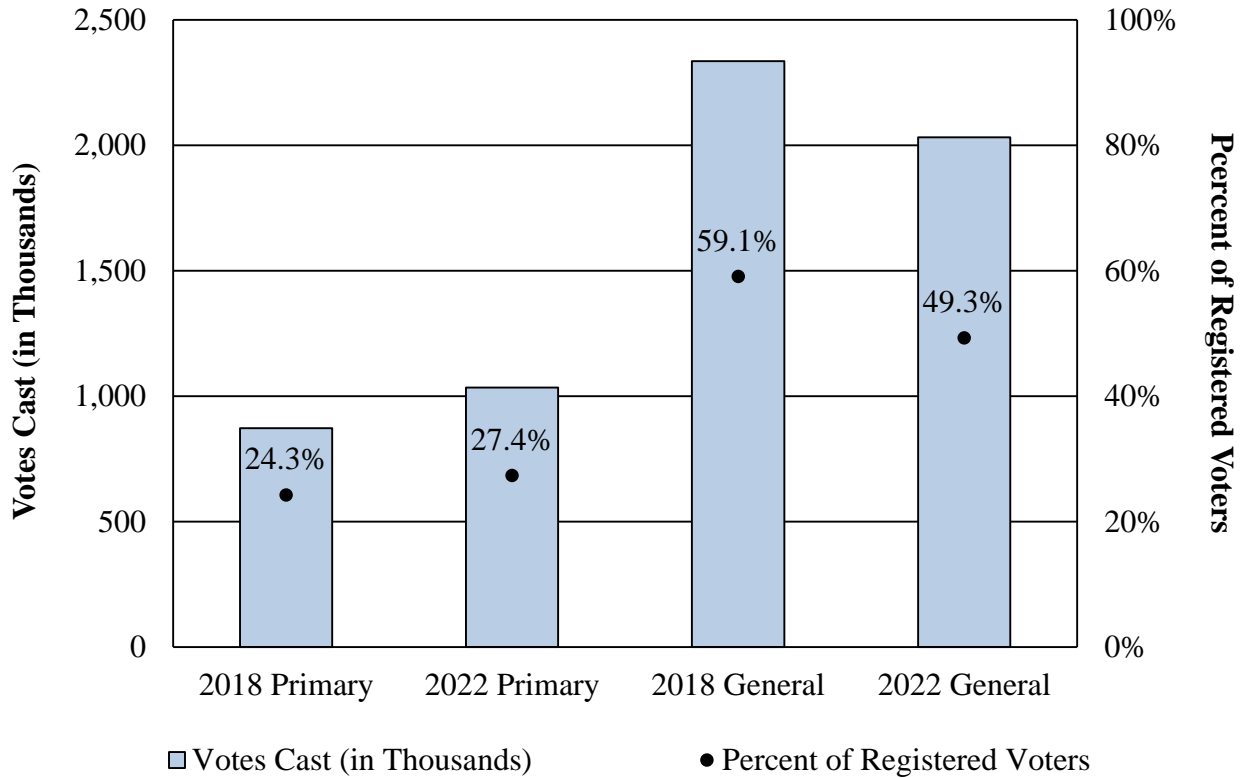## 1.   2022 Gubernatorial Election Cycle

Voter Participation

As shown in **Exhibit 1**, voter participation in the 2022 primary election was 3 percentage points higher than the previous gubernatorial primary in 2018. However, voter participation in the 2022 general election was approximately 10 percentage points lower than the 2018 gubernatorial general election.

Exhibit 1
**Voter Participation**
2018 and 2022 Election Cycles

Source: State Board of Elections

Voter Behavior

As shown in **Exhibit 2**, voter behavior has changed significantly since the 2018 gubernatorial primary. Looking at the 2022 general election, in-person voting, including election day voting and early voting, was less popular. In particular, in-person election day voting was down 30% relative to 2018, and early voting was down 43%. However, mail-in ballots increased 350%, and SBE has indicated that these behavioral changes are unlikely to significantly reverse going forward. The growth in mail-in balloting is primarily attributable to two factors. First, mail-in balloting became widespread due to pandemic-related factors in the 2020 election cycle that increased public awareness and preference for this option, along with ongoing pandemic related concerns in 2022. In addition, Chapter 56 of 2021 authorized a permanent mail-in voter list. Voters on the list will receive an absentee ballot every election instead of having to apply for one for each election. Many voters have opted into the program. For example, more than 300,000 mail-in voters in the 2022 gubernatorial primary became permanent mail-in voters.

