

2014-16 Executive Progress Report

Commonwealth of Virginia
Secretary of Administration
Department of Elections

At A Glance

The Department of Elections promotes and supports accurate, fair, open and secure elections for the citizens of the Commonwealth.

Staffing 26 Salaried Employees, 11 Contracted Employees, 37 Authorized, and 2 Wage Employees.

Financials Budget FY 2015, \$12.99 million, 66.47% from the General Fund.

Trends
Legend

↑ Increase, ↓ Decrease, → Steady

Key Perf Areas

↑ VERIS maintenance costs
↑ Online transactions options
↑ Increase data available online

Productivity
Legend

↑ Improving, ↓ Worsening, → Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov

Agency Background Statement

Section 24.2-103 of the Code of Virginia lays out the statutory responsibilities of the Department of Elections (ELECT). The Department is to supervise and coordinate the work of the county and city electoral boards and of the registrars to promote and support accurate, fair, open and secure elections for the citizens of the Commonwealth. In addition, the Department is charged with ensuring "that the members of the electoral boards and general registrars are properly trained to carry out their duties" and for setting "the training standards for the officers of election to be fulfilled by the local electoral boards and general registrars." The Department of Elections is either partly or fully responsible for many additional functions, including the administration and enforcement of campaign finance laws and regulations for state and local candidates, compliance with federal mandates on elections including the operation and maintenance of an electronic statewide voter registration system, voter registration list maintenance activities, implementation of state legislation involving elections, administering the reimbursement process for general registrar and electoral board salaries, and many other tasks.

Voting is a fundamental freedom of Virginia citizens; it is the backbone of a free and democratic society. We envision ELECT as the public's guardian of freedom within a democratic society. As good guardians, we protect and serve the integrity of the vote. ELECT sets and upholds the standards and practices that provide voters with the highest level of confidence that elections in Virginia are administered in an accurate, fair, open and secure manner. Integrity of the vote, voter confidence and easy access to the electoral processes are key elements to ensuring that every eligible citizen has an opportunity to vote and, to have that vote counted.

The Department of Elections is supported primarily by two major funding sources: state general funds and a federal grant to implement and administer requirements of the federal Help America Vote Act of 2002 (HAVA) requirements. These HAVA funds will be exhausted as at the end of Fiscal Year 2018.

Major Products and Services

- Maintenance and improvements to the Virginia Election and Registration Information System (VERIS), Virginia's electronic statewide voter registration and election system used by SBE and all localities to administer the voter registration and election processes in Virginia
- Development and maintenance of Virginia's online voter registration system
- Assistance and policy guidance to county and city election officials
- Training to local election officials
- Assistance and information to federal, state and local candidates on ballot access, filing and campaign finance requirements
- Provide voter lists to candidates, courts, and nonprofit organizations
- Collection, aggregation and publication of election results
- Establishment and supervision of voting system technology and security standards
- Testing, certification, and approval of new voting equipment systems
- Candidate certification services
- Ballot proofing and certification services
- Certification of results of elections for federal and state offices
- Ballot referendum services
- Assistance to political action committees, referendum committees, political parties and contributors with campaign finance disclosure and compliance requirements
- Administration of campaign finance and disclaimer fine and penalty assessment, notification, collection and disbursement of fines to the Treasury of Virginia
- Campaign finance reporting software
- Proposal, assistance and drafting of legislation, including providing analysis of proposed bills and drafting fiscal impact statements for proposed bills
- Review all charter amendments and draft recommended amendments for uniformity and compliance with election laws
- Voter registration form development and distribution
- Voter registration procedure training services to other state agencies and to private citizens and groups involved in voter registration activities
- Electronic pollbook training and creation services

- Administration of grants to local election offices for hardware including new electronic pollbooks, new voting equipment, and other items
- Administration of salary reimbursements for salaries owed by the Commonwealth to general registrars and local electoral boards
- Administration of reimbursements for presidential primary expenses incurred by localities
- Administration of voter registration list maintenance programs, including multistate agreements to share voter registration data
- Voter education and outreach public relations programs

