

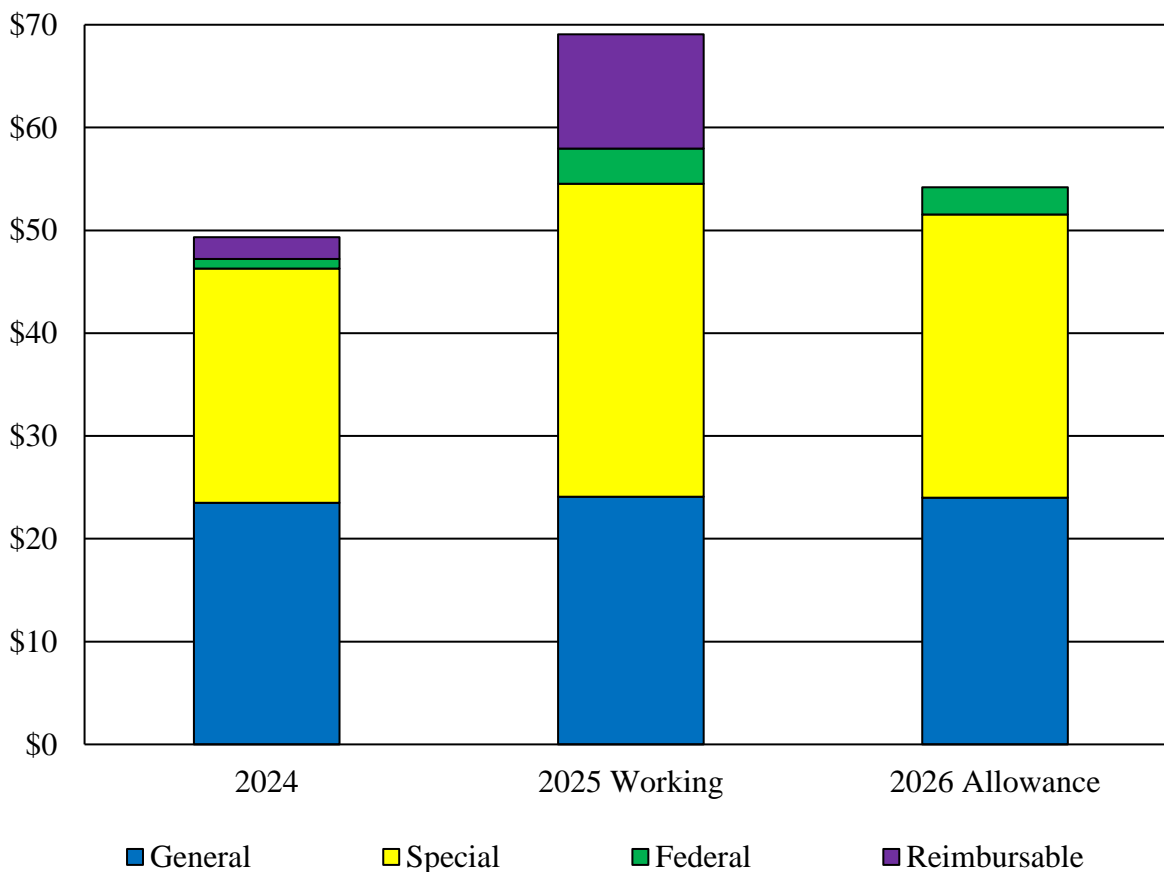
D38I01
State Board of Elections

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 2026 Budget Decreases \$14.9 Million, or -21.5%, to \$54.2 Million
(\$ in Millions)**



Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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- The fiscal 2026 allowance decreases by \$14.9 million compared to the fiscal 2025 working appropriation. Special fund spending decreases by \$2.9 million, or 9.6%, in fiscal 2026, primarily due to there being no fiscal 2026 special fund allocation for the New Voting System (NVS) Major Information Technology Development Project (MITDP), as SBE estimates carrying over about \$19 million of the fiscal 2025 appropriation for project development work in fiscal 2026. The actual carry forward amount will be determined at the end of fiscal 2025.
- A total of \$11.1 million in reimbursable funds in the fiscal 2025 working appropriation is attributed to the State share of costs for the Statewide Pollbook Modernization (SPM) and NVS MITDPs. In fiscal 2026, the general funds for SBE’s MITDPs are budgeted within the Department of Information Technology’s (DoIT) budget and will be added to SBE as reimbursable funds during the fiscal year.

Key Observations

- ***SPM MITDP to Replace New Pollbook MITDP:*** A new SPM MITDP replaces the new Pollbook Project MITDP beginning in fiscal 2025 due to the vendor’s inability to meet the minimum viable product requirements. The new Pollbook Project received its first funding allocation in fiscal 2020.
- ***NVS MITDP’s Implementation Target Extended:*** The U.S. Election Assistance Commission (EAC) adopted a new Voluntary Voting System Guidelines (VVSG) 2.0 standard in November 2022 and ceased system certification under previous VVSG versions as of November 2023. No vendors have completed certification under the new VVSG 2.0 standard, which led SBE to extend the expiration for the current NVS contract from March 2025 to March 2027 with an option to renew for an additional two years until March 2029.
- ***New Campaign Reporting Information System (NCRIS) MITDP on Track to Completion in Fiscal 2026:*** A new vendor for the NCRIS MITDP was selected and has been approved by the Board of Public Works (BPW) on January 29, 2025. SBE expects to set up a temporary NCRIS by April 1, 2025, and anticipates a newly designed NCRIS to be in place by July 1, 2025, with project closeout completion by the end of fiscal 2026.
- ***New Voter Registration and Election Administration Modernization (VREAM) MITDP Added in Fiscal 2026:*** A new VREAM MITDP is added in fiscal 2026 to replace the current Maryland Voter Registration, Candidacy, and Election Management System (MDVOTERS), which is nearing the end of its operational life. The anticipated VREAM project solution is a modified off-the-shelf system that is customized to modernize the State’s voter registration and election management systems and efficiently support future election needs. The estimated total project cost is \$35.6 million. The fiscal 2026 allowance

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includes \$602,614 for the State’s share, budgeted as general funds in DoIT’s Information Technology Investment Fund (ITIF), and \$470,746 for the local share contained in SBE’s budget.