Exhibit 2
Voter Behavior in the 2018 and 2022 Gubernatorial Election
Calendar 2018-2022
(Votes in Thousands)
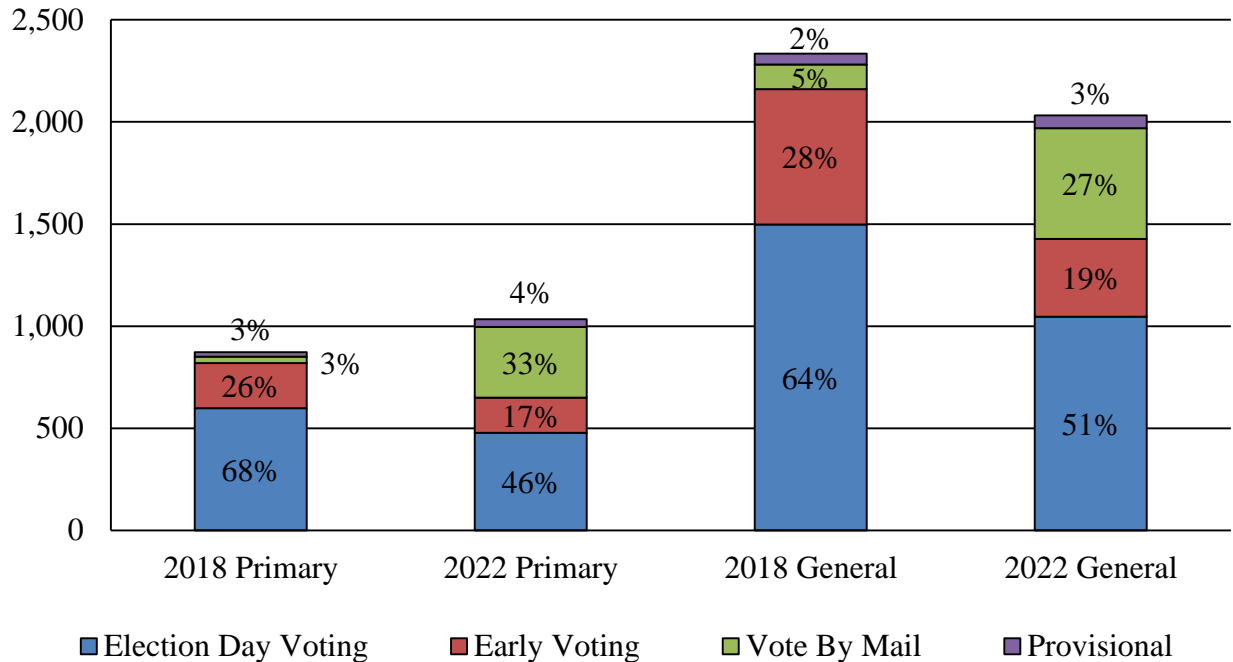
Source: State Board of Elections

The agency should comment on how these changes in behavior will impact its budgeting and planning for future elections.

