

File No. 211173

Committee Item No. 10

Board Item No. 14

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee
Board of Supervisors Meeting

Date December 8, 2021

Date December 14, 2021

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MYR Presentation 12/8/2021</u> |
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Completed by: Brent Jalipa

Date December 2, 2021

Completed by: Brent Jalipa

Date December 10, 2021

1 [Appropriation - Department of Elections - \$11,973,601 - FY2021-2022]

2
3 **Ordinance appropriating \$6,875,478 from the General Reserve and \$5,098,123 from**
4 **other revenue, for a total amount of \$11,973,601 to the Department of Elections to**
5 **support additional costs from unforeseen elections in Fiscal Year (FY) 2021-2022,**
6 **including upcoming elections for the San Francisco School Board of Education and**
7 **State Assembly District 17; this Ordinance requires a two-thirds approval vote of all**
8 **members of the Board of Supervisors for \$10,082,775 pursuant to Charter, Section**
9 **9.113(c).**

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11 Note: **Unchanged Code text and uncodified text** are in plain Arial font.
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
14 **Board amendment additions** are in double-underlined Arial font.
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.
16 **Asterisks (* * *)** indicate the omission of unchanged Code
17 subsections or parts of tables

16

17 Be it ordained by the People of the City and County of San Francisco:

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19

20 Section 1. The uses of funding outlined below are herein appropriated to reflect the
21 projected sources of funding for FY 2021-2022.

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23 **Sources Appropriation**

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	Fund /	Project & Activity /	Account	Description	Amount
	Department ID	Authority			
3	10020 / 230018	10023237- 0001	598040	Designated For	\$6,875,478
4	GF Continuing	17064	Designated	General Reserve	
5	Authority Ctrl/ GEN	General Reserve /	For General		
6					
7					
8	General City	General Reserve	Reserve		
9	Responsibility				
10					
11	10000 GF Annual	10026787 – 0001	469999	Other Operating	\$5,098,123
12	Account Ctrl /	RG Elections – RG	Other	Revenue	
13	232302 REG Elections	Elections/	Operating		
14	Services	10000 Operating	Revenue		
15					
16	Total Sources Appropriation				\$11,973,601

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Section 2. The uses of funding outlined below are herein appropriated to reflect the projected funding available for FY 2021-2022.

Uses Appropriation

	Fund /	Project & Activity /	Account	Description	Amount
1	Department ID	Authority			
2	10000 GF Annual	10026787 – 0001	5210 Nonpersonnel	Professional and	\$5,465,603
3	Account Ctrl /	RG Elections – RG	Services/ 527000	Specialized Services,	
4	232302 – REG	Elections/	Professional and	including printing,	
5	Elections Services	10000 Operating	Specialized	postage, and other	
6			Services Budget	services	
7					
8	10000 GF Annual	10026787 – 0001	5400 Materials and	Office Supplies-	\$556,500
9	Account Ctrl /	RG Elections – RG	Supplies/ 549500	Citywide Contract	
10	232302 – REG	Elections/	Office Supplies-		
11	Elections Services	10000 Operating	Citywide Contract		
12					
13	10000 GF Annual	10026787 – 0001	5810 Services of	PUC-Light Heat &	\$5,000
14	Account Ctrl /	RG Elections – RG	Other Departments/	Power	
15	232302 – REG	Elections/	581051 GF-PUC-		
16	Elections Services	10000 Operating	Light Heat & Power		
17					
18	10000 GF Annual	10026787 – 0001	5810 Services of	DPW Building Repair	\$152,980
19	Account Ctrl /	RG Elections – RG	Other Departments/		
20	232302 – REG	Elections/	581067 SR-DPW-		
21	Elections Services	10000 Operating	Building Repair		
22					
23					
24					
25					

