

MEMORANDUM

April 15, 2013

TO: Government Operations and Fiscal Policy Committee
 FROM: Amanda Mihill, Legislative Attorney *AMihill*
 SUBJECT: **Worksession:** FY14 Operating Budget for the Board of Elections

Those expected for this worksession:

- Mary Ann Keeffe, President, Board of Elections (BOE)
- Margaret Jurgensen, Election Director, BOE
- Alysoun McLaughlin, Deputy Election Director, BOE
- Marjorie Roher, Management and Budget Specialist, BOE
- Philip Weeda, Office of Management and Budget

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

Overview

For FY14, the County Executive recommends total expenditures of \$6,026,413 for BOE, a 2.4% decrease from the FY13 approved budget.

(in \$000's)	FY12 Actual	FY13 Approved	FY14 CE Recommended	% Change FY13-FY14
Expenditures:				
General Fund	\$4,978,965	\$6,175,309	\$6,026,413	-2.4%
Grant Fund	\$0	\$0	\$0	0.0%
TOTAL Expenditures	\$4,978,965	\$6,175,309	\$6,026,413	-2.4%
Positions:				
Full-time	28	28	28	0.0%
Part-time	0	0	0	0.0%
TOTAL Positions	28	28	28	0.0%
FTEs	40.3	31.35	31.35	0.0%

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

The FY14 Executive recommendation is an increase of \$108,748 from the FY13 approved budget from the following identified same services adjustments:

Identified Same Services Adjustments:	
FY14 Compensation Adjustment	\$82,210
Group Insurance Adjustment	\$67,672
Printing and Mail Adjustment	\$8,931
Motor Pool Adjustment	\$4,122
Retirement Adjustment	\$2,478
Other Labor Contract Costs	\$693
Elimination of FY14 \$2,000 Lump Sum	-\$55,714
Total	\$110,392

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 (-\$259,288)

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

FY14-FY17 Election Cycle

Year	Election	Fiscal Year
One	Federal, State, and County Primary	FY14
Two	Federal, State, and County General	FY15
Three	Presidential Primary	FY16
Four	Presidential General	FY17

The recommended FY14 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
Maintenance of Electronic Pollbooks	\$78,779
Maintenance of Statewide Election Management System	\$43,714
Polling Place Rental	\$11,500
Printing Costs	\$4,800
Polling Place Furniture Rental	\$3,000
Temporary Clerical Services	-\$138,737
State Board of Elections' Program Management	-\$262,344
Net Election Year Fluctuations Total	-\$259,288

2. Additional funding: Office Services Coordinator (\$54,830)

Committee members may recall that in FY10, the Council lapsed an Office Services Coordinator position because the position was vacant and not exempt from the County’s hiring freeze. In FY11, this position was restored at 0.5 workyear. This position is assigned to the Candidate/Campaign office and also serves as support to the Program Manager for the Polling Place Management Division. The absence of a full-time employee in this position is likely to be significantly noticed in FY14 because of the number of local offices on the ballot. **Council staff recommendation:** add \$54,830 to the reconciliation list to fund the remaining 0.5 workyear for this position.

3. Additional funding: Early voting costs (\$158,082 - \$210,776)

The Executive’s recommended operating budget includes funding for 5 early voting centers. During this year’s General Assembly session, the General Assembly enacted House Bill 224/Senate Bill 279, which originated as a proposal from Governor O’Malley. As enacted, these bills change the population formula used to determine the number of early voting centers, which increases the number of centers in the County from 5 to 8. In addition, the County can establish one additional early voting center “if the State Board, in collaboration with the local board, and the governing body of the County agree to establish an additional early voting center.”

Cost estimates to implement this law are on ©7. Board staff estimate that the first year costs associated with adding 4 early voting centers would be \$210,776 in FY14. If the County funds only the number of centers mandated by the new law (3), the estimated cost would be \$158,082 in FY14. This estimate includes one-time costs to each center to install communication lines, purchase secure carts and cages, prepare the doors for a new locking mechanism, and additional poll books and licensing fees. **Council staff recommendation:** add \$158,082 to the reconciliation list to fund the additional 3 early voting centers required by state law.

FY14 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 FY14.

Council Staff Recommendation

Council staff recommends supporting the Executive’s recommended budget for BOE with two additions:

- add \$54,830 to the reconciliation list to fund 0.5 workyear for the Offices Services Coordinator position, making the position fulltime; and
- add \$158,082 to the reconciliation list to fund 3 additional early voting centers as required by state law.

