



## Legislative Fiscal Bureau

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May 13, 2003

Joint Committee on Finance

Paper #286

### **Campaign Finance and Elections Administration Database (Elections Board)**

[LFB 2003-05 Budget Summary: Page 141, #2]

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#### **CURRENT LAW**

The Elections Board information system was created in 1987 and is used by the agency to carry out its campaign finance and elections administration responsibilities. The system is supported by amounts budgeted to the Board for supplies and services. Base level supplies and services funding for the agency is \$141,800 GPR annually.

#### **GOVERNOR**

Provide \$76,400 GPR in 2003-04 and \$25,400 GPR in 2004-05 to maintain the Board's campaign finance and elections administration databases until their conversion to an Oracle database that meets current state database standards. Costs include: (1) completing the migration of the current campaign finance database from outdated hardware to a server currently supported by the Department of Electronic Government (DEG) (\$37,000 in 2003-04); (2) charges to maintain the Board's new server and to service software associated with the campaign finance database (\$2,200 in 2003-04 and \$4,200 in 2004-05); (3) contractor service charges associated with the Board's partially completed elections administration Oracle database (\$31,200 in 2003-04 and \$21,200 in 2004-05); and (4) upgrading the Oracle database license for the elections administration database to maintain its serviceability (\$6,000 in 2003-04).

#### **DISCUSSION POINTS**

##### **Board Database Conversion Activities to Date**

1. Since the 1997-99 biennium, the Board has been provided approximately \$530,000 GPR for a database conversion project that consists of two interrelated software development

efforts. The first effort involves a conversion of the system to an upgraded Oracle database. The second effort is an enhancement that would allow the electronic filing and retrieval of campaign finance report information over the Internet. Despite this previous funding commitment, the database conversion project remains substantially incomplete.

2. In July, 2000, Joint Finance approved a one-time supplement [\$35,000 GPR] to retain an external IT consultant to develop an IT plan to complete this database conversion project. A report dated November 15, 2000, from the external IT consultant (Virchow, Krause & Company, LLP), summarized the status of the Board's computer project as follows:

[While the election administration functions are operational and in use, they still require significant programming to become fully functional and they lack appropriate controls and user efficiencies. The campaign finance functions have not yet been developed, forcing the Elections Board to continue using its old and obsolete system. The electronic filing function is not in use, and its current design and development tools are not viable. It needs to be started over.

3. The report further stated that:

[The partially completed Elections Board computer database conversion] remains substantially incomplete, and numerous critical problems plague the project, including inadequate project management, the absence of system specifications to guide development, obsolete and unsupported development tools, an electronic filing design that is not viable, inadequate information technology (IT) management skills, and insufficient funding and staff for ongoing system maintenance and help desk support."

4. The report concluded that "[t]he Elections Board should not continue the ... development project in its current form."

5. The report instead proposed a three-step plan to move the Board's computer project to completion. The first step recommended external project management. The report found that Board personnel did not have sufficient IT management expertise to manage a project of this scope. The second step recommended the retention of a consultant to analyze and fully evaluate the system options available. The report proposed that the IT consultant be responsible for further developing and finalizing the business requirements of the project, screening potential IT vendors, and making the final IT vendor selection. The third step consisted of project implementation by the selected vendor.

6. In December, 2000, Joint Finance approved a one-time supplement [\$160,000 GPR] to retain an external IT consultant to develop and finalize business system requirements for the project and oversee the selection of a vendor to complete the project. The Committee directed the Board to submit a report prior to entering into any contract with a vendor selected by the external IT

consultant. The report was to detail the work and conclusions of the external IT consultant, including cost estimates for software development and ongoing maintenance.

7. The required report was filed with the Committee on August 17, 2001. Computer Science Corporation was selected by the Board to complete the conversion project. The report identified a five-year cost of ownership of \$4,578,700, including initial development costs and ongoing maintenance and support. The initial two-year cost of development and maintenance at that time was estimated at \$3,485,800 (\$2,534,400 in the first year of the project and \$951,400 in the second year).

8. The consultant and the Board staff advised at the time that if the project was unduly delayed, the cost projections developed in the report would need to be revised to reflect: (a) changes in the software development market; (b) professional services contract cost increases; and (c) changes in the database needs of the Board due to intervening statutory changes.

### **Current Budget Initiatives**

9. In the Board's 2003-05 budget submission, \$3,000,000 GPR in 2003-04 and \$1,000,000 GPR in 2004-05 was requested to resume the conversion project. The Governor did not recommend this funding. While the bill does not provide funding to resume this project, it does provide \$76,400 GPR in 2003-04 and \$25,400 GPR in 2004-05 to: (a) complete the migration of the current campaign finance database from outdated hardware to a server supported by DEG (or DOA); and (b) pay contractor service and Oracle license charges to maintain the operability of the partially completed elections administration Oracle database.

10. If the Committee approves this reduced level of funding proposed in the bill, Board staff advise that it could be four years or more before the conversion project would be complete. Further, Board staff indicate that an additional four-year delay could have serious adverse consequences since the current system is "operating on the brink of an information technology disaster." Staff believe that as the system's components continue to age, ongoing system maintenance and upgrade activities may not be capable of keeping it fully operational. At that point, the agency would be without its campaign finance and elections administration applications.

