

MEMORANDUM

April 23, 2012

TO: Government Operations and Fiscal Policy Committee
 FROM: Susan Farag, Legislative Analyst *SOF*
 SUBJECT: **Worksession:** FY13 Operating Budget for the Board of Elections

Those expected for this worksession:

- Mary Ann Keefe, President, Board of Elections
- Margaret Jurgensen, Election Director
- Marjorie Roher, Management and Budget Specialist
- Adam Damin, Office of Management and Budget

The Executive's recommendation for BOE is attached at ©1.

Overview

For FY13, the County Executive recommends total expenditures of \$6,141,182 for BOE, a 25.6% increase from the FY12 approved budget.

(in \$000's)	FY11 Actual	FY12 Approved	FY13 CE Recommended	% Change FY12-FY13
Expenditures:				
General Fund	\$7,389,386	\$4,891,160	\$6,141,182	25.6%
Grant Fund	\$0	\$0	\$0	0.0%
TOTAL Expenditures	\$7,389,386	\$4,891,160	\$6,141,182	25.6%
Positions:				
Full-time	28	28	28	0.0%
Part-time	0	0	0	0.0%
TOTAL Positions	28	28	28	0.0%
WORKYEARS	43.9	40.3	31.4	-22.2%

The Executive is not recommending a change in the number of full-time or part-time positions.

The FY13 Executive recommendation is an increase of \$119,965 from the FY12 approved budget from the following identified same services adjustments:

Identified Same Services Adjustments:	
Lump Sum Wage Adjustment	\$56,587
Retirement Adjustment	\$51,073
Group Insurance Adjustment	\$37,305
Motor Pool Rate Adjustment	\$990
Help Desk - Desk Side Support	-\$800
Printing and Mail Adjustment	-\$25,190
Total	\$119,965

Public Hearing Testimony

The Council received correspondence from the League of Women Voters (©6).

FY13 Expenditure Issues

Many of the Board’s services are mandated by federal and state election law. Section 2-203 of the Election Law Article of the Maryland Code requires the County to appropriate funds to the local board of elections to cover the necessary and reasonable expenses incurred in the performance of its duties as prescribed by law.

1. Election Year Fluctuations (\$1,130,057)

The BOE workload fluctuates according to the following four-year election cycle:

FY12-FY15 Election Cycle

Year	Election	Fiscal Year
One	Presidential General	FY13
Two	Local & Municipal	FY14
Three	State & County Primary and General	FY15
Four	Presidential Primary	FY16

The recommended FY13 Operating Budget reflects this cycle and contains several cost changes associated with election cycle changes. Additionally, the County Board is subject to State Election Law, which has imposed several unfunded mandates and BOE must continue to follow ever-changing directives from the State Board of Elections. The table on the following page summarizes these election year fluctuations.

Item	Amount
Mandated costs from State Board of Elections	\$412,336
Temporary personnel for election cycle	\$336,467
State Board of Elections program management	\$110,280
Overtime for election cycle	\$80,474
Election judge stipends	\$79,710
Sample ballot printing contract	\$30,710
Sample ballot postage	\$30,400
Maintenance cost for electronic poll books	\$17,360
Election judge module maintenance	\$15,520
Ballot and supply expenses	\$10,000
Local telephone service charge	\$5,450
Absentee and provisional canvass expenses	\$1,800
Metropolitan travel for voter outreach	\$550
Short term furniture rentals	-\$1,000
Net Election Year Fluctuations Total	\$1,130,057

2. Additional funding: Legal Services (\$35,000)

Board staff has indicated that they will need additional funds in FY13 for legal services. The Board has incurred expenses related to a pending lawsuit that may carry over into FY13 and they are anticipating that additional petitions will be filed that will require additional legal expenses. **Council staff recommendation:** add \$35,000 to the reconciliation list for legal services.

FY13 Revenue Issues

Revenues for the Board are calculated based on publication sales. State law mandates the fees charged for election publications, and sales are expected to produce \$2,500 in FY13.

Council Staff Recommendation

Council staff recommends supporting the Executive’s recommended budget for BOE with one change: add \$35,000 to the reconciliation list for legal services.

Council staff cautions that additional mandates or unexpected delays in materials from the State Board of Elections could result in additional BOE expenditures in FY13.

This packet contains

- Recommended FY13 Operating Budget
- Excerpt of Testimony from League of Women Voters

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Board of Elections

MISSION STATEMENT

The mission of the Board of Elections is to register voters, conduct elections, assist persons seeking elective office with candidate filings and campaign fund reports, assist citizens seeking to place questions on the ballot, and preserve election data.