	Fund /	Project & Activity /	Account	Description	Amount
1	Department ID	Authority			
2	10000 GF Annual	10026787 – 0001	5810 Services of	DT	\$50,000
3	Account Ctrl /	RG Elections – RG	Other Departments/	Telecommunications	
4	232302 – REG	Elections/	581360 DT	Services	
5	Elections Services	10000 Operating	Telecommunications		
6			Services		
7					
8	10000 GF Annual	10026787 – 0001	5810 Services of	GSA-Facilities	\$50,000
9	Account Ctrl /	RG Elections – RG	Other Departments/	Management	
10	232302 – REG	Elections/	581410 GF-GSA-	Services	
11	Elections Services	10000 Operating	Facilities		
12			Management		
13			Services		
14					
15	10000 GF Annual	10026787 – 0001	5810 Services of	Central Shops Auto	\$40,000
16	Account Ctrl /	RG Elections – RG	Other Departments/	Maintenance	
17	232302 – REG	Elections/	581710 GF-IS-		
18	Elections Services	10000 Operating	Purch-Central		
19			Shops Auto		
20			Maintenance		
21					
22					
23					
24					
25					

	Fund /	Project & Activity /	Account	Description	Amount
	Department ID	Authority			
1					
2	10000 GF Annual	10026787 – 0001	5810 Services of	Parking and Traffic	\$180,000
3	Account Ctrl /	RG Elections – RG	Other Departments/		
4	232302 – REG	Elections/	581770 GF-Parking		
5	Elections Services	10000 Operating	& Traffic		
6					
7	10000 GF Annual	10026787 – 0001	5810 Services of	Reproduction	\$350,000
8	Account Ctrl /	RG Elections – RG	Other Departments/		
9	232302 – REG	Elections/	581820 Is-Purch-		
10	Elections Services	10000 Operating	Reproduction		
11					
12	10000 GF Annual	10026787 – 0001	5810 Services of	Rec & Park-Gardener	\$12,000
13	Account Ctrl /	RG Elections – RG	Other Departments/		
14	232302 – REG	Elections/	581880 GF-Rec &		
15	Elections Services	10000 Operating	Park-Gardener		
16					
17	10000 GF Annual	10026787 – 0001	5810 Services of	Sheriff	\$494,346
18	Account Ctrl /	RG Elections – RG	Other Departments/		
19	232302 – REG	Elections/	581930 GF-Sheriff		
20	Elections Services	10000 Operating			
21					
22					
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	Fund /	Project & Activity /	Account	Description	Amount
	Department ID	Authority			
1					
2	10000 GF Annual	10026787 – 0001	5010 – Salary/	Overtime	\$687,990
3	Account Ctrl /	RG Elections – RG	511010 Overtime -		
4	232302 – REG	Elections/	Miscellaneous		
5	Elections Services	10000 Operating			
6					
7	10000 GF Annual	10026787 – 0001	5010 – Salary/	Temporary Staffing	\$3,457,680
8	Account Ctrl /	RG Elections – RG	505010 Temporary -		
9	232302 – REG	Elections/	Miscellaneous		
10	Elections Services	10000 Operating			
11					
12	10000 GF Annual	10026787 – 0001	5130 – Fringe/	Mandatory Fringe	\$471,502
13	Account Ctrl /	RG Elections – RG	513010 Retirement	Benefits	
14	232302 – REG	Elections/	City Miscellaneous		
15	Elections Services	10000 Operating			
16					
17	Total USES Appropriation				\$11,973,601

19 Section 3. A total of \$10,082,775 requires a two-thirds approval vote by the Board of
20 Supervisors pursuant to Charter Section 9.113(c) as set forth below.

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22 Appropriation changes requiring a 2/3 approval vote:

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	Fund /	Project & Activity/	Account	Description	Amount
	Department ID	Authority			
	10000 GF Annual	10026787 – 0001	5210	Professional and	\$5,465,603
	Account Ctrl /	RG Elections – RG	Nonpersonnel	Specialized	
	232302 – REG	Elections/	Services/	Services, including	
	Elections Services	10000 Operating	527000	printing, postage,	
			Professional	and other services	
			and		
			Specialized		
			Services		
			Budget		
	10000 GF Annual	10026787 – 0001	5010 – Salary/	Overtime	\$687,990
	Account Ctrl /	RG Elections – RG	511010		
	232302 – REG	Elections/	Overtime -		
	Elections Services	10000 Operating	Miscellaneous		
	10000 GF Annual	10026787 – 0001	5010 – Salary/	Temporary Staffing	\$3,457,680
	Account Ctrl /	RG Elections – RG	505010		
	232302 – REG	Elections/	Temporary -		
	Elections Services	10000 Operating	Miscellaneous		