Redistricting

Due to delays in the release of census data as well as a legal challenge requiring the maps to be redrawn, the finalization of the decennial redistricting was later than typical. This, in turn, caused the primary election itself to be pushed back from its initial date of June 28, 2022, to July 19, 2022. Altogether, the events condensed the timeframe for implementing the new congressional and legislative districts and ensuring voters received updated registration cards and information on new polling locations. There were around 5,000 voter addresses (less than 0.01% of all registered addresses) initially distributed information for the incorrect districts and had to be given new voter registration cards, or in some cases, new mail-in ballots as voters had already cast votes in districts that they were not eligible to vote in. However, it is not unexpected for some proportion of voters to initially be identified in the wrong districts during the complicated process of redistricting.
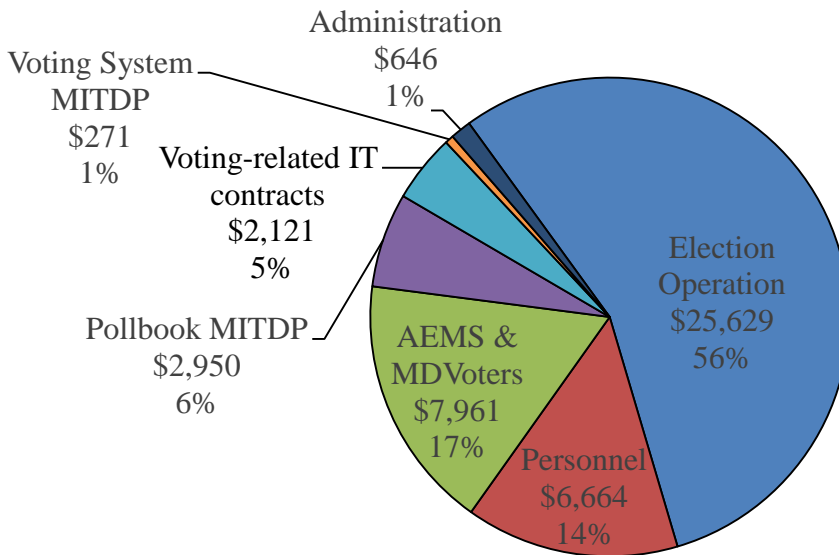
Fiscal 2023

Proposed Deficiency

The fiscal 2024 allowance includes one proposed deficiency for SBE for fiscal 2023. The proposed deficiency appropriation would provide $32,547 in general funds to replace a vehicle.

Fiscal 2024 Overview of Agency Spending

As shown in **Exhibit 3**, 56% of the fiscal 2024 allowance supports necessary equipment, supplies, temporary staffing, and voter communications for voter outreach and election operation. This spending also supports ongoing election activities include pre-election planning and processing voter registrations. SBE's information technology systems, software licenses, and the MITDPs make up a combined 29% of the fiscal 2024 allowance. Personnel expenditures comprise 14% of fiscal 2023 spending.

Exhibit 3
Overview of Agency Spending
Fiscal 2024 Allowance
($ in Thousands)

Voting System MITDP $271 1%
Administration $646 1%
Voting-related IT contracts $2,121 5%
Pollbook MITDP $2,950 6%
AEMS & MDVoters $7,961 17%
Personnel $6,664 14%
Election Operation $25,629 56%

AEMS: Agency Election Management System
IT: information technology
MDVOTERS: Maryland Voter Registration, Candidacy, and Election Management System
MITDP: Major Information Technology Development Project

Note: The fiscal 2024 allowance does not reflect salary enhancements that are budgeted in the Statewide Account of the Department of Budget and Management.

Source: Governor's Fiscal 2024 Budget Books

Proposed Budget Change

As shown in **Exhibit 4**, the fiscal 2024 allowance decreases by $9.3 million compared to the fiscal 2023 working appropriation after accounting for proposed deficiency appropriations including the agency's share of the statewide deficiency appropriation for the 4.5% cost-of-living adjustment provided in November 2022.

Exhibit 4
Proposed Budget
State Board of Elections
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2022 Actual	$22,706	$23,837	$944	$1,752	$49,238
Fiscal 2023 Working Appropriation	24,973	25,544	1,753	3,283	55,553
Fiscal 2024 Allowance	21,981	22,923	1,339	0	46,243
Fiscal 2023-2024 Amount Change	-$2,992	-$2,620	-$414	-$3,283	-$9,310
Fiscal 2023-2024 Percent Change	-12.0%	-10.3%	-23.6%	-100.0%	-16.8%

Where It Goes:	Change
Personnel Expenses	
New positions	$315
Employee and retiree health insurance	288
Salary and wage adjustments	163
Reclassification	79
Annualization of November 2022 4.5% cost-of-living adjustment	68
Other fringe benefits	53
Employees' retirement system	48
Accrued leave payout	32
Turnover adjustments	6
Voter Outreach Programs	
Voting equipment system rentals	1,420
Voter outreach materials	1,325
Voter awareness and registration campaigns	500
Additional personnel support for the document management project	200
Nonrenewal of EPIC server warranty for election data	-750