Council staff cautions that additional mandates or unexpected delays in materials from the State Board of Elections could result in additional BOE expenditures in FY14.

<u>This packet contains</u>	<u>Circle</u>
Recommended FY14 Operating Budget	1
Excerpt of Testimony from League of Women Voters	6
Cost estimates for early voting centers	7

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 FY14 Operating Budget for the Montgomery County Board of Elections is \$6,026,413, a decrease of \$148,896 or 2.4 percent from the FY13 Approved Budget of \$6,175,309. Personnel Costs comprise 51.9 percent of the budget for 28 full-time positions. A total of 31.35 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 48.1 percent of the FY14 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 FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 recommended budget and funding for comparable service levels in FY15.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **ELECTION JUDGE PAYMENT AUTOMATION:** *Staff has worked with the Department of Technology Services (DTS) and the Enterprise Resource Planning (ERP) Team to develop a mechanism that interfaces with the Election Worker Module and ORACLE HR to enable information to transfer between the programs and ensure efficient and accurate distribution of stipend payments and W2s. This interface reduces significant data entry per election.*
- ❖ **ELECTION JUDGE MODULE:** *The application 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 during early voting and on Election Day. This has resulted in a reduction in the number of temporary employees required to handle phone calls and file paperwork.*

PROGRAM CONTACTS

Contact Margaret A. Jurgensen of the Montgomery County Board of Elections at 240.777.8523 or Phil Weeda of the Office of Management and Budget at 240.777.2780 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.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Number of Active Registered Voters (000s)	575	585	620	630	640
Number of Voter Registration Transactions (000s) ¹	300	400	350	350	350
Number of provisional ballots issued on election day(s) (Active registered voters) ²	4,000	9000	14000	9000	9000
Number of absentee ballots requested (000s) (Active registered voters) ³	35	25	50	40	50
Number of absentee ballots voted/returned (000s) ⁴	15	12	30	20	25

¹ Additional voter registration document handling includes petitions; scanning all voter registration applications (new registrants, deletions); multiple imagings of voter registration applications for changes; merging voter registration data; responses to voters regarding documents received after deadlines.

² Due to legal requirements, additional provisional ballots voted by unregistered people are researched; only voted ballots meeting legal requirements by registered voters are counted.

³ Ongoing federal and state system and procedural changes for absentee ballot services require additional technologically trained staff to handle testing, integration, quality controls and optimal voter information and services. During Hurricane Sandy, mail delivery stopped for a couple days and the Board received countless absentee ballot requests.

⁴ Ongoing federal and state system and procedural changes for absentee ballot services require additional technologically trained staff to handle testing, integration, quality controls and optimal voter information and services.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,748,174	10.50
Increase Cost: Maintenance of Statewide Election Management System (MDVoters)	43,714	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.	-85,865	0.00
FY14 CE Recommended	1,706,023	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)

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Number of designated polling places per general election. ¹	248	238	240	253	253
Number of election judges recruited, trained, and placed per general election ²	2,700	5,000	7000	4000	4000

¹ In addition to polling places, five vote centers are designated by state law for early voting days, 5 days in 2010 and 6 days in 2012.

² Beginning with the 2010 gubernatorial election, the State of Maryland required 5 early voting centers for Montgomery County (5 days in 2010 primary and general elections and 6 days for 2012 primary and general elections. For FY15, the numbers of election judges necessary for optimal voter service can differ if the voting system changes.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	2,420,878	14.85
Increase Cost: Polling Place Rental	11,500	0.00
Increase Cost: Printing and Mail Adjustment	8,931	0.00
Increase Cost: Printing Costs	4,800	0.00
Increase Cost: Polling Place Furniture Rental	3,000	0.00
Decrease Cost: Temporary Clerical Services	-138,737	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.	52,138	0.00
FY14 CE Recommended	2,362,510	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 238 polling places and 5 early voting centers located within Montgomery County.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Number of electronic poll books prepared and used on election days ¹	1,900	860	950	800	850
Number of voting units prepared and used on election days ²	5,800	2400	3000	3000	3,000
Total ballots cast (000s) (Active registered voters) ³	330	92	460	400	425

¹ Quantity includes number of units used at early voting centers (5 centers in 2010 and 6 centers in 2012) for primary and general elections.