<p>Item 10 File 21-1173</p>	<p>Department: Elections</p>
<p>EXECUTIVE SUMMARY</p>	
<p>Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed ordinance would appropriate \$6,875,478 from the General Reserve and \$5,098,123 from Department of Elections revenues and authorize \$11,973,601 in Department of Elections expenditures in FY 2021-22. <p>Key Points</p> <ul style="list-style-type: none"> • Since the approval of the FY 2021-22 budget, two special elections have been scheduled that are not included in the Department of Elections budget. In February 2022, the City will hold a municipal election to determine whether to recall three members of the Board of Education, to elect an Assessor-Recorder, and conduct a primary election for the State Assembly District 17. In April 2022, the City is planning to hold a special general election to elect a representative for State Assembly District 17 if no candidate receives a majority of votes in the primary election held in February 2022. • Of the proposed \$11.97 million in new spending, \$6.5 million would result from the February 2022 special election and \$4.8 million would result from the April 2022 special election. • In addition to the special election costs, the proposed ordinance provides for \$704,791 in expenditures to fund vote by mail and drop box requirements provided by State Assembly Bill 37, which was passed in September 2021, as well as costs associated with the installation of a modular office for the Department’s warehouse personnel to use at Pier 31. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • If the Board of Supervisors approves the appropriation from the General Reserve to fund elections in FY 2021-22, the General Reserve balance would be reduced by \$6.9 million to \$74.5 million. Draws on the General Reserve in the current year require the General Reserve to be replenished by a like-amount in the budget year. <p>Policy Consideration</p> <ul style="list-style-type: none"> • The Board of Supervisors has previously approved supplemental appropriations sourced from General Fund reserves to fund special election costs. • Although State law requires that the School District pay for the costs of the recall election for the three members of the Board of Education, the proposed ordinance would provide for those costs to instead be funded by the City. <p>Recommendations</p> <ul style="list-style-type: none"> • Approval of the portion of the appropriation related to the Board of Education recall (approximately \$3,250,000) is a policy matter for the Board of Supervisors. • Approve the remainder of the appropriation (\$8,723,601). 	

MANDATE STATEMENTS

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

City Charter Section 9.113(c) states that supplemental appropriations related to items that were rejected by the Mayor or the Board of Supervisors during the development of the annual appropriation ordinance requires approval of two-thirds of the Board of Supervisors.

BACKGROUND

Special Elections in 2022

The Department of Elections FY 2021-22 – FY 2022-23 budget includes funding for regularly scheduled elections in June 2022 and November 2022. Since the approval of the current budget, two special elections have been scheduled that are not included in the Department's budget. In February 2022, the City will hold a municipal election to determine whether to recall three members of the Board of Education, to elect an Assessor-Recorder, and conduct a primary election for the State Assembly District 17. In April 2022, the City is planning to hold a special general election to elect a representative for State Assembly District 17 if no candidate receives a majority of votes in the primary election held in February 2022.

Department of Elections Budget

The Department of Elections FY 2021-22 expenditure budget is \$30.7 million. At the time budget was approved, the two special elections noted above were not yet scheduled and not included the Department's budget. The Department's budget assumed State revenues of \$4.6 million in FY 2021-22, including \$3.875 million in reimbursements for the September 2022 special election to recall the Governor. According to the Department of Elections staff, actual reimbursements from the State for that election were approximately \$9 million, resulting in \$5 million in unbudgeted State reimbursement revenue.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$6,875,478 from the General Reserve and \$5,098,123 from Department of Elections revenues and authorize \$11,973,601 in Department of Elections expenditures in FY 2021-22.

As shown below in Exhibit 1, of the proposed \$11.97 million in new spending, \$6.5 million would result from the February 2022 special election and \$4.8 million would result from the April 2022 special election.

Exhibit 1: Special Election Costs

Activity	February 2022	April 2022	Total
Temporary Staff	2,532,919	2,084,253	4,617,172
Vote by Mail Ballots	1,074,343	617,047	1,691,390
Voter Information Pamphlets	970,239	728,263	1,698,502
Facility and Records Security	476,123	263,036	739,159
Polling Place & Poll Workers	508,890	309,896	818,786
Outreach	505,000	461,000	966,000
Vehicle Rental	214,300	147,500	361,800
Materials	200,000	120,000	320,000
Equipment Maintenance	28,000	28,000	56,000
Total	6,509,814	4,758,995	11,268,809