Where It Goes:	**Change**
Election Administration Costs	
Transportation of voting equipment..	251
Mapping service for early voting sites, ballot box locations, and redistricting	115
Election security contracts	-10
Printing activation cards for ballot marking devices...	-173
Election staffing	-229
Election system and software equipment modification and training	-320
Election call center funding	-450
Mail-in ballots..	-574
Reduction in data network plans	-620
Changes in ballot printing between the gubernatorial election and the upcoming presidential primary..	-955
Reduction in funding for servers and databases for election administration	-1,826
Major Information Technology Development Projects	
New MITDP for a voting system	271
AEMS and MDVOTERS registration application...	-669
Pollbook project primarily due to reimbursable funds (see Issue 1)......................	-3,276
Other Changes	
Software licenses...	24
Office supplies	-623
Mandated funding of the FCFF, per Chapter 733 of 2021, not required in fiscal 2024	-4,000
Other..	10
Total	**-$9,310**

AEMS: Agency Election Management System
EPIC: Electronic Privacy Information Center
FCFF: Fair Campaign Financing Fund
MDVOTERS: Maryland Voter Registration, Candidacy, and Election Management System
MITDP: Major Information Technology Development Projects

Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

Fair Campaign Financing Fund

Maryland's Public Financing Act (PFA) provides for a system of public financing of elections for candidates for Governor and Lieutenant Governor. The PFA is supported by the FCFF, which is administered by the Comptroller. Prior to enactment of Chapter 733, revenue to the FCFF comprised of income tax checkoffs and campaign finance penalties, fines, and fees.

Among other changes to the PFA, Chapter 733 mandated that the Governor include an appropriation of $4 million to the fund in fiscal 2023 to supplement the FCFF balance to provide a full public contribution to one gubernatorial ticket in the general election. Chapter 733 established a process to determine needs for periodic replenishment prior to the next gubernatorial election cycle. Under this process, by August 1 of the third year prior to an election cycle, SBE is to send notice if additional funding is required. If additional funding is determined to be needed, the Governor is required to include the amount needed in the appropriate fiscal year. Due to the required timing, no funds are required in fiscal 2024, reducing the fiscal 2024 allowance by $4 million compared to fiscal 2023.

Major Information Technology Development Projects

The fiscal 2024 allowance provides a total of $541,000 for a new MITDP to implement a new voting system solution, split between DoIT and SBE. The budget of SBE includes $270,500 for the MITDP, and the State's share of this project is found within DoIT. For additional discussion of the new MITDP, see Issue 2 of this analysis.

The development work on the Agency Election Management System (AEMS) as an MITDP was completed in fiscal 2023. AEMS is an application integrated with the Maryland Voter Registration, Candidacy, and Election Management System and offers various functionality from ballot definition to results reporting. As a result of the completion of the development, funds for the development of the application decreased by $1.7 million, partially offset by an increase of $1 million for the hosting of the registration database.

Election-related Changes

The fiscal 2024 allowance reduces SBE's funding for election servers and databases administration by $1.8 million. This decrease reflects changes in the election system as SBE prepares for the 2024 presidential primary election during fiscal 2024.

Additionally, funding for election staffing is reduced by $229,000. This represents an expired contract for additional election personnel and training not being renewed worth $978,000, partially offset by an increase of $750,000 for training election judges and other staff.

The fiscal 2024 allowance for SBE increases funding for new voting equipment for the existing voting system contract by $1.4 million. The increase is driven by the option year increase and contract modifications for additional equipment. **The agency should discuss the reason additional equipment is required.**

Personnel Data

	FY 22 **Actual**	FY 23 **Working**	FY 24 **Allowance**	FY 23-24 **Change**
Regular Positions	46.00	46.00	50.00	4.00
Contractual FTEs	1.38	1.38	0.38	-1.00
Total Personnel	**47.38**	**47.38**	**50.38**	**3.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.56	3.40%
Positions and Percentage Vacant as of 12/31/22	1.00	2.17%
Vacancies Below Turnover	0.56	

- The fiscal 2024 allowance provides SBE with 4 new regular positions. 2 of the positions added are computer network specialist regional managers that will support the 24 LBEs throughout the State. Two additional positions are related to campaign finance. Of these, 1 is a campaign finance administrator II, responsible for assigning and directing investigations to obtain evidence in electoral matters. The other campaign finance-related position is a campaign finance program manager II to provide support and oversee the overall management and operation of the day-to-day functions for the auditing and the enforcement unit.