Customers

Customer Summary

ELECT serves a variety of customer groups and each customer group expects fast, convenient, courteous, and quality service delivery. The customer groups range from the 5.2 million registered voters, to all individuals eligible to vote, to the 133 county and city general registrars who partner with ELECT to provide voter registration and election services to local county and city voters and candidates. Every customer group rightfully expects easy and convenient access to personalized voter registration services and information as well as personalized election related information and documents. This expectation has been fostered and promoted through the gradual and continually increasing use of technology as the vehicle to convenient access to ELECT's service offerings. Increasingly, communications and exchanges of information between ELECT and its customers are occurring instantaneously online from their homes or offices. Our customers expect that the services provided by ELECT to be available to them 24-7 by way of technology and the Internet. ELECT staff is dedicated to quickly, efficiently and accurately responding to the customers.

ELECT partners with other state agencies including the Department of Motor Vehicles, Department of Social Services, Department of Health (Vital Statistics), Virginia State Police and other agencies involved in the voter registration or list maintenance process to enhance the voter registration experience for Virginia voters. ELECT also works with the Veterans Affairs and Homeland Security Secretariat in educating and promoting awareness of military voting issues. ELECT increasingly works with other states, counties, and cities to share voter registration and voter history information to aid in keeping Virginia's voter registration rolls up to date through various programs, including the Electronic Registration Information Center ("ERIC") and the Interstate Cross Check program.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Voter	Registered Voters	5,200,000	8,300,000	Increase
Candidates	Candidates Running for Office	2,500	10,000	Stable
Federal Agency	DOD, DOJ, EAC, FEC, SSA, USPS, HHS	7	7	Stable
State Agency(s),	VSP, DMV, VDH, VITA, DSS, DPB, DOA, DHRM, OAG, Supreme Court, Circuit Courts	50	136	Stable
Local or Regional Government Authorities	All 133 Local General Registrar Offices and Electoral Boards	133	133	Stable
Organization	Political Parties, Third-Party Voter Registration & Advocacy Groups	100	500	Stable
General Assembly	Members of the General Assembly and Staff	100	350	Stable
Governor	Governor's Secretaries and Deputy Secretaries	10	30	Stable
Organization	PACs, Political Parties, Referendum Committees	1,000	10,000	Stable

Finance

Financial Summary

The Department of Elections is supported by two major funding sources: State general funds are used to support state mandated activities and services and a federal grant administered by the U.S. Election Assistance Commission (EAC) is used to implement the federal Help America Vote Act of 2002 (HAVA) requirements.

The agency's general fund budget provides financial assistance to local governments for general registrars' salaries and local electoral boards' compensation resulting in a utilization of 66% of these general funds. The remaining 34% supports a portion of the agency salaries and minimal agency operating expenses.

ELECT also utilizes HAVA funds that were appropriated by Congress in 2002 to assist the agency with the implementation of the Help America Vote Act. HAVA funds account for approximately 60% of ELECT's annual operating budget. After an initial appropriation of HAVA funding, in 2003, to purchase new voting equipment and other upgrades to the electoral system as required by federal legislation, Congress appropriated "requirement payments" to aid states in compliance with legislation. While requirements payments ended in FY2011, ELECT has worked to conserve these funds. ELECT has requested and received all available HAVA funds from the federal government and ELECT is not aware that Congress has any plans in the foreseeable future to appropriate additional funding for this purpose. While the HAVA funds are used to support absentee voting, compliance with voter registration list maintenance and voter education, the majority of the federally funded portion of the agency budget supported by the HAVA grant is associated with maintaining a computerized statewide voter registration system.

The HAVA funding has helped the agency meet significant shortfalls in funding needed to support mandated work due to unrestored funding reductions over the past decade and the lack of growth in state revenues to support growing office needs. With the limited resources available to the agency and the impending exhaustion of HAVA funds, it is an ever increasing challenge to meet existing workload to maintain client services.

With the continued reduction of the agency's annual general fund budget, it is important to note that the HAVA grant requires a minimum level of state spending ("maintenance of effort") towards implementing and maintaining HAVA requirements. It is essential to take into account this maintenance of effort requirement when considering any further budget reductions to the agency.