Source: Department of Elections

Temporary staff includes hiring clerks to process voter registration, conduct signature verification, maintain voter data, provide phone support to the public, recruit and train poll workers, process ballots, station the City Hall Voting Center, conduct outreach, translation and proofread materials, support polling places, etc. The vote by mail and voter information costs are largely made up of printing and postage costs for both programs. Security of ballots and of polling sites is provided by Municipal Transportation Agency staff and Deputy Sheriffs as well as contract security guards for School District polling places. Outreach costs include advertising and translation. Vehicle rentals are provided to Department of Election field workers and to Deputy Sheriffs to transport ballots. Finally, materials costs refer to supplies for polling places. The April 2022 special election costs are lower because there are 183 polling places for the Assembly District 17 special election as compared to the 314 polling places for February 2022 special election that includes Citywide office holders.

In addition to the above costs noted in Exhibit 1, the proposed ordinance provides for \$704,791 in expenditures that are not related to the February and April special elections, as shown below in Exhibit 2.

Exhibit 2: Other New Spending

Activity	Amount
Vote by Mail, June 2022 Election	390,311
Installation of 35 Drop Boxes	236,500
Pier 31 Warehouse Rehabilitation	77,980
Total	704,791

Source: Department of Elections

According to the Department of Elections, Assembly Bill 37, which became effective in September 2021, requires counties, starting in 2022, to deliver mail ballots to all voters and provide one drop box for every 30,000 voters. These new requirements were not anticipated in the Department of

Election FY 2021-22 budget. In addition, the appropriation provides \$77,980 to cover costs associated with the installation of a modular office for the Department's warehouse personnel to use at Pier 31.

Detail on how the proposed appropriation would be programmed into the City's budget system is included in Attachment I to this report.

FISCAL IMPACT

General Reserve

Administrative Code Section 10.60 requires the City to budget a General Reserve of at least 3.0 percent of General Fund revenues to address revenue weakness, excess spending, or other needs not anticipated during the annual budget process. The balance requirement is reduced to 1.5 percent of General Fund revenues if the City withdraws from the Rainy Day Reserve and then increases 0.25 percent per year until the 3.0 percent balance requirement is full restored. According to the Controller's FY 2021-22 – FY 2022-23 Revenue Letter, the projected ending balance for the FY 2021-22 General Reserve is \$81.4 million, including a required \$3.1 million deposit during the year.

If the Board of Supervisors approves the appropriation from the General Reserve to fund elections in FY 2021-22, the General Reserve balance would be reduced by \$6.9 million to \$74.5 million. In addition, pending before the Board of Supervisors is an appropriation from the General Reserve of \$2.5 million for new paramedic positions in the Fire Department, which if approved would reduce the General Reserve balance to \$72 million. Draws on the General Reserve in the current year require the General Reserve to be replenished by a like-amount in the budget year.

Two-Thirds Vote Required

According to the proposed ordinance, \$10,082,775 requires approval of two-thirds of the Board of Supervisors per City Charter Section 9.113(c), which states that supplemental appropriations related to items that were rejected by the Mayor or the Board of Supervisors during the development of the annual appropriation ordinance requires approval of two-thirds of the Board of Supervisors. The FY 2021-22 – FY 2022-23 annual appropriation ordinance approved by the Board of Supervisors reduced the Mayor's proposed budget for the Department of Elections' salaries, fringe benefits, and professional services by \$85,000. Therefore, increases to those budget lines require two-thirds approval by the Board of Supervisors.

POLICY CONSIDERATION

Unanticipated Special Election Costs

The Board of Supervisors has previously approved supplemental appropriations sourced from General Fund reserves to fund special election costs, including for a May 2009 special election (File 09-0336) and October 2003 recall election (File 03-1395).

School District Board of Education Recall Election Costs

According to John Arntz, Director of Elections, California Education Code Section 5424 requires that the School District pay for the costs of the recall election for the three members of the Board of Education that is scheduled for February 2022. The proposed ordinance would provide for those costs to instead be funded by the City. According to the Department of Elections, the City is not planning request reimbursement from the School District.¹ We estimate the proportional share of the School District's cost of the February 2022 election is approximately 50%, or \$3.25 million in unreimbursed costs.

