

Analysis

Item 1: Secretary of State

Election Office Pandemic Expenses

Analyst: Steve Bender

Request: Transfer \$1,700,000 of Coronavirus Relief Fund monies from the Department of Administrative Services and establish a \$1,700,000 Other Funds expenditure limitation for the Secretary of State, for payment of costs associated with the COVID-19 pandemic incurred by county election offices and the state Elections Division.

Analysis: The federal CARES Act included funding specifically designated for grants to assist state election systems impacted by the COVID-19 pandemic. The Act requires states to provide a 20% state match when utilizing these funds. Because of the severe decline in General Fund revenue, the Legislative Fiscal Office (LFO) asked the Secretary of State to request Coronavirus Relief Fund (CRF) for this purpose instead. The allowed uses of the CRF include support of this nature, and CRF expenditures do not have a state match requirement.

The Elections Division collected data from the counties on the pandemic-related costs they have incurred. Twenty-eight counties identified such costs that were not reimbursed by other CARES Act funds. These costs included expenditures for personal protective equipment, Plexiglas/Sneeze guards, additional office equipment to address lack of staff, laptops for remote work, and additional ballot drop boxes to compensate for those located in office buildings that are closed. The identified county election office costs total \$1,543,396. The Elections Division indicates an additional \$100,000 of similar costs were incurred by the Elections Division itself.

The Secretary of State would retain \$100,000 of the CRF funds for agency costs and distribute the remaining \$1.5 million to counties to reimburse their election offices for the costs they identified. Funding would be restricted to support costs that have not been reimbursed by other CARES Act monies.

LFO recommends reducing the distribution amount to counties to the \$1,543,396 of costs they have identified. All the CRF funds distributed to the SOS would be attributed to the Local Government - State Provided category of approved CRF allocations. A follow-up report on expenditure details should be requested.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends that the Emergency Board increase the Federal Funds expenditure limitation for the Department of Administrative Services initially established at the April 23, 2020 meeting of the Emergency Board by \$1,643,396, and establish an Other Funds expenditure limitation of \$1,643,396 for the Secretary of State for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Secretary of State for the Elections Division, for providing financial assistance to county election offices and the Elections Division for costs associated with the COVID-19 pandemic, with the understanding that the Elections Division will report on the expenditures supported by these funds at the next meeting of the Emergency Board.

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Secretary of State
Cohen

Request: Increase Other Funds expenditure limitation by \$1,700,000 for the Secretary of State (SOS) to support expenditures related to the COVID-19 pandemic.

Recommendation: The Secretary of State is not under executive budgetary authority.

Discussion: The SOS has requested a transfer of \$1,700,000 by the Department of Administrative, from the Coronavirus Relief Fund (CRF) to the SOS to support costs incurred from the COVID-19 pandemic. Specifically, the Elections Division has requested \$100,000 in CRF for expenditures related to the pandemic and the remaining \$1,600,000 will be distributed to local County Election offices. Examples of the costs the SOS has sought reimbursement for include personal protective equipment items, office equipment to support remote work for staff members, and additional ballot drop boxes to compensate for the closure of some office buildings.

Legal Reference: Increase the Other Funds expenditure limitation established by chapter 672, section 2, paragraph 2, Oregon Law 2019, for the Secretary of State, by \$1,700,000 for the 2019-21 biennium.



OFFICE OF THE SECRETARY OF STATE

BEV CLARNO
SECRETARY OF STATE

September 1, 2020

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of the Request:

The Office of Secretary of State is requesting \$100,000 in COVID Relief Funds and \$1,600,000 for distribution to the County Elections offices.

Agency Action:

Worked with Oregon County Election offices to identify expenditures related to the COVID pandemic. Costs include purchases made by County Election offices and the Secretary of State for PPE items, Plexiglass/Sneeze guards, additional office equipment to offset lack of staff, laptops for remote work and additional ballot drop boxes to compensate for some office buildings being closed.

Action Requested:

Request the Emergency Board direct the Department of Administrative Services to transfer \$1,700,000 from the Coronavirus Relief Fund to the Secretary of State, and to establish a \$1,700,000 Other Funds expenditure limitation for the Elections Division, for expenditures related to the COVID-19 pandemic

Legislation Affected: Oregon Law 2019, Chapter 672, Section 2, Paragraph (2) increase by \$1,700,000 Other Fund

Sincerely,

Bev Clarno
Secretary of State