Another funding stream worth mentioning is the Election Assistance for Individuals with Disabilities (EAID) grant. EAID is a federal grant originally tied to HAVA that relates to improving the accessibility of the elections process to citizens with disabilities. Virginia was originally appropriated slightly over \$2,000,000 and currently has approximately \$450,000 remaining from this funding source. EAID funds are spent to ensure polling places are accessible to individuals with disabilities, to train election officials on how best to promote access and participation of individuals with disabilities in elections, and provide information to individuals with disabilities about the accessibility of polling places.

ELECT also obtained a grant from the Federal Voting Assistance Program (FVAP) in the amount of \$1,818,000 to develop technologies to assist overseas and military voters. Currently there remains approximately \$400,000.

Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0100	General Fund	\$8,636,870	\$8,518,924
0200	Special	\$61,256	\$61,710
0202	State Primary Fee Fund	\$56,250	\$56,250
0701	State Election Fund - Federal	\$4,151,313	\$4,196,269
1000	Federal Trust	\$88,580	\$88,580

Revenue Summary

The agency collects revenue through the following sources:

- Interest collected through the Treasury of Virginia on the principal amount of the federal grant funds distributed through the Help America Vote Act (HAVA) funds;
- State primary fees paid for by candidates participating in primaries for U.S. Congress or statewide offices (SBE does not retain this money, it is deposited back into the General Fund);
- Expenses paid by municipalities for SBE to recoup costs associated with administering May elections for towns and cities;
- The sale of voter registration and voter history data;
- Revenue for reasonable expenses for complying with public requests for voter registration data and costs associated with the numerous Freedom of Information Act (FOIA) requests the agency receives on an annual basis; and

- Fees collected from voter equipment vendors to recoup costs associated with the certification process.

Performance

Performance Highlights

In spite of annual budget cuts, including an additional 7% budget cut in FY2015, the Department of Elections (ELECT) continues to make substantial progress in modernizing and streamlining its services in administering elections and voter registration activities in Virginia. The most important recent advancement is the adoption of online voter registration program. Launched in 2013, not only does this program enhance the integrity of Virginia's voter registration rolls, this program also saves as much as 80 cents per registration.

The agency has been recognized several times recently for its progress in utilizing technology to improve the voter registration process, increase voter education and improve efficiencies in the elections process. Some of the honors, accolades, and distinctions over the past several few years include:

- Winner, Annual Governor's Technology Awards IT as Efficiency Driver—Government to Citizen, for Online Voter Registration (2013)
- Microsoft Dynamics 2013 Customer Excellence Award Winner in Government Administration: ELECT was part of the Commonwealth's team that was recognized by Microsoft for its implementation of the Microsoft Dynamics shared service platform in March of 2013. Specifically, ELECT had implemented the new campaign finance reporting solution and a locality contact management solution based on the Microsoft Dynamics platform.
- ELECT received an award from Google in July 2013 acknowledging our contribution to the Voting Information Project and for improving the efficiency and effectiveness of elections through open data.
- Virginia was one of seven pioneering states to launch groundbreaking multi-state voter registration data sharing initiative: Electronic Registration Information Center ("ERIC").

Another important item to note is Virginia's compliance with federal and state laws for mailing absentee ballots for overseas and military voters. Virginia had been under a consent decree with the Department of Justice (DOJ) to comply with the federal MOVE Act that mandates ballots be mailed to overseas and military voters 45 or more days before a federal election. Due to Virginia's compliance with the laws over the course of several elections, Virginia is no longer under that consent decree.

ELECT's success in obtaining grant awards, including the \$1.8 million dollar FVAP grant and grant from the Virginia Board for People with Disabilities are also notable achievements.