- The decrease of 1 contractual full-time equivalent is due to a nonrenewal of a warehouse contract in fiscal 2023, which SBE replaced with a contract vendor.

Issues

1. The Pollbook MITDP

The Pollbook MITDP will replace the legacy pollbook system with a new system. As part of the project, new hardware, software, ancillary items, maintenance, and support have been procured to support an estimated 7,800 pollbook units statewide. Although originally intended to be implemented in advance of the 2022 elections, the implementation timeline was postponed, and the new system is now planned for first use in the 2024 elections.

The Pollbook MITDP was originally scheduled to be used for the 2022 election cycle but was rescheduled for use in the 2024 election cycle instead. Ultimately, this decision was driven by a mixture of both procurement and implementation delays affecting the project. Specifically, factors included underestimating the time required to draft the request for proposals, a general lack of staff availability due to pandemic-related pressures on SBE staff, and the time required to ensure final reliability and staff familiarity with the new system. The project also had cost uncertainties during the 2022 session as SBE had not yet finalized which exact pollbook it would use, whether it would purchase or lease the pollbooks, and whether the acquisition would be financed through the State Treasurer's Office. These factors combined led to committee narrative in the 2022 *Joint Chairmen's Report* (JCR) requesting quarterly updates on project progress and spending.

In the fiscal 2024 allowance, an additional $1.2 million is being provided for software testing and licensing, while funding for the personnel for the project is being reduced by $1 million, and funding for hardware purchases is being decreased by $3.3 million. The decrease in funding is overstated as the fiscal 2023 working appropriation includes $3.3 million of reimbursable funds representing the State share of costs. The general funds for the project in fiscal 2024, totaling $2.6 million, are appropriated in the MITDP Fund (MITDPF) in DoIT, which will be transferred to SBE as reimbursable funds during the fiscal year.

Since the 2022 session, progress made on the Pollbook Project has been consistent, indicating significant improvement from the previous year. SBE detailed in its January 17, 2023 JCR response that it has completed 7 of 10 developmental milestones. These milestones consist of requirement gap analyses to ensure each working model iteration complied with Maryland law. Additionally, work is underway on the final milestones. Most recently, SBE has finalized the hardware choice for the project and is working on a customized pollbook application that is being tested and should be completed shortly. In March 2023, SBE plans to begin systems integration testing and then conduct a mock election as the final test before implementation. **The Department of Legislative Services (DLS) recommends adopting committee narrative requesting continued submission of quarterly reports on the progress of and spending on the Pollbook Project through its completion.**

## 2.	Two New MITDPs Begin in Fiscal 2024

The fiscal 2024 allowance begins funding for two new MITDPs for SBE – a New Voting System Solution as well as the Campaign Reporting Information System (CRIS). The Voting System Solution project receives funding totaling $541,000 (split equally between the budget of SBE and DoIT's MITDPF. CRIS receives $100,000 in general funds, found within DoIT's MITDPF. However, SBE has yet to submit information necessary to understand the need, scope, and schedule for either project. **Given the lack of information on either project, DLS recommends adopting committee narrative requesting SBE to provide information on the scope and schedule of the two MITDPs.**

Operating Budget Recommended Actions

1. **Scope and Schedule for Major Information Technology Development Projects (MITDP):** The committees are concerned that no information has been provided for two significant new MITDPs beginning in fiscal 2024. The committees request that the State Board of Elections (SBE) submit a report on the Voting System Solution and Campaign Reporting Information System MITDPs, including information on the scope, timelines, and need for the projects

Information Request	Author	Due Date
Report on Voting System Solution and Campaign Reporting Information System MITDPs	SBE	July 15, 2023

2. **Quarterly reports on Major Information Technology Development Projects (MITDP):** The committees remain interested in monitoring the progress on the State Board of Elections' (SBE) MITDPs. The committees request that SBE submit quarterly reports on all MITDP activities and expenditures, separately for each of the three projects. Each report should include for each project the following:

    *   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;

    *   an assessment of future risks to the project's timeline and how SBE plans to mitigate those risks.

