



STATE OF NEW MEXICO

**MAGGIE TOULOUSE OLIVER**

SECRETARY OF STATE

# NM SECRETARY OF STATE FY24 BUDGET REQUEST

PRESENTED TO LEGISLATIVE FINANCE COMMITTEE

NOVEMBER 15, 2022

# Prior Election Cycle Highlights

## 2022 Primary Election - June 2022 (FY22)

Voter turnout = 263,337 (25.52%).

Six automatic recounts statewide.

Outreach and public education campaign to mitigate impacts on voting from Hermit's Peak and Calf Canyon fires.

Encouraged voting by mail.

Altered some aspects of election administration in Mora County to accommodate displaced voters.

Voter education through social media and earned media.

Focus on general voting information for voters + combatting misinformation about voting/elections.

## 2022 General Election - November 2022 (FY23)

Unofficial turnout was 713,754 (52.31%)

At least 2 automatic recount contests are expected.

State Canvassing Board will certify results on November 29, 2022.

No Regular Local Election this fiscal year (FY23).

Will occur again: November 2023 (FY24).

# Other Fiscal Year Highlights

Staff either work on a full in-office or hybrid schedule.

All staff equipped with laptops, cell phones and hot spots as needed, and secure VPN access.

Productivity and statutory processing times all maintained.

Managing the ongoing replacement of the Agency's *Business Filing System*

Managing enhancements to the *Campaign Finance* and *Voter Information* Systems.

# Overall FY24 Budget Request

Total request is \$22,922,200

Overall increase from FY23 Operating Budget

- Increase associated with the Regular Local Election in even fiscal years and escalating election costs.
- Redistricting, voter education, system enhancement, county training/support, additional polling locations (and resources required to support).
- SDR on election - necessary resources to implement.
- Consideration for funding every fiscal year to eliminate year-to-year fluctuation.

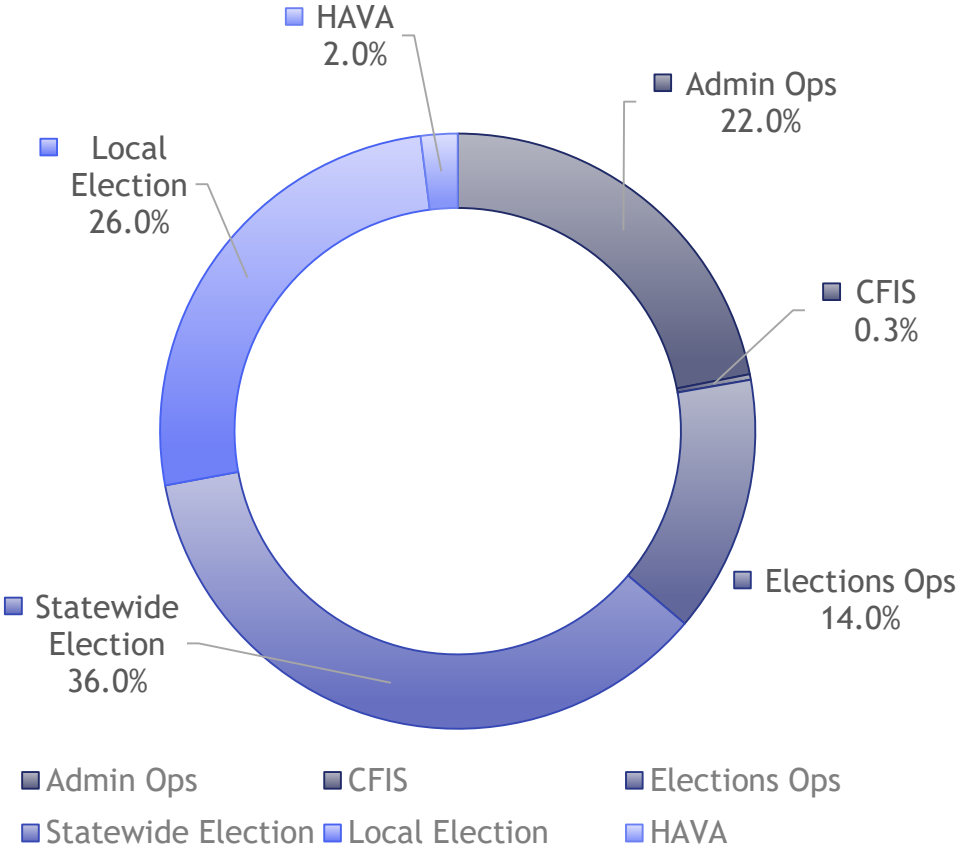
Increases in personal services

- Repurposing and funding vacant positions.