Operating Budget Recommended Actions

| | <u>Funds</u> |
|--|---------------------|
| 1. Delete special funds for the Voter Registration and Election Administration Modernization Major Information Technology Development Project. | -\$ 470,746 |
| 2. Adopt committee narrative requesting quarterly reports on all Major Information Technology Development Project activities and spending. | |
| Total Net Change | -\$ 470,746 |

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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 (HAVA); 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:

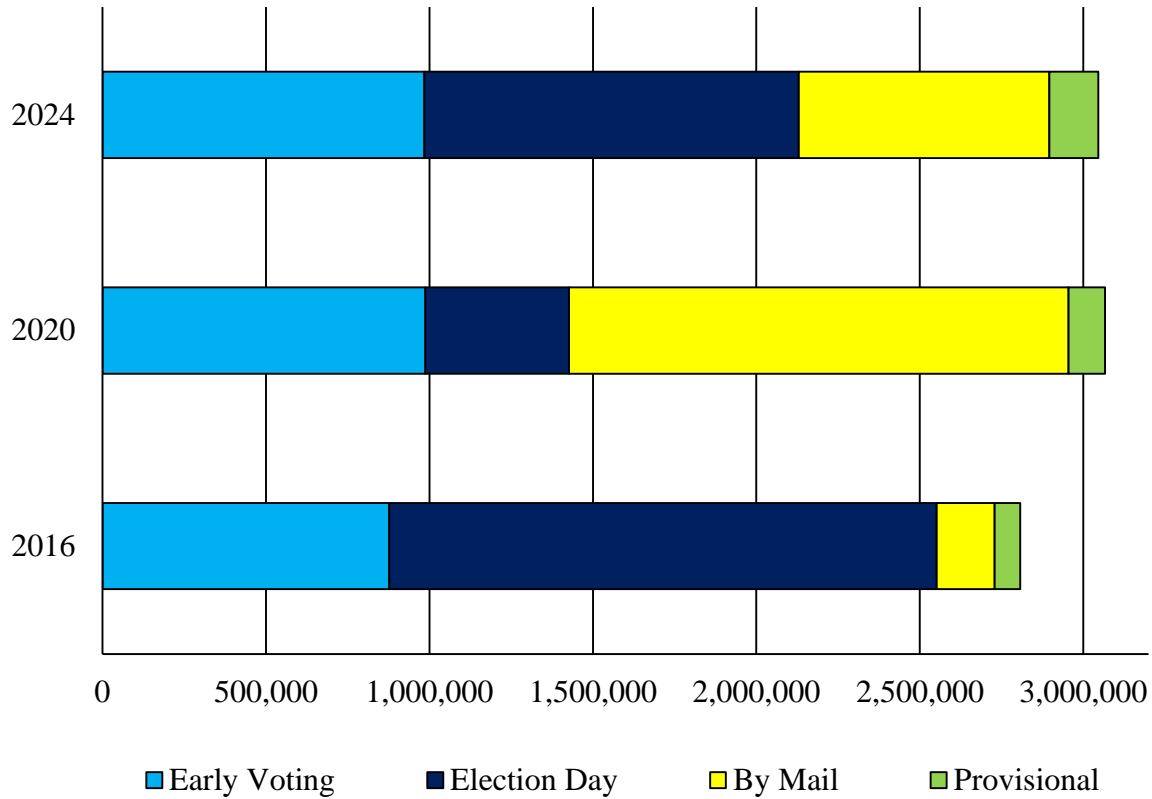
- to ensure that all eligible Maryland citizens can register to vote; and
- to provide a voting process that is convenient and accessible.

Performance Analysis: Managing for Results

1. Mix of Voter Turnout Methods in the 2024 Presidential General Election

In its fiscal 2026 Managing for Results submission, SBE reported mailing 1.2 million ballots for the calendar 2024 election cycle with 98.7% of ballots successfully delivered while 0.2% were undeliverable. **Exhibit 1** compares turnout in the 2024 presidential general election with the 2016 and 2020 presidential general elections. This information is collected from SBE's website. The COVID-19 pandemic dramatically increased the number of voters who voted by mail to 1.5 million, or 49.8%, in 2020. In 2024, voting by mail decreased by half to approximately 765,000 voters, or 25.1%. In-person election day voting returned as the preferred method of voting in 2024 at 37.6% (1.15 million voters), although this was a 31.6% decrease from election voters in 2016 (1.67 million voters). In 2024, 32.3% of voters chose to vote early, which is comparable with both 2016 and 2020 at 31.2% and 32.2%, respectively.

Exhibit 1
Voter Turnout by Method
Calendar 2016, 2020, 2024 Presidential General Elections