BUDGET OVERVIEW

The total recommended FY13 Operating Budget for the Montgomery County Board of Elections is \$6,141,182, an increase of \$1,250,022 or 25.6 percent from the FY12 Approved Budget of \$4,891,160. Personnel Costs comprise 45.4 percent of the budget for 28 full-time positions for 31.35 FTEs. Operating Expenses account for the remaining 54.6 percent of the FY13 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ **A Responsive, Accountable County Government**
- ❖ **Vital Living for All of Our Residents**

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 recommended budget and funding for comparable service levels in FY14.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Productivity Improvements**
 - **Election Judge Module: Currently in the final stages of production; adding an interactive election judge manual. Staff continues to work diligently with DTS to ensure that the Election Judge Module will provide the flexibility needed in the current election environment with minimal staff time. The SEQUEL based module tracks election judge assignments, work history, and payments as well as providing on-line access for election judges to register for training classes and tracking participation of high school students and parents in the Future Vote Initiative. The inclusion of an interactive election judge manual will provide additional access to election judges enhancing their training experience and improving their work performance in the polling places on Election Day. Once the module is fully implemented the result will be a reduction in the number of temporaries required to handle phone calls, mailings, and filing of paperwork.**
 - **Election Judge Payment Automation: Staff is working with DTS and the ERP Team to develop a mechanism that, beginning with the 2012 elections, will interface with the Election Worker Module and ORACLE HR to enable information to transfer between the programs to ensure efficient and accurate distribution of W2s. This interface will result in the reduction of four weeks of data entry per election.**
 - **Relocation to Gaithersburg: The 2010 Gubernatorial Elections were the first elections conducted from the new Gaithersburg facility. The design of the building provided more parking and easier access to the voters of the County. Whether registering to vote or requesting an absentee ballot the building provided sufficient counter space to complete paperwork and room to vote the ballot. Election Judge training was conducted on-site in comfortable, accessible training rooms reducing the rental cost for training facilities as well as transportation costs for staff to travel to and from outside facilities. The layout of the rear parking area and lower warehouses created an efficiency for the return of election materials decreasing the wait time for election judges as well the number of employees required to work (at overtime rates) to receive the materials.**

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PROGRAM CONTACTS

Contact Margaret A. Jurgensen of the Montgomery County Board of Elections at 240.777.8523 or Mary Oneda-Brown of the Office of Management and Budget at 240.777.2751 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Voter Registration Services

The Voter Registration Services program provides clerical and administrative support to register new voters and maintains the currency of information in the official registry. Currently, 606,831 registered voters are on file and the expected growth rate is 6 percent. The Federal Help America Vote Act mandated the establishment of a statewide voter registration database (MDVOTERS) that occurred in 2006 moving the County voter registration database to a statewide platform under aegis of the State Board of Elections. In addition, this program processes all changes of name, address, and party affiliation and maintains a delete file, removing voters for reasons of death, felony conviction, ineligibility for jury duty, moving out of the jurisdiction, and other valid legal reasons. The program provides legally-required training for volunteer registrars; responds to various voter and candidate requests for voter registration applications, listings, and CDs of registered voters; verifies nominating or referenda petitions submitted; and issues and canvasses absentee and provisional ballots. Implementation of the National Voter Registration Act of 1993, on January 1, 1995, requires all motor vehicle and State social service agencies to solicit voter registration applications and information changes from every client or customer resulting in an increase in the number of applications and changes received for processing, many of which require research to clarify inaccurate or incomplete information. The program also tracks returned mail and sends a second mailing in order to accurately maintain the database.

The increase in funding is due to restoration of temporary personnel services.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Number of Active Registered Voters (000s)	570	575	580	580	580
Number of Voter Registration Transactions (000s)	240	300	250	250	250
Number of provisional ballots issued on election day(s) (Active registered voters)	NA	4,000	5,000	6,000	6,000
Number of absentee ballots requested (000s) (Active registered voters)	NA	35	25	60	60
Number of absentee ballots voted/returned (000s)	NA	15	12	40	40

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	1,156,140	14.50
Increase Cost: Temporary Personnel for Election Cycle	336,467	0.00
Increase Cost: Overtime for Election Cycle	80,474	0.00
Increase Cost: Absentee and Provisional Canvass Expenses	1,800	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	173,293	-4.00
FY13 CE Recommended	1,748,174	10.50

