

D38I01
State Board of Elections

Operating Budget Data

(\$ in Thousands)

	FY 05	FY 06	FY 07	FY 06-07	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$5,297	\$3,792	\$12,031	\$8,239	217.3%
Special Fund	3,013	5,707	9,961	4,254	74.5%
Federal Fund	<u>13,775</u>	<u>10,996</u>	<u>3,522</u>	<u>-7,474</u>	<u>-68.0%</u>
Total Funds	\$22,085	\$20,495	\$25,514	\$5,019	24.5%

- The fiscal 2007 allowance for the State Board of Elections (SBE) appears to show significant growth over the fiscal 2006 working appropriation. However, this growth is deceptive because the fiscal 2006 working appropriation does not reflect a number of processed budget amendments. When these amendments are taken into account, the fiscal 2007 allowance is actually \$3 million lower (11%) than actual fiscal 2006 spending.
- The funding sources for the fiscal 2007 allowance represent the likely future for the SBE: heavy reliance on general funds and special funds (contributions from local jurisdictions) and the dwindling availability of federal funds.

Personnel Data

	FY 05	FY 06	FY 07	FY 06-07
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	32.50	32.50	32.50	0.00
Contractual FTEs	<u>12.00</u>	<u>9.00</u>	<u>5.50</u>	<u>-3.50</u>
Total Personnel	44.50	41.50	38.00	-3.50

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	1.46	4.50%
Positions Vacant as of 12/31/05	3.00	9.20%

- SBE's regular workforce does not change in fiscal 2007, although contractual employment is down.

Note: Numbers may not sum to total due to rounding.

For further information contact: Simon G. Powell

Phone: (410) 946-5530

Analysis in Brief

Major Trends

2004 General Election “Lessons Learned”: SBE continues to learn from its election experiences. Key areas of concern expressed by local boards of elections after the 2004 general election reveal, among other things, the continued need for training.

Study on Electronic Voting System and Ballot Design: A recent study of electronic voting systems and different ballot types reviewed voter satisfaction, the need for assistance, and the accuracy of votes cast (in terms of voter error). Among the voting machines used in the study was that currently utilized in Maryland (Diebold AccuVote-TS). In this study, the Diebold AccuVote-TS scored well among study participants.

Recommended Actions

	<u>Funds</u>
1. Reduce funds for contractual support	\$ 25,000
Total Reductions	\$ 25,000

D38I01
State Board of Elections

Operating Budget Analysis

Program Description

The State Board of Elections (SBE) is a five-member board charged with managing and supervising elections in the State of Maryland and ensuring compliance with State and federal election laws, including the federal Help America Vote Act (HAVA). Individuals from both major parties are appointed by the Governor, with the advice of the Senate, to staggered four-year terms. The board appoints a State administrator, who is charged with oversight of the board's functions and supervising operations of the local boards of election (LBEs).

LBEs maintain voter registration databases, establish election precincts and staff polling places, provide and process absentee ballots, and certify local election results.

The mission of the SBE is to administer the process of holding democratic elections in a manner that inspires public confidence and trust.

Performance Analysis: Managing for Results

For SBE, the major performance benchmark in recent years has been its ability to implement and become compliant with HAVA. Since the fiscal 2006 SBE budget analysis, the development and operation of the new Statewide Voter Registration system has allowed SBE to attain compliance with initial HAVA requirements in a timely manner. Specifically, SBE was able to meet requirements regarding a Statewide Voter Registration List, having computerized list maintenance, and having appropriate verification of voter registration information.

Lessons Learned from the 2004 General Election

Ultimately, the performance of SBE is most visibly judged at elections. In calendar 2004, SBE oversaw statewide primary and general elections. In the fiscal 2006 analysis, data from a “Lessons Learned” assessment compiled by Accenture for SBE after the Primary Election in March 2004 was presented. That assessment was based on post-election meetings with local election officials and documented concerns raised in six broad categories: communications; documentation; election operations – non-technical; election operations – technical; resources; and voting system security.

A similar “Lessons Learned” exercise was conducted for the general election. Concerns were grouped around similar categories: communications; documentation; election preparation; ballot preparation; operations; and elections results/canvass. During this exercise, local administrators were asked to list their five highest concerns. **Exhibit 1** provides detail on the most-frequently voiced concerns, the action items developed to address those concerns, as well as some sense of the implementation status of those action items.