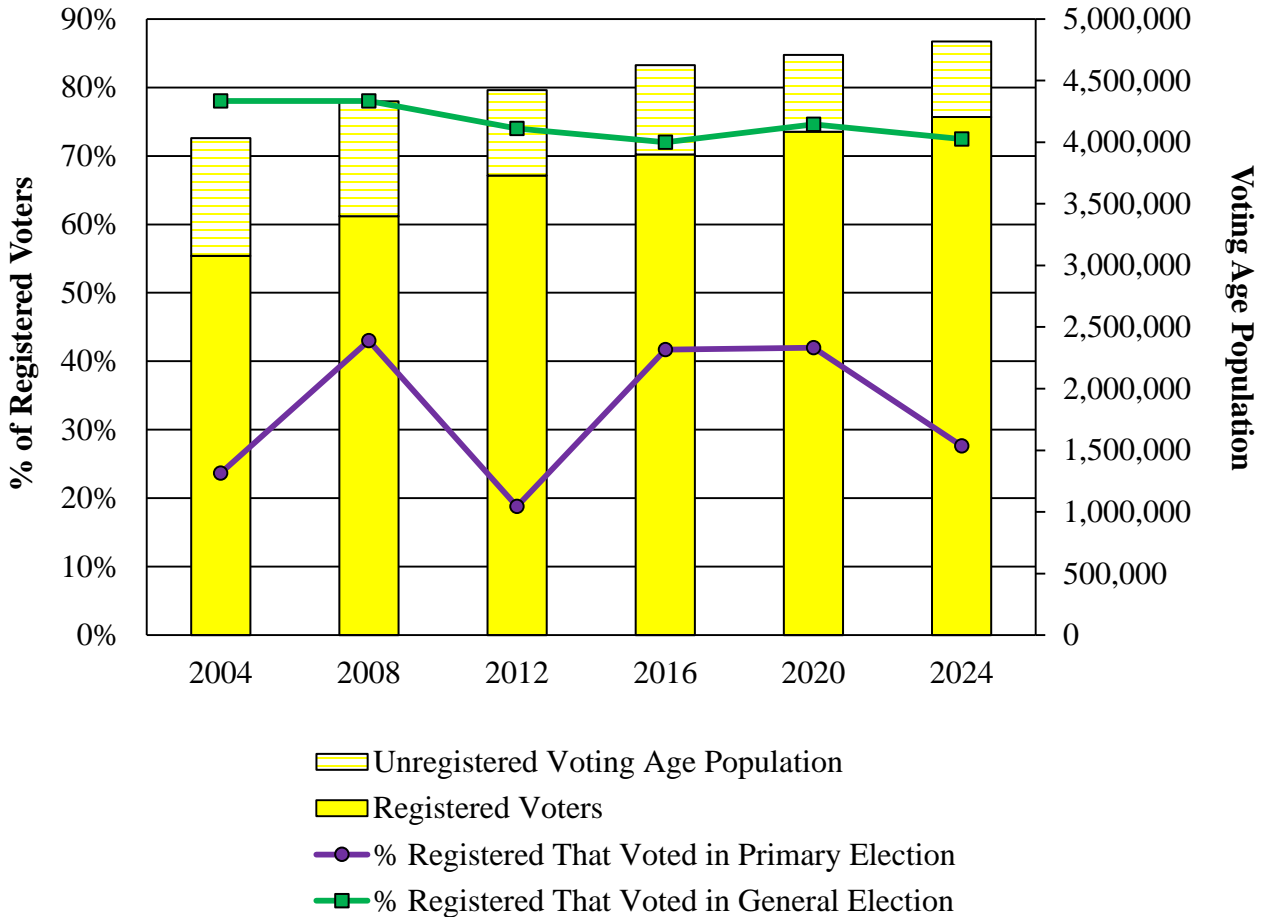


Source: State Board of Elections

2. Registered Voters Participation Declines

As shown in **Exhibit 2**, while the number of voters that cast ballots in the 2024 presidential general election increased from the 2020 presidential general election, the voter participation rate decreased by 2.2%. Participation in the presidential primary election also declined by 14.4% compared with the 2020 turnout. 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
Calendar 2004-2024**

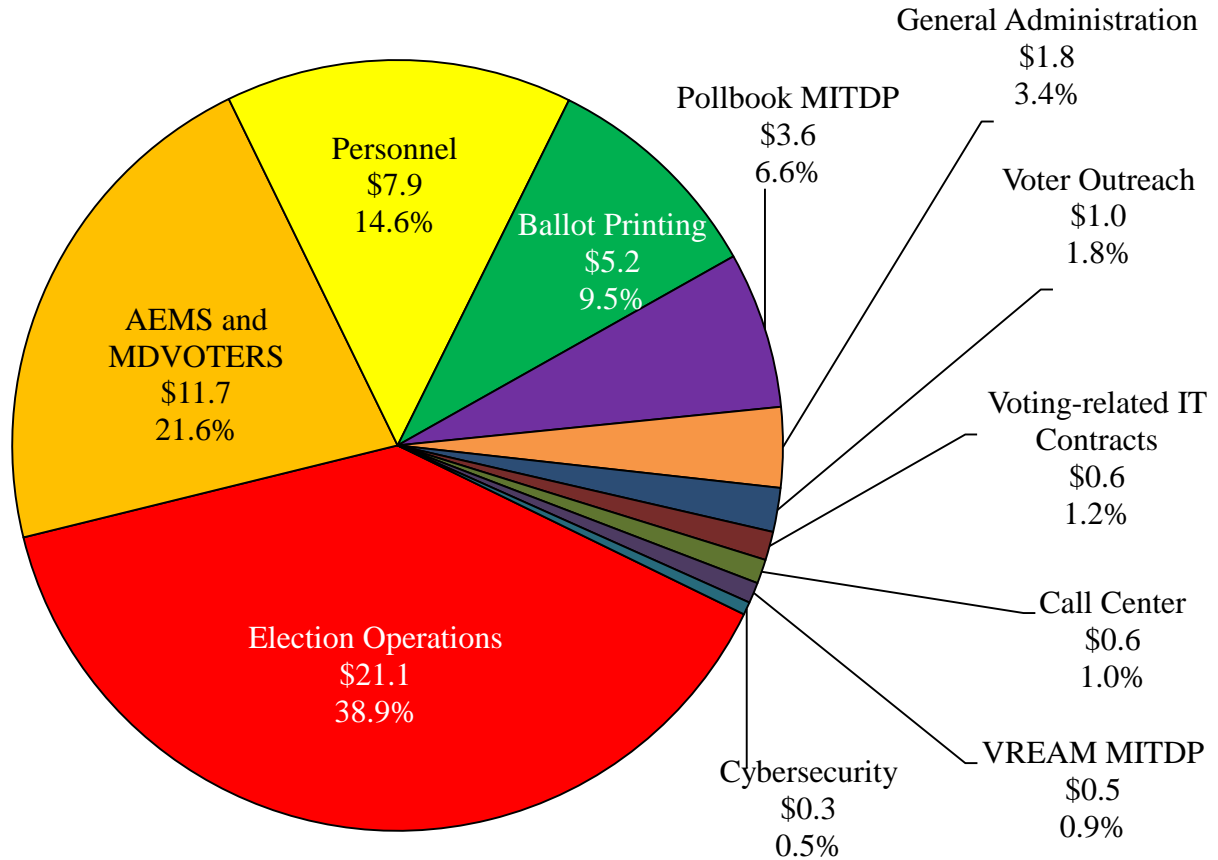


Source: Department of Budget and Management; State Board of Elections

Fiscal 2026 Overview of Agency Spending

As shown in **Exhibit 3**, the fiscal 2026 allowance includes a total of \$54.2 million for SBE. Most of the fiscal 2026 allowance funds election operations, totaling to \$21.1 million, or 38.9%, which supports necessary equipment, supplies, and temporary staffing for election operations, including processing voter registrations. Personnel expenditures comprise \$7.9 million, or 14.6%, of the fiscal 2026 allowance, including 56 regular positions. SBE’s two MITDPs make up 7.5% of the allowance.