RECOMMENDATIONS

1. Approval of the portion appropriation related to the Board of Education recall (approximately \$3,250,000) is a policy matter for the Board of Supervisors.
2. Approve of the remainder of the appropriation (\$8,723,601).

¹ The School District's March 2021 recent interim budget report was submitted with a qualified certification because the School District was still in the process of balancing its budget for FY 2022-23. More recently, the State's examination of the School District's budget has triggered additional State oversight.

Attachment 1: Appropriation Detail**Sources**

General Reserve	6,875,478
Department Revenues	5,098,123
Total Sources	11,973,601

Uses*Department of Elections*

Professional Services	5,465,603
Temporary Staff	3,457,680
Overtime	687,990
Mandatory Fringe Benefits	471,502
Materials & Supplies	556,500
<i>Elections Subtotal</i>	<i>10,639,275</i>

Work Orders with Other Departments

Sheriff	494,346
Reproduction	350,000
Municipal Transportation Agency	180,000
Public Works	152,980
Technology	50,000
Facilities Management	50,000
Central Shops	40,000
Recreation & Parks	12,000
Public Utilities	5,000
<i>Work Orders Subtotal</i>	<i>1,334,326</i>

Total Uses	11,973,601
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Supplemental Appropriation Request – Elections

Budget & Finance Committee

December 8, 2021



Supplemental Request Overview

- Requesting a total increase in appropriation authority of \$12 million
- Will fund unforeseen costs associated with upcoming special elections
- Includes assumption that the City covers the cost of the school board recall, approximately \$3.25 million
- Total costs are offset by \$5.1 million in savings associated with September Gubernatorial recall
- Total new General Fund cost of \$6.9 million, funded with the City's General Reserve



Assumed Elections Calendar

	Savings/ (Costs)	
February 2022	(\$6.5M)	School Board Recall Election, Assessor-Recorder Election, District 17 Primary Election
April 2022	(\$4.8M)	District 17 Final Election
AB-37 and Other Cost	(\$0.7M)	Vote by mail and drop box requirement related to Bill AB-37
2021 Gubernatorial Recall	\$5.1M	Savings from gubernatorial recall
<u>Total:</u>	(\$6.9M)	Amount needed from General Reserve



Questions?

Thank you!

President, District 10
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: 11/10/2021

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

211173

Mayor

(Primary Sponsor)

Title. [Appropriation - Department of Elections - \$11,973,601 - FY2021-2022]

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

(Date)

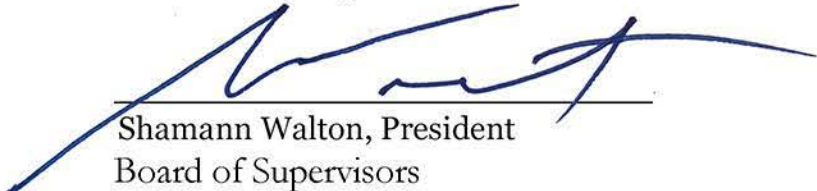
(Committee)

Meeting

Start Time:

End Time:

Temporary Assignment: Partial Full Meeting


Shamann Walton, President
Board of Supervisors

From: [Paulino, Tom \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Groffenberger, Ashley \(MYR\)](#); [Quintos, Jocelyn \(CON\)](#); [GIVNER, JON \(CAT\)](#); [Temprano, Tom \(BOS\)](#)
Subject: Mayor -- Ordinance -- Dept. of Elections Supplemental
Date: Tuesday, November 9, 2021 2:27:57 PM
Attachments: [Elections Supplemental Appropriation for 11-9-21.docx](#)

Hello,

Attached for introduction to the Board of Supervisors is an **Ordinance appropriating \$6,875,478 from the General Reserve and \$5,098,123 from other revenue to the Department of Elections to support additional costs from unforeseen elections in (FY) 2021-2022, including upcoming elections for the San Francisco School Board of Education and State Assembly District 17. This Ordinance requires a two-thirds approval vote of all members of the Board of Supervisors for \$10,082,775 pursuant to Charter Section 9.113(c).**

Please note that Supervisor Mandelman is a co-sponsor of this legislation. Copying Jocelyn Quintos, Ashley Groffenberger, and Jon Givner to confirm their approval.

Please let me know if you have any questions.

Cheers,

Tom Paulino

He/Him

Liaison to the Board of Supervisors

Office of the Mayor

City and County of San Francisco