Election Operations

The Election Operations program provides administrative, clerical, and technical support for the conduct of local, State, and Federal elections. The Election Operations program assists individuals seeking elective office with candidate filings; provides information, guidance, and monitoring of required campaign committee filings and financial report submissions; delineates and maintains accurate precinct boundaries; prepares and produces various district and precinct maps; administers the results of redistricting; acquires and maintains required polling places; surveys and monitors compliance of handicapped accessibility at all polling places; obtains and provides all polling place supplies and logistics to properly equip the polling places for voting; and develops training materials, recruits, and trains election judges to staff the polling places. In 2010, the State of Maryland mandated the implementation of early voting in all jurisdictions. Montgomery County is required to provide staffing and supplies for five early voting centers, open ten hours per day, for seven days prior to each election.

An example of a four-year election cycle, is shown below.

Year One: Federal Primary Elections (FY12)
 Year Two: Federal General Elections (FY13)
 Year Three: Federal, State and County Primary Elections (FY14)
 Year Four: Federal, State and County General Elections (FY15)

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The decrease in funding is due to information technology costs associated with the preparation and maintenance of the voting

equipment being shifted from Administration.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Number of designated polling places per general election.	NA	248	248	248	248
Number of election judges recruited, trained, and placed per general election	NA	2,700	5,000	3,000	2,700

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	2,743,750	18.80
Increase Cost: Mandated Costs From State Board of Elections	412,336	0.00
Increase Cost: Election Judge Stipends	79,710	0.00
Increase Cost: Election Judge Module Maintenance	15,520	0.00
Increase Cost: Ballot and Supply Expenses	10,000	0.00
Increase Cost: Metropolitan Travel for Voter Outreach	550	0.00
Decrease Cost: Short Term Furniture Rentals	-1,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-839,115	-3.95
FY13 CE Recommended	2,421,751	14.85

Administration

The Administration program of the Board of Elections includes budget development; fiscal control; administration of personnel and contractual issues; procurement; program planning and evaluation; and coordination and cooperation with Federal, State, and local government agencies, elected officials, and political organizations. This includes ensuring that the requirements of Section 203 of the Voting Rights Act are met by providing all election related materials in both English and Spanish languages. The program is also responsible for providing accessible voting for all registered voters and coordinating all technology needs and activities with the State and County technology systems. Finally, the program is responsible for programming and coordinating resources for a voting system comprised of 3,120 Touchscreen voting machines, 850 express poll books, and 800 printers and required peripheral equipment for deployment to 243 polling places and 5 early voting centers located within Montgomery County.

The increase in funding is due to information technology costs associated with the preparation and maintenance of the voting equipment being shifted to Administration.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Number of electronic poll books prepared and used on election days	250	1,900	860	860	860
Number of voting units prepared and used on election days	500	5,800	3,000	3,000	3,000
Total ballots cast (000s) (Active registered voters)	NA	330	150	560	560

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	991,270	7.00
Increase Cost: State Board of Elections Program Management	110,280	0.00
Enhance: Sample Ballot Printing Contract	30,710	0.00
Add: Sample Ballot Postage	30,400	0.00
Enhance: Maintenance Cost - Electronic Poll Books	17,360	0.00
Increase Cost: Local Telephone Service Charge	5,450	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	785,787	-1.00
FY13 CE Recommended	1,971,257	6.00

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BUDGET SUMMARY

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	3,042,826	2,077,620	1,912,868	2,205,252	6.1%
Employee Benefits	593,834	482,570	513,979	580,377	20.3%
County General Fund Personnel Costs	3,636,660	2,560,190	2,426,847	2,785,629	8.8%
Operating Expenses	3,752,726	2,330,970	2,530,516	3,355,553	44.0%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	7,389,386	4,891,160	4,957,363	6,141,182	25.6%
PERSONNEL					
Full-Time	28	28	28	28	—
Part-Time	0	0	0	0	—
FTEs	43.90	40.30	40.30	31.35	-22.2%
REVENUES					
Other Charges/Fees	28,827	2,500	2,500	2,500	—
County General Fund Revenues	28,827	2,500	2,500	2,500	—