Exhibit 3
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Millions)



Total Expenditure = \$54.2 Million

AEMS: Agency Election Management System

IT: information technology

MDVOTERS: Maryland Voter Registration, Candidacy, and Election Management System

MITDP: Major Information Technology Development Project

VREAM: Voter Registration and Election Administration Modernization

Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2026 Budget Books

Proposed Budget Change

As shown in **Exhibit 4**, the fiscal 2026 allowance for SBE decreases by \$14.9 million, or 21.5%, compared to the fiscal 2025 working appropriation. The largest decrease is \$20.8 million (reimbursable and special funds) for the State share of costs for the NVS MITDP. In fiscal 2026, general funds for SBE’s MITDPs are budgeted within the DoIT budget and will be added to SBE as reimbursable funds during the fiscal year. This decrease is partially offset by an increase in expenses in preparation for the calendar 2026 election cycle, which includes \$2.3 million for voter registration application and database development, \$1.2 million for election staff training, \$1.2 million for election telecommunications, \$1.1 million for ballot printing, and \$750,000 for mailing absentee ballots. Spending in fiscal 2026 also increases by \$1.6 million for the new SPM MITDP that replaced the previous new Pollbook Project MITDP beginning in fiscal 2025.

**Exhibit 4
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 2024 Actual | \$23,509 | \$22,768 | \$949 | \$2,102 | \$49,328 |
| Fiscal 2025 Working Appropriation | 24,079 | 30,465 | 3,410 | 11,100 | 69,054 |
| Fiscal 2026 Allowance | <u>24,009</u> | <u>\$27,543</u> | <u>2,640</u> | <u>0</u> | <u>54,191</u> |
| Fiscal 2025-2026 Amount Change | -\$70 | -\$2,922 | -\$771 | -\$11,100 | -\$14,863 |
| Fiscal 2025-2026 Percent Change | -0.3% | -9.6% | -22.6% | -100.0% | -21.5% |

Where It Goes:

Personnel Expenses

| | |
|---|-------|
| Salary increases and associated fringe benefits, including fiscal 2025 cost-of-living adjustments and increments..... | \$983 |
| Salaries and fringe benefits for 1 new position..... | 136 |
| Workers’ compensation premium assessment..... | -9 |
| Turnover increases 2.58% to 3.03% | -32 |
| Employee and retiree health insurance | -163 |

Other Changes

Election Administration Costs

| | |
|---|-------|
| Election staff training, including sign language interpreters for election judge training in preparation for calendar 2026 election cycle | 1,228 |
| Election telecommunications, including network data for routers | 1,214 |

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| Where It Goes: | <u>Change</u> |
|---|----------------------|
| Ballot printing for election regular, provisional, blank, and test desk ballots, including translating voters’ forms to different languages..... | 1,057 |
| Mailing absentee ballots, including permanent absentee letters..... | 750 |
| Early voting and election day voting equipment and supplies transportation to the polling places..... | 170 |
| Printing and mailing correctional facility voting information..... | 40 |
| Voter activation cards for ballot marking devices..... | 25 |
| One-time expense for usability review of forms and information MOU with the University of Baltimore..... | -15 |
| New voter application, same day registrations, and Electronic Registration Information Center postcard mailing..... | -152 |
| Post-election audit conducted in fiscal 2025..... | -185 |
| Support staff for voting systems, ballot programming, and campaign finance team, including general warehouse personnel..... | -230 |
| Call center to answer voting-related questions during calendar 2024 election cycle..... | -450 |
| <i>Information Technology Systems for Election Activities</i> | |
| AEMS and MDVOTERS registration application and database development and hosting..... | 2,267 |
| New Statewide Pollbook Modernization MITDP replacing the previous new Pollbook Project MITDP beginning fiscal 2025 (see Issue 1)..... | 1,588 |
| Voter Registration and Election Administration Modernization MITDP beginning fiscal 2026 (See Issue 4)..... | 471 |
| Information technology system software maintenance and warranties..... | 184 |
| Software licenses for voter services online registration application database, electronic pollbooks, and MDVOTERS..... | 129 |
| Pollbook EPIC Hosting environment..... | -360 |
| Cyber risk and vulnerabilities assessments..... | -513 |
| Maryland Campaign Reporting Information System database and website application to align with the expectation of lower voter turnout in the 2026 gubernatorial election cycle compared to 2024 presidential election cycle..... | -1,077 |
| Realigning 2026 new voting system MITDP budget for fiscal 2026 (reimbursable funds and special funds)..... | -20,803 |
| <i>Other Costs</i> | |
| Rent for warehouse space to store pollbooks for counties and Baltimore City, including association dues..... | 617 |
| Cost allocations, mainly driven by DoIT services allocations and other information systems..... | 88 |
| Training and staff development..... | 74 |
| Building repair and maintenance..... | 20 |
| Planning and mapping for the redistricting process in fiscal 2030..... | -40 |

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| Where It Goes: | <u>Change</u> |
|---|----------------------|
| Purchase of additional hardware and printers in fiscal 2025 | -206 |
| Support for document management project..... | -300 |
| One-time expense to replace laptops and desktops for staff in fiscal 2025 | -633 |
| Office supplies and materials to align with lower expenses in 2026 gubernatorial election cycle compared to 2024 presidential election cycle..... | -871 |
| Other expenses | 134 |
| Total | -\$14,863 |

- AEMS: Agency Election Management System
- DoIT: Department of Information Technology
- EPIC: Electronic Pollbook Interchange and Conversion system
- MDVOTERS: Maryland Voter Registration, Candidacy, and Election Management System
- MITDP: Major Information Technology Development Project
- MOU: memorandum of understanding

Note: Numbers may not sum to total due to rounding. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Personnel Data

| | <u>FY 24</u> <u>Actual</u> | <u>FY 25</u> <u>Working</u> | <u>FY 26</u> <u>Allowance</u> | <u>FY 25-26</u> <u>Change</u> |
|------------------------|---|--|--|--|
| Regular Positions | 51.00 | 55.00 | 56.00 | 1.00 |
| Contractual FTEs | <u>0.38</u> | <u>0.38</u> | <u>0.38</u> | <u>0.00</u> |
| Total Personnel | 51.38 | 55.38 | 56.38 | 1.00 |

Vacancy Data: Regular Positions

| | | |
|--|------|-------|
| Turnover and Necessary Vacancies, Excluding New Positions | 1.67 | 3.03% |
| Positions and Percentage Vacant as of 12/31/24 | 3.00 | 5.45% |
| Vacancies Above Turnover | 1.33 | |

- The fiscal 2026 allowance provides SBE with 1 new regular position. This position will serve as a communications director and will be responsible for managing and administering SBE’s communications and outreach programs, including development of educational materials and voter outreach or election judge recruitment communications.
- All 3 vacancies reported as of December 31, 2024, have been vacant for less than a year. This number of vacancies is 1.33 more than necessary to meet the budgeted turnover in fiscal 2026.