Information Request	Author	Due Date
Quarterly Report on all MITDPs	SBE	July 15, 2023 October 15, 2023 January 15, 2024 April 15, 2024

Appendix 1
2022 *Joint Chairmen's Report* Responses from Agency

The 2022 JCR requested that SBE prepare four reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Quarterly Reports on Pollbook Project Activities and Spending:*** SBE has submitted three of the four quarterly reports. The fourth report is due on April 15, 2023. Further discussion of these reports is included in Issue 1 of this analysis.

Appendix 2
Pollbook Project
Major Information Technology Project
State Board of Elections

For additional information on the Pollbook Project, see Issue 1 of this analysis.

New/Ongoing: Ongoing								
Start Date: Fiscal 2020				**Est. Completion Date:** Fiscal 2026				
Implementation Strategy: Agile								
($ in Millions)	**Prior Year**	**2023**	**2024**	**2025**	**2026**	**2027**	**Remainder**	**Total**
GF	$2.611	$3.447	$2.633	$0.941	$0.617	$0.000	$0.000	$10.249
SF	5.061	3.447	2.950	1.247	0.925	0.000	0.000	13.631
Total	**$7.672**	**$6.893**	**$5.583**	**$2.188**	**$1.542**	**$0.000**	**$0.000**	**$23.880**

- *Project Summary:* A pollbook is a tool used in elections to help check-in voters at their voting location. New pollbooks and related hardware will be procured in advance of the 2024 elections. The pollbooks will have additional functionality and expanded capabilities for real-time monitoring using a wide area network to connect the pollbooks at each polling location.

- *Need:* The existing pollbook system has exceeded its useful life.

- *Observations and Milestones:* SBE is currently testing a working application of a pollbook. Additionally, tablets for the pollbook application will be delivered to the SBE for additional testing in their labs this March. The project has made steady progress in the last year and should be ready for deployment in the 2024 presidential election.

Appendix 3
2026 New Voting System
Major Information Technology Project
State Board of Elections

New/Ongoing: New							
Start Date: Fiscal 2024			**Est. Completion Date:** Fiscal 2027				
Implementation Strategy: Agile							
($ in Millions)	**Prior Year**	**2023**	**2024**	**2025**	**2026**	**2027**	**Remainder**	**Total**
GF	$0.000	$0.000	$0.271	$3.500	$5.000	$10.000	$0.000	$18.771
SF	0.000	0.000	0.271	3.500	5.000	10.000	0.000	18.771
Total	**$0.000**	**$0.000**	**$0.541**	**$7.000**	**$10.00**	**$20.00**	**$0.000**	**$37.541**

- *Project Summary:* The project will result in a new voting system to replace the current one whose lease will expire after the 2024 election cycle.

- *Need:* The current voting system's lease will expire after the 2024 elections.

- *Concerns:* SBE has not provided information on the scope and timeline for the project.

Appendix 4
Campaign Reporting Information System
Major Information Technology Project
State Board of Elections

($ in Millions)	Prior Year	2023	2024	2025	2026	2027	Remainder	Total
New/Ongoing: New								
Start Date: Fiscal 2024				**Est. Completion Date:** Fiscal 2027				
Implementation Strategy: Agile								
GF	$0.000	$0.000	$0.100	$0.325	$0.750	$3.000	$0.000	$4.175
Total	**$0.000**	**$0.000**	**$0.100**	**$0.325**	**$0.750**	**$3.000**	**$0.000**	**$4.175**

- *Project Summary:* This project will procure an online campaign finance reporting system. Political committees will use this system to file required campaign finance reports, voters, members of the press, and other organizations and entities can review information about contributions and expenditures.