11. On the other hand, it should be noted that currently DEG supports the Governor's 2003-05 funding recommendations for the project. DEG staff have also indicated a commitment to assist the Board and to ensure that the current database systems operate as long as is necessary.

12. If the Committee believes that a comprehensive database conversion project should instead be pursued, Board and DEG staff indicate that additional funding should be provided to retain an IT consultant to: (a) update the business system and technical requirements for the conversion; and (b) repeat the vendor selection process. It is estimated that the cost of retaining such a consultant could range from \$100,000 to \$150,000 GPR.

13. In order to resume the conversion project, the Committee could provide the Board with the funding requested in its 2003-05 biennial budget request (\$3,000,000 GPR in 2003-04 and

\$1,000,000 GPR in 2004-05).

14. Alternatively, the Committee could reserve \$100,000 GPR in 2003-04 for the Board in its GPR supplemental appropriation. This funding could be requested by the Board to retain an IT consultant to update the business system requirements and repeat the vendor selection process for the database conversions. In addition, based on cost estimates developed under the August 17, 2001, report filed with the Committee, an additional \$2,534,400 GPR in 2003-04 and \$951,400 GPR in 2004-05 could be reserved in the Committee's GPR supplemental appropriation to provide the necessary funding for the conversion.

15. Placing this funding in reserve would permit the Committee to review the Board's plans for the conversion and review contracts for this work before funding was provided. Under this alternative, a total of \$3,585,800 GPR would be reserved for the conversion during 2003-05.

16. The Committee could also consider modifying this alternative by limiting the additional reserved GPR funding for the database conversion project to what is needed to develop the campaign finance component. Board staff indicate that the elections administration component of this project is eligible for federal funding under the Help America Vote Act of 2002 (HAVA).

17. Board staff indicate that 50% of the computer database conversion project is likely to be attributable to elections administration. Under the alternative to set-aside \$2,634,400 GPR in 2003-04 and \$951,400 GPR in 2004-05 to resume this database conversion project, if the reserved GPR funding were further limited to resources for the campaign finance components, the Committee could reserve a reduced amount of \$1,317,200 GPR in 2003-04 and \$475,700 GPR in 2004-05 for this purpose. The remaining funding for the conversion project could come from federal funding under HAVA.

18. However, because the Board will also be required to begin the implementation of a complex statewide voter registration system in order to comply with provisions of HAVA, the Committee may conclude that significant additional database conversion project funding should not be provided at this time.

19. The Committee could instead provide the more modest funding levels recommended by the Governor for ongoing maintenance and upgrade activities for the Board's databases, but also reserve \$100,000 GPR in 2004-05 for the Board in the Committee's GPR supplemental appropriation. This funding could be used during the last year of the biennium to retain an IT consultant to: (a) update the business system and technical requirements for the conversion; and (b) repeat the vendor selection process. While providing reduced GPR funding for the conversion in 2003-05, this alternative could permit the Board to accelerate the completion of the conversion during 2005-07.

## **ALTERNATIVES**

1. Approve the Governor's recommendation to provide \$76,400 GPR in 2003-04 and

\$25,400 GPR in 2004-05 to maintain the Board's campaign finance and elections administration databases.

2. *In addition to Alternative 1*, provide \$3,000,000 GPR in 2003-04 and \$1,000,000 GPR in 2004-05 to the Board's general program operations GPR appropriation to resume the Board's database conversion project.

<u>Alternative 2</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$4,000,000

3. *In addition to Alternative 1*, reserve \$2,634,400 GPR in 2003-04 and \$951,400 GPR in 2004-05 under the Committee's GPR supplemental appropriation for possible future release to the Elections Board to: (a) retain an external IT consultant to update the business system and technical requirements for the agency's database conversion and repeat the vendor selection process (\$100,000 GPR in 2003-04); and (b) resume the Board's database conversion project (\$2,534,400 GPR in 2003-04 and \$951,400 GPR in 2004-05).

<u>Alternative 3</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$3,585,800

4. *In addition to Alternative 1*, reserve \$1,317,200 GPR in 2003-04 and \$475,700 GPR in 2004-05 under the Committee's GPR supplemental appropriation for possible future release to the Elections Board to: (a) retain an external IT consultant to update the business system and technical requirements for the agency's database conversion and repeat the vendor selection process (\$50,000 GPR in 2003-04); and (b) resume the Board's database conversion project (\$1,267,200 GPR in 2003-04 and \$475,700 GPR in 2004-05).

<u>Alternative 4</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$1,792,900

5. *In addition to Alternative 1*, reserve \$100,000 GPR in 2004-05 under the Committee's GPR supplemental appropriation for possible future release to the Elections Board to retain an external IT consultant to update the business system and technical requirements for the agency's database conversion and repeat the vendor selection process.

<u>Alternative 5</u>	<u>GPR</u>
2003-05 FUNDING (Change to Bill)	\$100,000

6. Delete provision.

<b><u>Alternative 6</u></b>	<b><u>GPR</u></b>
<b>2003-05 FUNDING</b> (Change to Bill)	- \$101,800

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