FY13 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY12 ORIGINAL APPROPRIATION	4,891,160	40.30
Changes (with service impacts)		
Enhance: Sample Ballot Printing Contract [Administration]	30,710	0.00
Add: Sample Ballot Postage [Administration]	30,400	0.00
Enhance: Maintenance Cost - Electronic Poll Books [Administration]	17,360	0.00
Other Adjustments (with no service impacts)		
Increase Cost: Mandated Costs From State Board of Elections [Election Operations]	412,336	0.00
Increase Cost: Temporary Personnel for Election Cycle [Voter Registration Services]	336,467	0.00
Increase Cost: State Board of Elections Program Management [Administration]	110,280	0.00
Increase Cost: Overtime for Election Cycle [Voter Registration Services]	80,474	0.00
Increase Cost: Election Judge Stipends [Election Operations]	79,710	0.00
Increase Cost: Lump Sum Wage Adjustment	56,587	0.00
Increase Cost: Retirement Adjustment	51,073	0.00
Increase Cost: Group Insurance Adjustment	37,305	0.00
Increase Cost: Election Judge Module Maintenance [Election Operations]	15,520	0.00
Increase Cost: Ballot and Supply Expenses [Election Operations]	10,000	0.00
Increase Cost: Local Telephone Service Charge [Administration]	5,450	0.00
Increase Cost: Absentee and Provisional Canvass Expenses [Voter Registration Services]	1,800	0.00
Increase Cost: Motor Pool Rate Adjustment	990	0.00
Increase Cost: Metropolitan Travel for Voter Outreach [Election Operations]	550	0.00
Technical Adj: Personnel Complement Change from BPS to Hyperion Conversion	0	-9.00
Technical Adj: Technical Adjustment for Rounding FTE's by Increase of .05	0	0.05
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA	-800	0.00
Decrease Cost: Short Term Furniture Rentals [Election Operations]	-1,000	0.00
Decrease Cost: Printing and Mail Adjustment	-25,190	0.00
FY13 RECOMMENDED:	6,141,182	31.35

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PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Voter Registration Services	1,156,140	14.50	1,748,174	10.50
Election Operations	2,743,750	18.80	2,421,751	14.85
Administration	991,270	7.00	1,971,257	6.00
Total	4,891,160	40.30	6,141,182	31.35

FUTURE FISCAL IMPACTS

Title	CE REC.	(\$000's)				
	FY13	FY14	FY15	FY16	FY17	FY18
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY13 Recommended	6,141	6,141	6,141	6,141	6,141	6,141
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Lump Sum Wage Adjustment	0	-57	-57	-57	-57	-57
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
Subtotal Expenditures	6,141	6,085	6,085	6,085	6,085	6,085

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THE LEAGUE OF WOMEN VOTERS

of Montgomery County, MD, Inc.

**Testimony on County Budget to Montgomery
County Council
April 12, 2012**

The League of Women Voters of Montgomery County, through a consensus process, develops positions on which it can act. Many of the areas addressed by the county budget touch on areas we have studied. We believe that government should be adequately funded but recognize that for the past couple of years, the county has been faced with significant deficits. We are pleased to see that the County Executive has been able to add back at least some of the previous budget reductions. We are submitting longer written remarks in addition to our presentation today. We recognize that the Executive will be submitting a revised budget based on recent Legislative actions. We hope that the public will be given some opportunity to comment on it.

Board of Elections

The Board of Election provides a service that the community expects to run smoothly and without complications or errors. As an organization which has some insight into the Board's activities, we want to encourage the Council to recognize that the Board has fiscal needs that arise during the year that cannot be wholly planned. Some examples from the current year include:

- a) the amount of reconfiguration of precincts caused by the redistricting at Congressional and local levels, coupled with cost-saving measures to reduce the number of precincts requiring rent payment and the number of judges needed.
- b) the addition of a new candidate to about 20% of the primary ballots, due to an error by the State Board, which required a do-over in a very quick time frame of all the preparation work done on the affected Democratic District 8 election, as well as sample ballot mailings, absentee and provisional ballots, etc.
- c) the large number of petition signature checking for parties, local and statewide referenda and ballot questions.

Health Services

We are gratified to find that several aspects of the DHHS budget reflect a continuing concern for the welfare of its residents and maintenance of our safety net but some budget reductions give us pause.

The funding of a new Montgomery Cares clinic at Aspen Hill and the Holy Cross hospital, attests to the commitment of the county to continue its support of Montgomery Cares and provide services for a greater number of uninsured.

The addition of two school-based health centers (Rolling Terrace and Highland Elementary schools) and school health services staff for the Down-County Consortium at McKenney Hills will provide to young children needed expanded health and mental health services.