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
132.0005	Average annual cost of maintaining the Virginia Election and Registration Information System (VERIS)	VERIS maintenance costs	Improving
132.0004	Increase number of processes that can be completed online	Online transactions options	Improving
132.0003	Number of automated data sets available to the public	Increase data available online	Improving
132.0002	Agency Information Technology Security Cost per security data points rated as "Compliant" by Virginia Information Technologies Agency (VITA)		Improving
132.0001	Compliance with Continuity of Operations (COOP) requirements	COOP requirements	Maintaining

Key Risk Factors

The Department of Elections' (ELECT) main impediment to achieving its goals relates to the impact of continued budget cuts and the uncertainty surrounding the future funding of election administration from the federal, state, and local levels. ELECT's general fund budget has been slashed by more than 35% since Fiscal Year 2007, including a 7% budget cut in FY2015. Concurrently, the costs of complying with state and federal mandates for elections have risen, labor expenses for items including fringe benefits have increased, and fees from other state agencies for services such as VITA have been raised significantly. While spending has been cut, Virginia continues to rely on and spend its remaining federal HAVA grant funds which are scheduled to be extinguished within one to three years. These funds account for approximately 60% of the agency's operating budget. These long term cuts that happened at the federal, state, and local levels have resulted in certain stress fractures and cracks in the infrastructure of the electoral system, some of which were on display during the November 2012 General Election. The uncertainty and unpredictability regarding future funding levels at all levels of government make long-term strategic planning difficult and speculative.

In light of continued budget cuts, ELECT has been especially aggressive in pursuing additional funding streams. First, in August of 2011, ELECT drew down the last remaining HAVA dollars available from the federal government (\$6,970,000) which fully tapped that funding stream. Second, in late 2011, ELECT was awarded a \$1,800,000 dollar grant from the Federal Voting Assistance Program (FVAP) to fund research and IT projects aimed at easing the voting process for overseas and military voters. ELECT also recently received a \$30,000 grant from the Virginia Board for

People with Disabilities (VBPD) for projects to increase knowledge of voting accessibility for people with disabilities and the aging community and to improve and expand the participation of individuals with disabilities in civic and community activities. ELECT also was awarded grant a second grant with FVAP that made available additional resources for military and overseas voting initiatives.

Additional funding is needed to ensure ELECT can perform its statutorily mandated objectives. While ELECT has been aggressive in pursuing additional funding through grant opportunities, these awards typically go to specialized areas and with strings attached. These special grants cannot replace a long-term general fund stream of revenue that can be relied on from one budget to the next. As the HAVA funds will be exhausted by the end of FY2018, ELECT will be in serious danger of not being able to comply with state and federal mandates to administer elections if additional state funding is not provided. It is also important that consideration be made to provide this funding prior to the next presidential election in 2016.

Agency Statistics

Statistics Summary

Any discussion of statistics and voting in Virginia needs to begin with mentioning that the Commonwealth is growing. Recent estimates from July 2014 calculate Virginia's population near 8.3 million people, an increase of almost 4% since the 2010 Census. Most experts project Virginia will continue to grow and the Commonwealth is expected to add one million residents per decade over for the next few decades. As Virginia grows, its voter rolls will also continue to swell. While this is exciting for the Commonwealth, it poses some obstacles to state and local election officials, especially in a climate of continuing budget cuts. As Virginia adds voters, this will require the establishment of additional (and/or larger) precincts and polling places which requires additional pieces of voting equipment more staff, and generally more resources. It is important that policymakers take into account the growth of the Commonwealth when making decisions regarding the funding of elections.

It is also worth noting that this growth is not happening in a geographically uniform manner. Certain parts of Virginia are losing or have stagnant populations and other parts, particularly in Northern Virginia, have high growth in certain areas that poses considerable difficulties for local election officials in ensuring enough available voting equipment and adequate polling place facilities for voters. In areas with population loss, certain adjustments in election administration practices need to be made to maximize a shrinking or stagnant population and tax base that ultimately impacts their level of funding.

In addition, the voter rolls will not grow at uniform pace throughout the year or over a four-year election cycle. Voter registration submissions increase significantly as the November general election nears, and spike during presidential election years.

Statistics that point to the accuracy of Virginia's voter registration rolls are other important pieces of data. Virginia had approximately 430,000 inactive voters on its voter rolls at the time of the November 2014 General Election. Inactive voters are individuals that have been flagged as having an issue with their registration status, specifically with their residence address. This high number (approximately 10% of the number of active voters) demonstrates that additional resources and steps need to be taken to identify individuals who move in and out of Virginia, as well as those who move within the state from one locality to another to ensure they update their registration information. Voters that move, changes names, and have made other life changes that would impact their registration record, and who do not update or cancel their registration records may face problems and delays during the check-in process when they do arrive to vote. A recent study by the Pew Foundation revealed that approximately one in eight registrations nationwide are inaccurate at least in some respect. While SBE has ramped up its efforts in identifying and seeking to correct these errors, continued efforts need to be made to improve the accuracy of the voter rolls. This is especially important in parts of the state that are very transient, including in areas with universities and colleges, high military population areas, and in Northern Virginia.