Exhibit 1
SBE: “Lessons Learned” February 2005: “Top Ten List” (Actually Twelve)

Level of Concern (Votes)	<u>Area of Concern</u>	<u>Observation</u>	<u>Action Item</u>	<u>Response</u>
12	Election Preparation	Need for ongoing training on software used in voting machines rather than rely on Diebold	SBE and LBEs to discuss action and timing for ongoing training	Four training classes will be held statewide in 2006
11	Election Preparation	Communication of Election Day support structure needs improvement to allow LBEs to effectively use support available to them	SBE will work with LBEs to discuss increased training for local technical staff	Four regional training classes for ballot station operations and optical scan units are being planned for 2006
9	Documentation	Election Judges Manual needs to be revised and simplified	Appropriate local coordination committee will assist SBE in modifying and updating Election Judges Manual	A revised and redesigned manual will be in place for the 2006 elections
9	Election Preparation	Many LBEs continue to need a full-time IT position	SBE will work to support creation of full-time IT staff in each LBE	
7	Election Preparation	LBEs would like to train own personnel to do tasks of Election Day Support Personnel	SBE will work with each LBE to develop the best Election Day Support Plan for each LBE	LBEs will be interviewed in the Spring to define and implement this plan for each LBE
6	Election Preparation	Representatives from LBEs should have mandatory training prior to the election	SBE will develop training needs and schedule based on locally-determined priorities and coordinate sessions	
6	Election Preparation	SBE’s procedures for conducting elections must be received by LBEs 120 days prior to an election	SBE will try and minimize last-minute changes to election laws and other factors for all elections	A policy has been adopted to complete all planning and documentation changes 6 months prior to an election

Level of Concern (Votes)	Area of Concern	Observation	Action Item	Response
5	Communications	LBEs, SBE, and Diebold should all receive the same information in a timely manner	SBE will include a deadline for changes in the Voting System Work Plan. If changes are necessary, they will be batched to minimize burden on LBEs	A policy has been adopted to complete all planning and documentation changes 6 months prior to an election
5	Documentation	Amount of paper work sent to precincts must be reduced	SBE and LBEs will continue to work to streamline mandatory Election Judges documentation	New consolidated forms will be used in the upcoming election
5	Election Preparation	SBE and LBE should agree and stick to a mutually agreed pre-election lock-down date after which only emergencies changes should be made	SBE will include the lock-down date in the Voting System Work Plan	A policy has been adopted to complete all planning and documentation changes 6 months prior to an election
5	Election Results	SBE should provide more timely instructions on the canvass of write-ins	SBE, LBEs, and Diebold should work together to discuss the write-in canvass process and where improvements can be made	Canvass and write-in procedures are currently under review
5	Operations	LBE should have flexibility to coordinate the transportation of voting equipment independent of SBE	Voting equipment delivery is a contract issue between SBE and Diebold, therefore additional discussions must take place between LBEs, SBE, and Diebold on this issue	LBEs will be interviewed in the Spring in order to develop contract modifications to allow a transportation plan for each LBE

Source: State Board of Elections

Inspiring Public Confidence and Trust

While SBE strives to make the elections process run as smoothly as possible and, as stated in its mission, to administer elections in a manner that inspires public confidence and trust, there is no doubt that there remains some element of public misgiving about the new voting systems. This misgiving persisting despite aggressive marketing of the strengths of the current voting system by SBE.

A number of reports on voting system security have been conducted in recent years, including one the Department of Legislative Services commissioned from an independent consultant in 2003. That report resulted in a variety of short-term and longer-term recommendations, and SBE adopted many of the short-term recommendations into its planning for the 2004 elections. However, it is unclear that the broader systemic security issues raised in that report, issues that would require a major re-write of voting system software, have ever been resolved.