Issues

1. Statewide Pollbook Modernization Project

The SPM project will replace the existing legacy pollbook system as it nears end of life. SPM replaces the previously approved new Pollbook Project MITDP that was scheduled to replace the current legacy pollbook system before the calendar 2024 election cycle. The previous new Pollbook Project MITDP received its initial appropriation in fiscal 2020 and a total of \$20.15 million until fiscal 2024. However, due to the vendor's inability to meet the minimum viable product requirements, the contract for the new Pollbook Project MITDP was terminated in February 2024. Committee narrative in the 2024 *Joint Chairmen's Report* (JCR) requested that SBE submit quarterly reports on its MITDPs. In the first quarterly report dated July 15, 2024, SBE noted that the new Pollbook Project MITDP was closed as of June 30, 2024, pending receipt and payment of final invoices. SBE noted that a portion of funds would be held for pending litigation. A separate SPM project began on July 1, 2024, for fiscal 2025 and beyond.

SBE should comment on how much funding is being retained for pending litigation and also provide an update on the litigation process, including the status of the pending receipt and payment of final invoices from the new Pollbook Project MITDP.

The SPM project includes procuring, testing, and implementing a new pollbook solution for the calendar 2028 election cycle. A pollbook is a tool used in elections to help check in voters at their voting location. To provide time to procure a modernized pollbook solution for calendar 2028, SBE has extended the licensing agreement with the existing pollbook vendor, which includes the vendor providing enough complementary metal-oxide semiconductor batteries and resources to replace them if needed. In the third quarterly MITDP report, SBE noted that the request for proposals (RFP) for SPM was approved by DoIT on December 11, 2024, and is currently pending review and approval from the Office of State Procurement. SBE expects to issue an RFP for the SPM project in March 2025.

Cost Estimates

The total fiscal 2026 allowance for the SPM project is \$3.2 million, including both SBE's local share and the general fund share budgeted in the ITIF in DoIT. Because the SPM project replaces the new Pollbook Project and started in fiscal 2025, the fiscal 2025 working appropriation of \$1.9 million previously allocated to the new Pollbook Project was transferred to SPM. The fiscal 2026 allowance in total increases by \$1.3 million, or 71%, from the total fiscal 2025 working appropriation. The local share of the allowance equals 81.6%. The local contribution budgeted within SBE increases by \$1.6 million, or 171.4%, from the local share of the fiscal 2025 working appropriation. SBE notes that the 18.4%/81.6% split between the general fund share and SBE's local share is incorrectly allocated in the fiscal 2026 allowance. The total project cost for SPM should be equally split between the general fund share and SBE's local share, similar to the equal fund allocation in place for the now terminated new Pollbook Project MITDP. SBE notes that the agency will work with DoIT to correct this allocation in fiscal 2026. The total estimated cost for

the SPM project is \$38.1 million, which is 71.6% higher than the new Pollbook Project’s total estimated cost. The actual project spending from July 2024 to December 2024 is \$160,377.

Concerns

In the third quarterly MITDP report, SBE notes that if the RFP is not issued by March 2025, the new SPM project targeted implementation by the calendar 2028 election cycle may be impacted. **SBE should comment on its contingency plan if the RFP and targeted implementation of calendar 2028 are delayed.**

2. New Voting System Project

Under Maryland law, any voting system used in the State must be certified by EAC under the VVSG, which outline specific voting system requirements and standards. Additionally, the system must also be certified by SBE for use within the State.

The current voting system contract has been in effect since calendar 2015. It was procured via a lease agreement that was set to expire in March 2025. Due to the age of the existing equipment, technology limitations, and maintenance costs, SBE planned to procure and implement a new statewide voting system for the 2026 gubernatorial election cycle. However, EAC adopted a new VVSG 2.0 standard in November 2022 and ceased system certification under previous VVSG versions as of November 2023. As no vendors have currently completed certification under VVSG 2.0, SBE has extended the current NVS contract to March 2027 with an option to renew for an additional two years until March 2029. The revised project schedule includes an RFP issuance by July 2025 and a complete NVS implementation ahead of the 2028 presidential election cycle.

In the third quarterly MITDP report, SBE notes that RFP development is in progress and that the project’s Minority Business Enterprise goal has been established at 10%. SBE also notes that the RFP will ask each offeror to document how their proposed voting system solution facilitates ranked-choice voting. However, this will not be a system requirement or evaluation criterion for selecting the vendor unless ranked-choice voting is enacted into law.

Cost Estimates

The NVS project receives funding totaling \$20.8 million in the fiscal 2025 working appropriation, split equally between the local share contained in the budget of SBE and the State share budgeted as general funds in the DoIT ITIF. The fiscal 2026 allowance includes \$50,000 in general funds for DoIT oversight. No funding for the project has been budgeted in SBE for fiscal 2026 because SBE anticipates carrying forward approximately \$19 million from the fiscal 2025 working appropriation for any project development work during fiscal 2026. SBE notes that the fiscal 2025 carryforward amount cannot be fully determined until the end of fiscal 2025. The project’s total estimated cost is \$48 million, which is 12.7% lower than previously estimated during the 2024 session. The actual project spending from April to December 2024 is \$395,300

and includes expenses accrued but yet to be paid. **SBE should comment on (1) the decrease in estimated cost for the project and (2) the implementation schedule for the new voting system for the 2028 presidential election cycle.**

Concerns

SBE plans to implement the new voting system and the new pollbook solution during the same presidential election cycle in 2028. The implementation of multiple MITDPs in the same year may cause LBEs to be overwhelmed and cause strains on resources in SBE and LBEs during the planning and implementation process. To identify and mitigate possible impact, SBE is considering potential mock elections. **SBE should discuss its efforts to mitigate impacts of trying to implement these two MITDPs at the same time on its own staff.**

3. New Campaign Reporting Information System Project

The current Maryland Campaign Reporting Information System (MDCRIS) is used for the full management of the campaign finance system for the State. SBE uses MDCRIS to oversee filing cycles, establish filing periods, review and approve committee registrations, maintain users within the system, send correspondence to the committees, run audits on delinquent committees, and fine the committees as allowed through State statutes. Section 13-324 of the Election Law Article requires that all campaign finance reports must be submitted using an electronic storage medium. The law requires SBE to supply filers with the electronic filing program. In addition, SBE must make campaign finance reports filed widely and easily accessible to the public for viewing and data dissemination and duplication.

Within MDCRIS, there is also a separate module called the Business Contribution Disclosure System (BCDS). Title 14 of the Election Law Article requires that a person doing business with the State, any one or more counties, incorporated municipalities, or other political subdivisions of the State, or with any one or more agencies of the State or a political subdivision involving aggregate consideration of \$200,000 or more, file a contribution disclosure statement with SBE. Additionally, pursuant to Section 5-716 of the General Provisions Article, a person who employs a State lobbyist and makes applicable contributions must file a contribution disclosure statement. To satisfy this requirement, the BCDS module allows users to electronically file business contribution disclosures to SBE.