Other important statistics to note are voter turnout numbers and percentages, the number of types of voting equipment in use in the Commonwealth, and the number of general registrars that are only authorized to work on a part-time basis:

- Voter turnout is relatively consistent in the Commonwealth based on a four-year election cycle. The presidential election every four years sees turnouts generally around 71% to 72% with no greater deviation of 6% in turnout from the highest to the lowest turnout presidential elections. Generally, the gubernatorial election has a turnout of approximately 44% with, historically a consistent turnout from one election to the next. Non-presidential federal election years have a similar turnout of approximately 45% from year to year, varying somewhat depending on whether a U.S. Senate seat is up for reelection.
- Virginia currently uses approximately 26 different models of voting equipment. The wide variety of equipment make it difficult for SBE to monitor and provide effective guidance to localities.
- Virginia still has 16 localities that do not have a full-time general registrar. General registrars in these smaller localities have the same responsibilities and legal obligations to meet deadlines, service voters, and perform their duties under the Code of Virginia and federal law as all other registrars. This is a difficult job and three days a week is not sufficient for registrars in small localities to adequately perform their jobs and meet the requirements of modern election administration.

Finally, it is imperative to note that due to increased public focus on election integrity and election administration processes, the number of bills which affect election administration and the Department is increasing. While the percentage of proposed bills reviewed by the Department is increasing, due to budget cuts, the Department's staff is shrinking. The public, the members of the General Assembly and the other interested parties rely on the Department to provide thorough analysis of not only the potential impact on election administration and related processes, but also the financial impact of proposed legislation.

- In 2015, the Department reviewed over 130 bills proposed by members of the General Assembly. This represents 7% of the total number of bills introduced in 2015.
- In 2015, the Department reviewed 72 constitutional amendments and 21 charters.

Statistics Table

Description	Value
Localities with a Voting Systems Security Plan reviewed and approved by the State Board of Elections	133
Compliance with federal and state laws regarding the timeline to send absentee ballots	134
Online voter registration applications processed in 2014	110,897
Special elections supported by ELECT in 2014	16

General Information About Ongoing Status of Agency

After finalizing the reorganization of the Department effective July 1, 2014, many challenges remain. The two main ongoing concerns for the Department are: 1) the use of aging and varying voting equipment across the Commonwealth, and 2) the impending exhaustion of the federal grant that funds approximately sixty percent (60%) of the Department's operating budget.

Considering these factors, the Department's two main areas of focus going forward are securing permanent funding and modernizing electoral processes to achieve greater efficiency and effectiveness which will result in cost-savings and increased customer service experiences.

Specifically, the Department's goals include the following:

- Improving access to election information by increasing the data available online
- Reducing ongoing operating costs for major systems, including VERIS
- Promoting increased uniformity of security policies, standards and practices in the election community
- Increasing the number of processes that citizens and registered voters can complete online to engage in the franchise

ELECT is also preparing to advise and assist localities regarding the potential voting equipment failures related to the use of aging and outdated equipment expected to arise in 2015. The concerns related to the use of this equipment, specifically Direct Record Electronic ("DRE") voting equipment, are well-documented and long-standing. Eight years ago in 2007, the legislature took steps to decrease the use of these machines by banning the purchase of additional DREs due to concerns regarding their security and auditability. However, many cash-strapped localities have opted to repair this equipment in lieu of purchasing new digital scan machines. As a result, over 100 localities currently use DRE equipment that is at or past its expected life span.

Not surprisingly, many voters experienced problems when attempting to cast a vote on these machines in 2014. These problems were documented by newspapers and tv stations across the Commonwealth. In addition, one DRE machine failure led to the loss of one vote which was irretrievable, and a separate DRE was unable to render the results of votes cast by over 300 voters for more than four days - and only after assistance was provided by various technicians and Department staff was the DRE able to produce the voting results.