- *Need:* The contract option for the current Maryland Campaign Reporting Information System (MDCRIS) expires March 31, 2023, at which time the final two year option will be exercised through March 31, 2025. All campaign finance reports must be submitted using an electronic storage medium, and SBE must provide an electronic filing program and make filed campaign finance reports widely and easily accessible to the public for viewing and data dissemination and duplication. MDCRIS currently performs all these tasks.

- *Concerns:* SBE has not submitted information on the scope or timeline of the project.

Appendix 5
Object/Fund Difference Report
State Board of Elections

Object/Fund	FY 22 Actual	FY 23 Working Appropriation	FY 24 Allowance	FY 23 - FY 24 Amount Change	Percent Change
Positions					
01 Regular	46.00	46.00	50.00	4.00	8.7%
02 Contractual	1.38	1.38	0.38	-1.00	-72.5%
Total Positions	**47.38**	**47.38**	**50.38**	**3.00**	**6.3%**
Objects					
01 Salaries and Wages	$ 5,054,254	$ 5,478,260	$ 6,664,191	$ 1,185,931	21.6%
02 Technical and Special Fees	126,763	265,191	123,815	-141,376	-53.3%
03 Communication	1,027,073	1,803,252	613,584	-1,189,668	-66.0%
04 Travel	29,667	71,985	58,585	-13,400	-18.6%
07 Motor Vehicles	1,735	1,220	2,030	810	66.4%
08 Contractual Services	27,846,287	35,825,180	29,892,337	-5,932,843	-16.6%
09 Supplies and Materials	1,311,095	2,569,409	2,028,530	-540,879	-21.1%
10 Equipment – Replacement	11,141,217	4,420,622	5,840,764	1,420,142	32.1%
11 Equipment – Additional	1,805,476	15,000	0	-15,000	-100.0%
12 Grants, Subsidies, and Contributions	0	4,000,000	0	-4,000,000	-100.0%
13 Fixed Charges	894,416	933,056	1,019,233	86,177	9.2%
Total Objects	**$ 49,237,983**	**$ 55,383,175**	**$ 46,243,069**	**-$ 9,140,106**	**-16.5%**
Funds					
01 General Fund	$ 22,705,664	$ 24,813,668	$ 21,981,117	-$ 2,832,551	-11.4%
03 Special Fund	23,836,524	25,533,767	22,923,372	-2,610,395	-10.2%
05 Federal Fund	943,687	1,752,986	1,338,580	-414,406	-23.6%
09 Reimbursable Fund	1,752,108	3,282,754	0	-3,282,754	-100.0%
Total Funds	**$ 49,237,983**	**$ 55,383,175**	**$ 46,243,069**	**-$ 9,140,106**	**-16.5%**

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments that are budgeted within the Department of Budget and Management.

Program/Unit	FY 22 Actual	FY 23 Wrk Approp	FY 24 Allowance	Change	FY 23 - FY 24 % Change
01 General Administration	$ 5,785,899	$ 6,256,465	$ 7,310,657	$ 1,054,192	16.8%
02 Help America Vote Act	41,213,892	38,397,064	35,711,535	-2,685,529	-7.0%
03 Major IT Development Projects	2,238,192	6,729,646	3,220,877	-3,508,769	-52.1%
04 Campaign Finance Fund	0	4,000,000	0	-4,000,000	-100.0%
Total Expenditures	**$ 49,237,983**	**$ 55,383,175**	**$ 46,243,069**	**-$ 9,140,106**	**-16.5%**
General Fund	$ 22,705,664	$ 24,813,668	$ 21,981,117	-$ 2,832,551	-11.4%
Special Fund	23,836,524	25,533,767	22,923,372	-2,610,395	-10.2%
Federal Fund	943,687	1,752,986	1,338,580	-414,406	-23.6%
Total Appropriations	**$ 47,485,875**	**$ 52,100,421**	**$ 46,243,069**	**-$ 5,857,352**	**-11.2%**
Reimbursable Fund	$ 1,752,108	$ 3,282,754	$ 0	-$ 3,282,754	-100.0%
Total Funds	**$ 49,237,983**	**$ 55,383,175**	**$ 46,243,069**	**-$ 9,140,106**	**-16.5%**

Note: The fiscal 2023 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.