SBE entered a two-year contract extension for the current MDCRIS contract beginning March 31, 2023, which will expire March 31, 2025. The procurement of a new system was initiated in July 2023 to ensure that adequate time is allotted for the RFP publication and the implementation of a new system before the expiration of the current contract extension. Funding for NCRIS began in fiscal 2024.

A vendor was selected and has been subsequently approved by BPW on January 29, 2025. The NCRIS system will be managed and controlled by the vendor with administrative oversight by SBE's Campaign Finance Division and technical oversight by the SBE Information Systems

and Technology Division. The Campaign Finance Division will have the responsibility for the implementation, operation, and maintenance of MDCRIS. SBE expects to set up a temporary NCRIS by April 1, 2025, and anticipates a newly designed NCRIS to be in place by July 1, 2025.

In its third quarterly MITDP report, SBE notes conducting thorough system analysis to identify potential NCRIS interdependencies and integration challenges with existing SBE applications. Additionally, SBE notes that a comprehensive transition plan is being prepared in collaboration with the existing MDCRIS vendor to ensure a seamless transition to NCRIS. **SBE should provide an update on the next steps for the project following the approval of a new vendor.**

Cost Estimates

NCRIS receives \$532,282 in general funds in the fiscal 2025 working appropriation and \$571,626 in the fiscal 2026 allowance. These funds are budgeted in the DoIT ITIF. The project's total estimated cost is \$1.2 million. The actual project spending from April to December 2024 is \$111,078.

The Department of Legislative Services (DLS) recommends adopting committee narrative requesting continued submission of combined quarterly reports on the progress of and spending on each of the MITDPs, namely the new SPM project, the new voting system, and the NCRIS project.

4. Voter Registration and Election Administration Modernization Project

The current MDVOTERS serves as the single system that stores and manages the official list of registered voters in the State. The system complies with the federal HAVA of 2002, which requires each state to implement a single centralized statewide voter registration list and assign a unique identifier to each legally registered voter in the State. The current Agency Election Management System (AEMS) is integrated with MDVOTERS and performs essential election functions like ballot definition, election result reporting, voting system interfacing, post-election documentation, etc.

MDVOTERS is nearing the end of its operational life, and the new VREAM project will replace the existing 20-year-old MDVOTERS system. The anticipated VREAM project solution is a modified off-the-shelf system that is customized to modernize the State's voter registration and election management systems and efficiently support future election needs, including increased security requirements, compliance, and a Geographic Information System (GIS) integration for the calendar 2030 census and redistricting cycle. SBE notes that it plans to integrate the current AEMS into the new VREAM system.

The project is anticipated to start in fiscal 2026 and complete implementation by fiscal 2030. Starting in fiscal 2026, SBE expects to onboard a project team consisting of a project manager, a business process consultant, and a technical writer. SBE anticipates producing all the

initial project documentation including project charter, project management plan, a project/solution roadmap, and also begin drafting an RFP for the project in fiscal 2026.

Cost Estimates

The estimated total project cost is \$35.6 million. The fiscal 2026 allowance includes \$602,614 for the State’s share, budgeted as general funds in the DoIT ITIF, and \$470,746 for the local share contained in SBE’s budget.

Concerns

SBE currently has three MITDPs (SPM, NVS, and NCRIS projects) in process. Of these, the SPM project replaces the now terminated new Pollbook Project that was originally anticipated to be implemented for the calendar 2022 election cycle. The current anticipated implementation for the SPM project is the calendar 2028 election cycle. The NVS project was originally expected to be implemented for the calendar 2026 election cycle but has now been deferred to be implemented for the 2028 election cycle. **Considering delays in implementing these ongoing projects and the potential strain on SBE’s current staff and resources for another new project to be implemented simultaneously, DLS recommends reducing \$602,6014 in general funds budgeted in the DoIT ITIF and \$470,746 in special funds from SBE’s budget to defer the VREAM project. The general fund reduction for the VREAM project will be accounted for in the analysis for F50 – DoIT.**

Operating Budget Recommended Actions

- | | <u>Amount
Change</u> |
|--|---------------------------------|
| 1. Delete special funds for the Voter Registration and Election Administration Modernization Major Information Technology Development Project (MITDP). Considering recent delays in ongoing MITDPs managed by the State Board of Elections, this project should be deferred. | -\$ 470,746 SF |
| 2. Adopt the following narrative: | |

Quarterly Reports on all Major Information Technology Development Projects (MITDP): The State Board of Elections (SBE) is currently implementing three MITDPs for a statewide pollbook system replacement, new voting system, and a new Campaign Reporting Information System. The committees remain interested in monitoring the progress of SBE’s implementation of the MITDPs. The committees request that SBE submit quarterly reports on all MITDP activities and expenditures separately for each of the three projects through their completion. 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 that any delays experienced in the quarter have on the project’s overall timeline;
- actual project spending in each month of the quarter and any updates on total estimated project costs; and
- 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, 2025 October 15, 2025 January 15, 2026 April 15, 2026 |
| Total Special Fund Net Change | | -\$ 470,746 |

Updates

1. Expanded Opportunities for Pretrial Facility Voting

Committee narrative in the 2023 JCR requested a report on SBE’s plan to expand opportunities for voting in pretrial facilities. In its February 26, 2024 report, SBE reported that it surveyed State and local correctional facilities as well as LBEs to identify successful practices, issues, and potential challenges in expanding voting in pretrial facilities. Based on the survey, SBE tailored its election communications to detained individuals to make all voter outreach informational materials more accommodating and useful. SBE noted that all voter outreach materials were designed for facilities to print, post, and use as they determined best for their unique facility configurations and population.

Through its survey of the local correctional facilities, SBE noted a significant challenge in expanding voting in such facilities was due to the fluctuating number of incarcerated individuals, which made it difficult for the facilities to accurately determine if the individuals were registered. Additionally, limited staff and storage space, including lack of suitable location for a drop box to be mounted and monitored 24 hours a day, also posed difficulty in facilitating voting in local correctional facilities. SBE found that the majority of correctional facilities did not have already established processes like providing materials or picking up voted ballots in place with their LBE. Although SBE indicated that this obstacle was mitigated by facilitating the process for most LBEs in the calendar 2022 election cycle, it still remains a challenge.