Due to Virginia's decentralized election administration system, the Department has limited oversight of localities' use and deployment of this equipment. In order to prevent the possible disenfranchisement of multiple voters, the Governor included in excess of \$28 million for the purchase of new modern voting equipment for the localities in the 2015-2016 budget amendments. If the final budget does not include these funds, Virginians casting votes on this equipment may be disenfranchised without any available remedy.

Information Technology

Budget cuts, scarce resources and increasing public demand have required ELECT to produce new and more efficient service delivery mechanisms. Increasing security issues and the cost of technical services provided by VITA and other external technology resources have impacted the agency's Information Technology (IT) environment. The IT environment is further stressed by lack of sufficient number of IT staff that is required to support comprehensive statewide systems such as the statewide voter registration and election management system. As a result, ELECT has become reliant on many expensive external vendors and contractors to support its mission.

To address these factors, the agency has taken advantage of the opportunities that exist because of the popularity of Internet technologies to deliver high demand services to Virginia citizens, our clients, customers and constituents. These efforts are best demonstrated by the implementation of online voter registration, an initiative that moves Virginia towards paperless voter registration and a more efficient, secure, and voter-friendly registration system. Other examples include the 2012 launch of our new website which greatly improves citizen access to information and election related data and the 2012 launch of the new campaign finance management system, COMET, which has been a resounding success and has enabled the agency to reallocate resources to other divisions.

Continuous changes in federal and state laws relating to absentee voting, voter registration, election administration and campaign finance require the development of an agile IT environment that is poised to respond to the wide variety of business problems faced by the agency. A cornerstone of this effort has been the complete rearchitecture of the ELECT server infrastructure. The new infrastructure has reduced the risk through redundancy and the proper separation of development and production environments. In addition, the new infrastructure has increased the capacity and efficiency of the servers to handle the increased application processing that is currently needed.

Workforce Development

ELECT promotes innovative thinking and the use of technology in bringing efficiency to the workplace. ELECT has used technology to automate certain functions, including the pollbook production process, voter credit importing, FOIA tracking, certain mail processing functions, and other areas are scheduled to be automated as a result of recent budget cuts.

In many cases, ELECT has had no choice but to increase efficiencies through technology. Continued budget cuts have resulted in multiple layoffs over the past several years and have required ELECT to do more with less. Accordingly, existing staff are asked to be more versatile and perform

additional duties and functions. While ELECT has a dedicated and hardworking staff, to recruit and retain a highly competent workforce, ELECT needs the resources to eliminate salary suppression to have its best employees remain with the agency. Resources are needed to align current staff salaries to make them comparable with other state agencies' salary levels. In addition to the regular change of leadership at the top of the agency based on four year appointees by the sitting governor, ELECT sees a high turnover rate with staff. This can be largely attributed to the lower salaries. In spite of the difficult job market, ELECT still finds it difficult to retain its best staff.

As stated above, technology is taking an increasingly important role in administering elections. Investing resources to upgrade the "tech" skills of existing staff without this technological know-how is extremely important. The regular updating of the skills of staff members with the technological know-how is also important.

One of SBE's main goals is to provide high quality policy advice and guidance to the local election community. In addition, SBE's policy guidance is critical to the General Assembly during the legislative session and to the State Board in advising on the passage of Board policies and regulations. In order to provide high-quality guidance, SBE needs highly-educated and talented individuals who either possess a Juris Doctor degree or comparable skills and experience.

Recent changes to the rules capping the maximum number of work hours for wage employees have also impacted SBE. SBE has relied on wage staff to perform many important functions, particularly in a support role for policy analysts and election preparation. Changes brought on by the Patient Protection and Affordable Care Act (PPACA) have required state government to substantially limit the maximum number of work hours allowed for wage staff.

Physical Plant

The Department of Elections office occupies the 1st floor of the Washington Building located in Capitol Square, Richmond, Virginia. Agency training space and the board room are located in the basement level of the Washington Building. All space is leased from the Department of General Services. The agency anticipates no change in the leased space requirements.