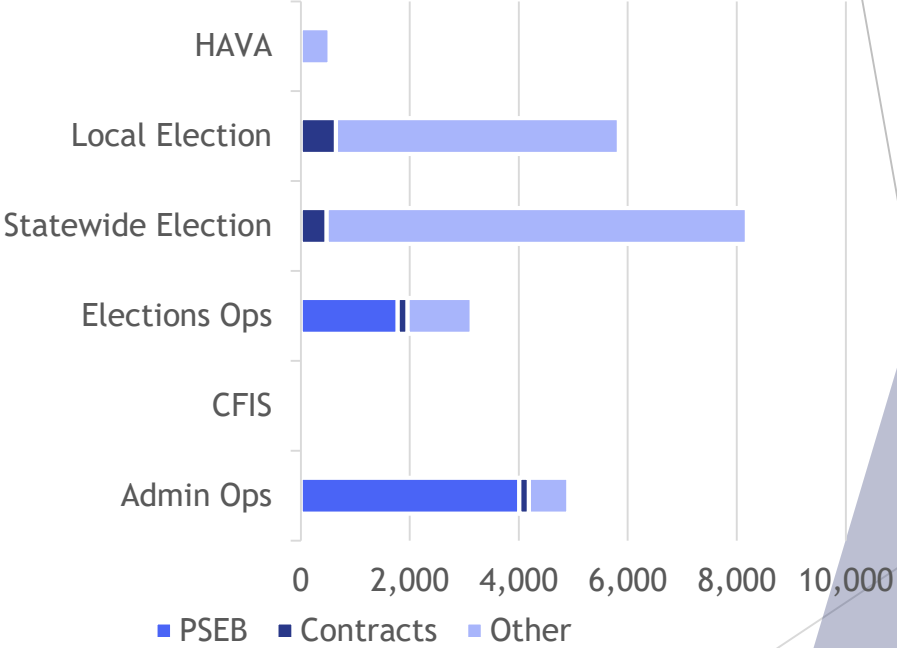
Increases in IT Costs

- Increasing costs in maintaining increased server/software maintenance, licenses, and warranties.
- Less contractual obligations.

# Budget request by Fund and Category



Fund by Category



P-Code	Cat	FY22	FY23	FY24	Change
P642 (Administration & Operations)	200	\$3,043.4	\$3,524.6	\$4,008.8	+14%
	300	\$149.9	\$189.2	\$177.9	-6%
	400	\$590.4	\$675.0	\$722.6	+7%
P783 (Elections)	200	\$1,540	\$1,638.9	\$1,779.2	+16%*
	300	\$1,843.1	\$1,114.3	\$1,640.3	-11%*
	400	\$12,885.8	\$8,083.5	\$14,593.4	+13%*

\*Percent change relative to FY22 - the last even fiscal year with 2 elections.

# Budget Request Year-to-Year

# Increases to Personal Services

## One (1) Additional FTE Expansion

- Additional training staff for Business Services needs.

## Filling Vacant Positions

- Administration & Operations Vacancy Rate: 29%
- Elections Vacancy Rate: 16%

## Ongoing Incorporation of Term Positions into Operational Budget

- Reclassification of two (2), full-time, HAVA-funded positions to the operational budget.
- Purpose is to modernize, secure and maintain voter information systems.
- Continues the program beyond the grant funding.
- Demonstrates the State's commitment to fair and secure elections.

# Increases to Other

## Increases in Election costs incurred to Counties

- Thirty-nine (39) new polling locations and an increase in “Voter Convenience Centers” vs. traditional precincts; there is more hardware and BODs required for the convenience centers).
- Increases to advertising - voter education to promote election security.
- Printing/mailing.
- Ballot on Demand Systems (BODs) and county supplies price agreement are both going to RFP - could affect ongoing costs.

## Miscellaneous Increases

- Printing and mailing costs for Business Services
- Travel and mileage costs for staff
- Employee training
- Supplies



# Review of Structural Changes to Agency Funding

## Statewide Election Fund Established

- Established by Election Code in 2018 and 2019
- Derived from Regular Local Election Fund
  - Only used in even fiscal years for Regular Local Elections in November of odd years.
  - Pays for all direct election costs incurred at both state and county levels.
- Statewide Election Fund
  - Used for General and Primary Elections every fiscal year.
  - Pays for all direct election costs incurred at both state and county levels.

## Operating Funds

- Elections Operations and Administration Operations
- Incorporates all PSEB, Contractual and Other operational costs to the Office.

# Fiscal Year 2024 and Beyond

## Structure of Budget - Even vs. Odd FYs

### Even Fiscal Years

- ▶ Two elections; Regular Local Election in November and Primary Election in June.
- ▶ This budget request will include:
  - ▶ Fund 18000 (P783) - Elections Program Operational costs
  - ▶ Fund 20710 (P783) - Regular Local Election costs
  - ▶ Fund 68180 (P783) - Primary Election Costs

### Odd Fiscal Years

- ▶ One election; General Election in November.
- ▶ This budget request will include:
  - ▶ Fund 18000 (P783) - Elections Program Operational costs
  - ▶ Fund 68180 (P783) - General Election Costs

# Consideration to Fund Regular Local Election Fund Annually

Provide funding of \$3 million each fiscal year.

Expenditures only in even fiscal years, estimated costs of ~\$6 million per RLE.

The Agency will have a more predictable year to year budget with less variance and fluctuation.

Elections, including the Regular Local Elections, are not unknown, unplanned or a one-time expenditure as with Special Appropriations. They are a Statutory obligation to the State of New Mexico.

Would be initiated with a special appropriation of ~\$3M for FY24 and an ongoing ~\$3M annual request.

# Special and Supplemental Requests

## OPERATING BUDGET SUPPLEMENTALS

- ⑩ ADMIN & OPERATIONS BUDGET SHORTFALL. \$770K.
- ⑩ ELECTIONS OPERATIONS BUDGET SHORTFALL. \$675K.
- ⑩ STATEWIDE ELECTION FUND. \$2.4M.
- ⑩ IT PROJECTS
  - ⑩ to migrate the current Business Filing System (BFS) to newer servers in the SOS hosting environment. \$30K.
  - ⑩ to upgrade end user hardware with increased demand on end user systems. \$160K
  - ⑩ to acquire Microsoft Windows Datacenter licensing required to allow an upgrade to the operating system of the Agency's internal servers. \$30K.
  - ⑩ for two (2) network switch replacements to address security vulnerabilities. \$20K.

## SPECIAL APPROPRIATIONS

- SERVIS (Statewide Elections, Registration, and Voting Integrity System) application: to upgrade and fulfill county-requested enhancements to the existing system. \$100K.
- One-time infusion to the Statewide Election Fund to Maintain a \$20M balance every fiscal year. \$20M.

# Questions

## Staff Contacts

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