² Anticipated is the procurement of a new voting system by the State of Maryland, with state and local cost sharing.

³ Includes early voting, election day, absentee, and provisional ballots.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	2,006,257	6.00
Increase Cost: FY14 Compensation Adjustment	82,210	0.00
Increase Cost: Maintenance of Electronic Pollbooks	78,779	0.00
Increase Cost: Group Insurance Adjustment	67,672	0.00
Increase Cost: Motor Pool Adjustment	4,122	0.00
Increase Cost: Retirement Adjustment	2,478	0.00
Increase Cost: Other Labor Contract Costs	693	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-55,714	0.00
Decrease Cost: State Board of Elections' Program Management	-262,344	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.	33,727	0.00
FY14 CE Recommended	1,957,880	6.00

BUDGET SUMMARY

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,256,684	2,204,338	2,819,442	2,476,269	12.3%
Employee Benefits	504,233	580,418	600,540	649,780	12.0%
County General Fund Personnel Costs	2,760,917	2,784,756	3,419,982	3,126,049	12.3%
Operating Expenses	2,218,048	3,390,553	3,337,380	2,900,364	-14.5%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	4,978,965	6,175,309	6,757,362	6,026,413	-2.4%
PERSONNEL					
Full-Time	28	28	28	28	—
Part-Time	0	0	0	0	—
FTEs	40.30	31.35	31.35	31.35	—
REVENUES					
Other Charges/Fees	-235	2,500	2,500	2,500	—
County General Fund Revenues	-235	2,500	2,500	2,500	—

FY14 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY13 ORIGINAL APPROPRIATION	6,175,309	31.35
Other Adjustments (with no service impacts)		
Increase Cost: FY14 Compensation Adjustment [Administration]	82,210	0.00
Increase Cost: Maintenance of Electronic Pollbooks [Administration]	78,779	0.00
Increase Cost: Group Insurance Adjustment [Administration]	67,672	0.00
Increase Cost: Maintenance of Statewide Election Management System (MDVoters) [Voter Registration Services]	43,714	0.00
Increase Cost: Polling Place Rental [Election Operations]	11,500	0.00
Increase Cost: Printing and Mail Adjustment [Election Operations]	8,931	0.00
Increase Cost: Printing Costs [Election Operations]	4,800	0.00
Increase Cost: Motor Pool Adjustment [Administration]	4,122	0.00
Increase Cost: Polling Place Furniture Rental [Election Operations]	3,000	0.00
Increase Cost: Retirement Adjustment [Administration]	2,478	0.00
Increase Cost: Other Labor Contract Costs [Administration]	693	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum [Administration]	-55,714	0.00
Decrease Cost: Temporary Clerical Services [Election Operations]	-138,737	0.00
Decrease Cost: State Board of Elections' Program Management [Administration]	-262,344	0.00
FY14 RECOMMENDED:	6,026,413	31.35

PROGRAM SUMMARY

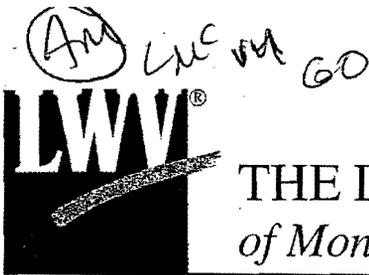
Program Name	FY13 Approved		FY14 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Voter Registration Services	1,748,174	10.50	1,706,023	10.50
Election Operations	2,420,878	14.85	2,362,510	14.85
Administration	2,006,257	6.00	1,957,880	6.00
Total	6,175,309	31.35	6,026,413	31.35

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY14	FY15	FY16	FY17	FY18	FY19
(\$000's)						
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY14 Recommended	6,026	6,026	6,026	6,026	6,026	6,026
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	121	160	160	160	160
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Labor Contracts - Other	0	0	-1	-1	-1	-1
These figures represent other negotiated items included in the labor agreements.						
Subtotal Expenditures	6,026	6,148	6,186	6,186	6,186	6,186

ANNUALIZATION OF PERSONNEL COSTS AND FTES

	FY14 Recommended		FY15 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Decrease Cost: Temporary Clerical Services [Election Operations]	187,590	0.00	375,180	0.00
Shift: Realignment of Funds for Board Salaries [Administration]	60,000	0.00	120,000	0.00
Total	247,590	0.00	495,180	0.00



THE LEAGUE OF WOMEN VOTERS
of Montgomery County, MD, Inc.