For the calendar 2024 election cycle, SBE reported that voting packets were made available at the correctional facilities that contained an introductory letter; voter registration application; mail-in ballot application; paid-postage return envelope; and step-by-step instructions on how to complete, meet deadlines, and return the applications. SBE notes that a total of 126 ballots were returned for the entire 2024 election cycle from the pretrial facilities.

Appendix 1
2024 Joint Chairmen’s Report Responses from Agency

The 2024 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 MITDPs:*** SBE has submitted three of the four quarterly reports. The fourth report is due April 15, 2025. Further discussion of these reports is included in Issue 1, Issue 2, and Issue 3.

Appendix 2
Statewide Pollbook Modernization
Major Information Technology Development Project
State Board of Elections

For additional information on the SPM project, see Issue 1 of this analysis.

| | | | | | | | | |
|---------------------------------------|-------------------|----------------|----------------|-----------------|--|----------------|------------------|-----------------|
| New/Ongoing: Ongoing | | | | | | | | |
| Start Date: Fiscal 2025 | | | | | Est. Completion Date: Fiscal 2029 | | | |
| Implementation Strategy: Agile | | | | | | | | |
| (\$ in Millions) | Prior Year | 2025 | 2026 | 2027 | 2028 | 2029 | Remainder | Total |
| GF | \$0.000 | \$0.896 | \$0.581 | \$4.182 | \$3.376 | \$1.498 | \$0.000 | \$10.533 |
| SF | 0.000 | 0.948 | 2.572 | 18.565 | 3.982 | 1.498 | 0.000 | 27.565 |
| Total | \$0.000 | \$1.844 | \$3.153 | \$22.747 | \$7.358 | \$2.996 | \$0.000 | \$38.098 |

- **Project Summary:** A pollbook is a tool used in elections to help check in voters at their voting location. The SPM project includes procurement, Maryland-specific customization, testing, and implementation of a commercial off-the-shelf pollbook solution. The project scope includes any directly related equipment, supplies, and services needed to implement the pollbook solution fully.
- **Need:** The existing pollbook system is nearing end of life.
- **Changes:** The SPM project replaces the new Pollbook Project that received its first appropriation in fiscal 2020. The new Pollbook Project vendor failed to meet the minimum viable product standard during a statewide integration test conducted throughout November and December 2023. This resulted in using the existing pollbook solutions during the calendar 2024 primary and general elections. The estimated total project cost for SPM is \$38.1 million, which is 72% higher than previously estimated total project cost for the new Pollbook project in the 2024 session.
- **Concerns:** SBE aims to release an RFP for the project in March 2025. A delay in RFP issuance may result in delayed implementation of the SPM project.
- **Other Comments:** It is unknown, as of writing this analysis, if any of the funds that were originally spent on the prior new Pollbook Project since fiscal 2020 will be recovered from the previous vendor. However, SBE notes that there is a possibility of litigation against the previous vendor and that a portion of the project funds would be held for litigation expenses.

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

For additional information on the 2026 NVS project, see Issue 2 of this analysis.

| New/Ongoing: Ongoing | | | | | | | | |
|---------------------------------------|----------------|-----------------|----------------|----------------|--|----------------|----------------|-----------------|
| Start Date: Fiscal 2024 | | | | | Est. Completion Date: Fiscal 2029 | | | |
| Implementation Strategy: Agile | | | | | | | | |
| (\$ in Millions) | Prior Year | 2025 | 2026 | 2027 | 2028 | 2029 | Remainder | Total |
| GF | \$0.271 | \$10.404 | \$0.050 | \$2.193 | \$8.864 | \$2.394 | \$0.000 | \$24.176 |
| SF | 0.271 | 10.404 | 0.000 | 2.193 | 8.864 | 2.394 | 0.000 | 24.126 |
| Total | \$0.542 | \$20.808 | \$0.050 | \$4.386 | \$17.728 | \$4.788 | \$0.000 | \$48.302 |

- **Project Summary:** The current voting system was procured via a lease agreement that is set to expire in March 2025 with an option to renew for an additional two years expiring in March 2027. Under Maryland law, the new voting system must be certified by EAC under the VVSG that outlines specific requirements and standards for voting systems.
- **Need:** The current voting system is nearing end-of-life.
- **Changes:** The 2026 NVS project was originally scheduled for completion and deployment for the 2026 election cycle. However, due to the adoption of a new VVSG 2.0 and the unavailability of certified vendors who are compliant with the new version, SBE has postponed this project’s implementation from calendar 2026 to 2028 to ensure that the new voting systems comply with the new standards. SBE plans to issue an RFP by July 2025, and the project schedule may need to be adjusted accordingly. The project’s total estimated cost is \$48.3 million, which is 12.1% lower than previously estimated in the 2024 session.
- **Concerns:** The implementation of the new voting system and statewide pollbook modernization project simultaneously during the same 2028 presidential general election cycle may impact successful execution of these projects.

Appendix 4
2026 New Campaign Reporting Information System
Major Information Technology Development Project
State Board of Elections

For additional information on the 2026 NCRIS project, see Issue 3 of this analysis.

| | | | | | | | | |
|---------------------------------------|-------------------|----------------|----------------|----------------|--|----------------|------------------|----------------|
| New/Ongoing: Ongoing | | | | | | | | |
| Start Date: Fiscal 2024 | | | | | Est. Completion Date: Fiscal 2026 | | | |
| Implementation Strategy: Agile | | | | | | | | |
| (\$ in Millions) | Prior Year | 2025 | 2026 | 2027 | 2028 | 2029 | Remainder | Total |
| GF | \$0.100 | \$0.532 | \$0.572 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$1.204 |
| Total | \$0.100 | \$0.532 | \$0.572 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$1.204 |

- **Project Summary:** The current MDCRIS is used for the full management of the campaign finance system for the State. SBE entered a two-year contract extension for the current MDCRIS contract beginning March 31, 2023, which will expire March 31, 2025.
- **Need:** Section 13-324 of the Election Law Article requires SBE to have a campaign reporting system to be in place when the contract for the existing system expires. Without initiating this procurement, Maryland may not have a campaign reporting information system under contract for use in the 2026 election cycle.
- **Observations and Milestones:** A certified vendor has been selected and notified. The selection and award of a new vendor for NCRIS was approved by BPW on January 29, 2025. The new contract is effective April 1, 2025, and expires on March 31, 2027, with two two-year renewal options.
- **Other Comments:** According to SBE, a temporary NCRIS will be set up by April 1, 2025. A newly designed NCRIS will be in place by July 1, 2025. A comprehensive transition plan with the existing MDCRIS vendor has been developed to ensure a seamless transition and minimal delay in implementation.