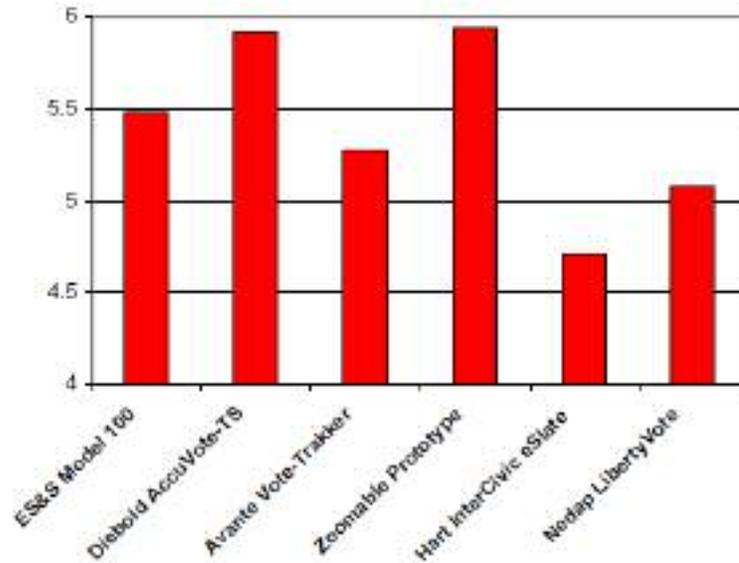
To its credit, despite its public statements of confidence in the voting system, SBE has continued to fund independent studies of the voting system. For example, SBE has contracts with:

- RESI at Towson University to undertake Independent Verification and Validation studies of the voting system and to perform testing and upgrades on the system. RESI recently completed acceptance testing for voting units and peripherals in Baltimore City, a technology refresh in Allegany, Dorchester, Montgomery and Prince George's counties, with a statewide upgrade for 48 servers and 18,000 voting units beginning in early February.
- Maryland Institute for Policy Analysis and Research (MIPAR) at the University of Maryland, Baltimore County and the Center for American Politics and Citizenship (CAPC) at the University of Maryland, College Park to review vote verification systems, specifically issues of implementation, the impact on the current system, impact on voting, security issues, privacy issues, reliability, and accessibility, as well as to review a variety of issues including public confidence in the new voting system. At the time of writing, the MIPAR report was unavailable although SBE expected its release within the next few weeks.

CAPC was also involved in a recent study on electronic voting system and ballot design funded by the National Science Foundation. The study was designed to look at the usability of, and voter confidence in, electronic voting systems and different ballot types. Specifically, the study looked at voter satisfaction, the need for assistance, and the accuracy of votes cast (in terms of voter error) and involved participants using different voting machines to perform selected voting tasks. The report was NOT an evaluation of system security, affordability, durability, transportability, and accessibility by disabled voters. It also used a selection of voting machines but not all those currently available. However, among the six voting systems evaluated was the voting system used in Maryland (Diebold AccuVote-TS). The different ballot designs did not include the ballot design used in Maryland.

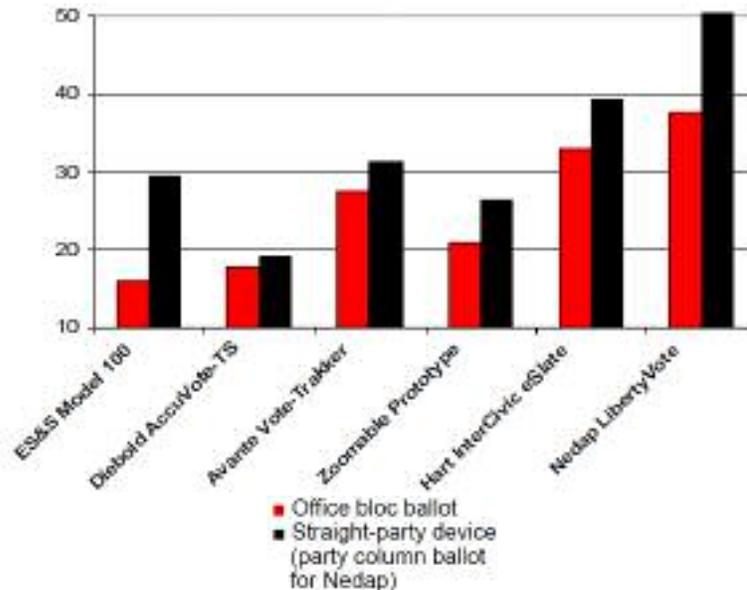
As shown in **Exhibits 2, 3 and 4**, among those systems tested, the Diebold AccuVote-TS scored high in all three categories:

Exhibit 2
CAPC Study of Electronic Voting Systems and Ballot Design:
Average Satisfaction with Each Voting System



Notes: Based on a scale of 1 (least) to 7 (most) positive.
Source: Center for American Politics and Citizenship

Exhibit 3
CAPC Study of Electronic Voting Systems and Ballot Design:
Need for Assistance Using the Machine



Note: Percent of voters report feeling the need for help.
Source: Center for American Politics and Citizenship