Testimony on County Budget
to Montgomery County Council
April 11, 2013

The League of Women Voters of Montgomery County -- along with its many public citizen education projects -- studies national, state, and local issues and -- through a consensus process -- develops positions on these issues on which it can then act.

Many of the areas addressed by the county budget touch on areas we have studied.

- In general, we believe that government should be adequately funded. However, we recognize that for the past several years, the county was faced with significant deficits that needed to be dealt with.
- We are pleased to see that the County Executive again has been able to add back some more of the budget reductions that were made in the recent past although we recognize that we have not yet reached the point of "business as usual."
- We do wish to raise the issue of whether maintenance tasks are being adequately addressed during the add-back process; the maintenance area is one of the first to be cut during tight budget times and, unfortunately, usually one of the last to be added back.

Below we address some specific budget areas. Please also note and generalize on our comments on understandable performance measures and on emphasizing maintenance after tight budget years in which it has been neglected for too long.

Board of Elections

Two commendations. We commend the Executive and Council for supporting the Board of Elections with the necessary resources both to conduct a successful fall 2012 early voting period under very adverse conditions and then to complete the early voting registration roll updates in a very tight window for the Tuesday General Election.

Since December -- simultaneously with its unusually detailed post-election review to improve the process and the experience for Montgomery voters -- the staff also has had to implement the new boundaries from the legislative redistricting while holding steady or reducing its costs for locations and polling place staff and causing the least disruption possible for voters.

A budgeting concern. We also note that the General Assembly has passed legislation increasing the number of early voting centers, the number of days for early voting and the length of the early voting hours for future elections.

These changes are not reflected in the current FY14 budget under consideration but will result in possible rental costs and the need for more polling place staff to cover the expanded locations, days, and hours for the June 2014 primary election. How will these increased costs be dealt with by the county?

Estimated costs for additional 4 Early Voting Centers

A. Salaries & Wages

<u>Personnel Classifications</u>	<u>#</u> (# of positions)	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016**</u>	<u>FY 2017**</u>	<u>FY 2018**</u>
<u>Election Judges (increase)</u>	<u>120</u>	88,600	88,600	88,600	133,300 *	88,600
<u>Staff</u>	<u>8</u>	15,999	15,999	15,999	17,666	15,999
<u>Overtime (as needed)</u>		5,909	5,909	5,909	6,044	5,909
Total Salaries & Wages:		110,508	110,508	110,508	122,800	110,508

* Additional Judges added for Presidential Election

** New Voting System Implementation

B. Other Operating Expenses

		<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016**</u>	<u>FY 2017**</u>	<u>FY 2018**</u>
Technical/Special Fees, Grants & Subsidies		0	0	0	0	0
Communications - Phone, Postage		10,000	750	750	750	750
Travel, Food, Auto Operations, Fuel & Utilities		2,000	2,000	2,000	2,700	2,500
Contractual Services Transportation		25,968	25,968	25,968	25,968	25,968
Polling Place/Carts/Security bags		14,400	350	350	350	350
Equipment – Replacement (Pollbook Replacements)				25,000	25,000	25,000
Equipment – Additional Locks		900	900	900	900	900
Land & Structures, Fixed Charges, Leasing		UNK	UNK	UNK	UNK	UNK
Other (Please Specify) Electronic Pollbooks & License Fee		27,000	450	450	450	450
Other (Advertising)		20,000	20,000	20,000	30,000	20,000
SUBTOTAL EXPENDITURES	\$	100,268	50,418	75,418	86,118	75,918
PROJECTED COSTS	\$	210,776	160,926	185,926	208,918	186,426

** New Voting System Implementation

The first year there would be one time costs to each center to install the necessary communication lines, purchase secure carts and cages, and prepare the doors for new locking mechanism and additional poll books and licensing fees. The Board will need to staff at least 30 Election Judges for each site and one Center Manager for each early voting center. Board staff expect software changes to accommodate Same Day Voter Registration for Early Voting in 2016 to the poll book and those costs are not available to the local board of elections. This system is not currently in existence so unable to find any cost comparison. SBE has provided the Governor's Office a high level concept based on an effort to notify unregistered voters of the opportunity to become registered and this data contained was flawed in this pilot project conducted in 2012.