Appendix 5
Voter Registration and Election Administration Modernization
Major Information Technology Development Project
State Board of Elections

For additional information on the VREAM project, see Issue 4 of this analysis.

| | | | | | | | | |
|---------------------------------------|-------------------|----------------|----------------|----------------|--|-----------------|------------------|-----------------|
| New/Ongoing: New | | | | | | | | |
| Start Date: Fiscal 2026 | | | | | Est. Completion Date: Fiscal 2031 | | | |
| Implementation Strategy: Agile | | | | | | | | |
| (\$ in Millions) | Prior Year | 2025 | 2026 | 2027 | 2028 | 2029 | Remainder | Total |
| GF | \$0.000 | \$0.000 | \$0.603 | \$0.000 | \$0.000 | \$0.000 | \$0.000 | \$0.603 |
| SF | 0.000 | 0.000 | 0.471 | 1.516 | 6.338 | 14.187 | 12.485 | 34.997 |
| Total | \$0.000 | \$0.000 | \$1.074 | \$1.516 | \$6.338 | \$14.187 | \$12.485 | \$35.600 |

- **Project Summary:** The VREAM solution is a modified off-the-shelf election administration system that replaces the existing 20-year-old system MDVOTERS and AEMS. It is a modernized, centralized, secure voter registration, candidate filing, GIS-capable, election judge tracking, petition process capable, ballot-producing, electronic pollbook interfacing, and other election administration solution for the 2028 statewide elections.
- **Need:** The existing MDVOTERS and AEMS system is nearing the end of its operational life and can no longer continue to efficiently support future election needs and requirements, including increased security requirements and GIS integration for the 2030 census and redistricting cycle.
- **Other Comments:** This project is estimated to start in fiscal 2026 and expects to onboard a project team consisting of a project manager, a business process consultant, and a technical writer.

**Appendix 6
Object/Fund Difference Report
State Board of Elections**

| <u>Object/Fund</u> | <u>FY 24 Actual</u> | <u>FY 25 Working Appropriation</u> | <u>FY 26 Allowance</u> | <u>FY 25 - FY 26 Amount Change</u> | <u>Percent Change</u> |
|---|-------------------------|--|----------------------------|--|---------------------------|
| Positions | | | | | |
| 01 Regular | 51.00 | 55.00 | 56.00 | 1.00 | 1.8% |
| 02 Contractual | 0.38 | 0.38 | 0.38 | 0.00 | 0% |
| Total Positions | 51.38 | 55.38 | 56.38 | 1.00 | 1.8% |
| Objects | | | | | |
| 01 Salaries and Wages | \$ 6,165,976 | \$ 6,969,888 | \$ 7,884,950 | \$ 915,062 | 13.1% |
| 02 Technical and Special Fees | 49,444 | 73,998 | 148,252 | 74,254 | 100.3% |
| 03 Communication | 958,336 | 973,811 | 2,219,023 | 1,245,212 | 127.9% |
| 04 Travel | 92,553 | 61,528 | 78,638 | 17,110 | 27.8% |
| 07 Motor Vehicles | 4,558 | 3,400 | 3,400 | 0 | 0% |
| 08 Contractual Services | 34,518,637 | 49,736,413 | 33,714,742 | -16,021,671 | -32.2% |
| 09 Supplies and Materials | 454,532 | 1,624,626 | 754,099 | -870,527 | -53.6% |
| 10 Equipment – Replacement | 5,536,360 | 6,472,194 | 5,838,700 | -633,494 | -9.8% |
| 11 Equipment – Additional | 410,292 | 206,250 | 0 | -206,250 | -100.0% |
| 12 Grants, Subsidies, and Contributions | 0 | 1,860,000 | 1,860,000 | 0 | 0% |
| 13 Fixed Charges | 1,137,315 | 1,072,211 | 1,689,557 | 617,346 | 57.6% |
| Total Objects | \$ 49,328,003 | \$ 69,054,319 | \$ 54,191,361 | -\$ 14,862,958 | -21.5% |
| Funds | | | | | |
| 01 General Fund | \$ 23,508,655 | \$ 24,079,132 | \$ 24,008,681 | -\$ 70,451 | -0.3% |
| 03 Special Fund | 22,768,339 | 30,465,266 | 27,543,064 | -2,922,202 | -9.6% |
| 05 Federal Fund | 948,745 | 3,410,321 | 2,639,616 | -770,705 | -22.6% |
| 09 Reimbursable Fund | 2,102,264 | 11,099,600 | 0 | -11,099,600 | -100.0% |
| Total Funds | \$ 49,328,003 | \$ 69,054,319 | \$ 54,191,361 | -\$ 14,862,958 | -21.5% |

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.

**Appendix 7
Fiscal Summary
State Board of Elections**

| <u>Program/Unit</u> | <u>FY 24 Actual</u> | <u>FY 25 Wrk Approp</u> | <u>FY 26 Allowance</u> | <u>Change</u> | <u>FY 25 - FY 26 % Change</u> |
|--|-------------------------|-----------------------------|----------------------------|-----------------------|-----------------------------------|
| 01 General Administration | \$ 7,386,605 | \$ 7,966,073 | \$ 7,399,249 | -\$ 566,824 | -7.1% |
| 02 Help America Vote Act | 36,618,257 | 38,636,965 | 43,749,443 | 5,112,478 | 13.2% |
| 03 Major Information Technology Development Projects | 5,323,141 | 22,451,281 | 3,042,669 | -19,408,612 | -86.4% |
| Total Expenditures | \$ 49,328,003 | \$ 69,054,319 | \$ 54,191,361 | -\$ 14,862,958 | -21.5% |
| General Fund | \$ 23,508,655 | \$ 24,079,132 | \$ 24,008,681 | -\$ 70,451 | -0.3% |
| Special Fund | 22,768,339 | 30,465,266 | 27,543,064 | -2,922,202 | -9.6% |
| Federal Fund | 948,745 | 3,410,321 | 2,639,616 | -770,705 | -22.6% |
| Total Appropriations | \$ 47,225,739 | \$ 57,954,719 | \$ 54,191,361 | -\$ 3,763,358 | -6.5% |
| Reimbursable Fund | \$ 2,102,264 | \$ 11,099,600 | \$ 0 | -\$ 11,099,600 | -100.0% |
| Total Funds | \$ 49,328,003 | \$ 69,054,319 | \$ 54,191,361 | -\$ 14,862,958 | -21.5% |

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.