Exhibit 4
CAPC Study of Electronic Voting Systems and Ballot Design:
The Impact of Voting Systems on the Accuracy of Voting

<u>Office</u>	ES&S Model 100	Diebold AccuVote TS	Avante Vote Trakker	Zoomable Prototype	Hart InterCivic eSlate	Nedap Liberty Vote
<i>US President</i>	95.7	96.6	96.6	97.4	96.2	96.2
Vote for Two						
<i>State Rep. (1)</i>	95.0	97.0	94.6	97.5	88.6	94.1
<i>State Rep. (2)</i>	94.0	95.3	93.7	95.2	88.3	92.9
Change Vote						
<i>Probate Judge</i>	84.2	85.0	79.6	84.8	86.3	85.1

Source: Center for American Politics and Citizenship

- voter satisfaction (based on confidence that vote was recorded accurately, ease of use, comfort, easy to read, ballot easy to understand, correcting mistakes was easy, changing a vote was easy, and casting a write-in vote was easy);
- ease of use as reflected by the low number of voters feeling the need to ask for help in casting a vote; and
- voter error as reflected in voter accuracy in recording the vote intended by the voter (compared to prerecorded voter intentions).

Interestingly, an analysis of those variables most likely to result in voter satisfaction, ease of use and vote accuracy, concluded for example:

- In terms of ease of use, there was significant evidence of the “digital divide” based on the extent of computer usage, education, age, language, and gender.
- There was also significant evidence of the “digital divide” in terms of accuracy of voting based on the extent of computer usage, education, age, language, gender, and race/ethnicity.
- Partisanship had no impact in terms of voter satisfaction or ease of use but did reveal itself as a factor in terms of accuracy of voting.

Governor’s Proposed Budget

As shown in **Exhibit 5**, the Governor’s fiscal 2007 allowance for SBE increases by slightly more than \$5 million (24.5%) over the fiscal 2006 working appropriation.

Exhibit 5
Governor's Proposed Budget
State Board of Elections
(\$ in Thousands)

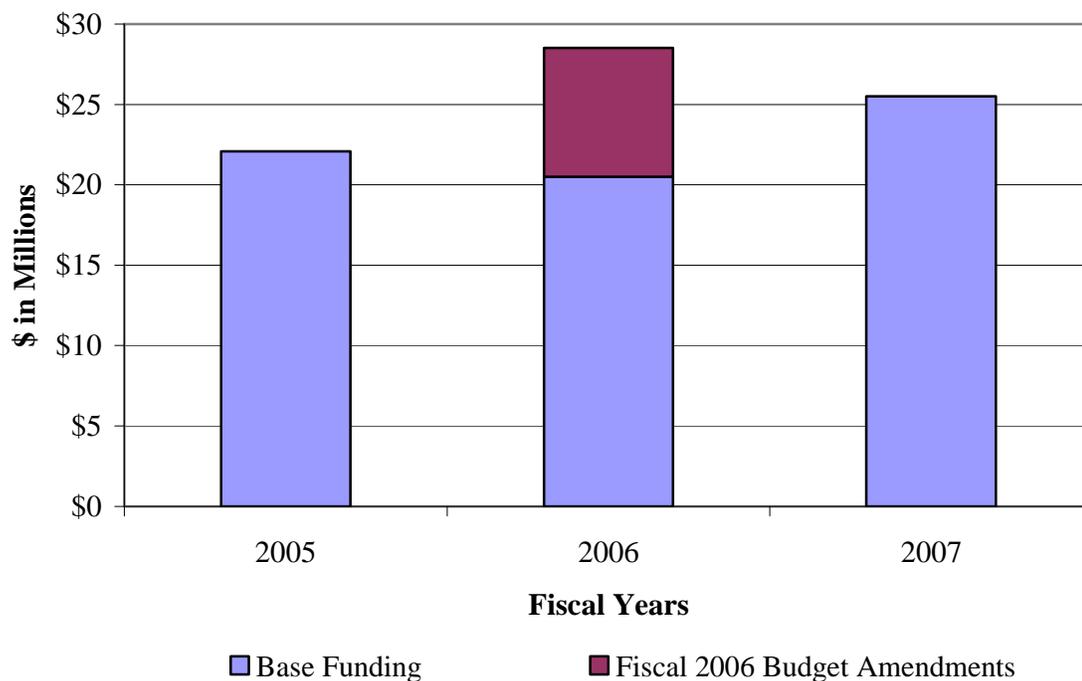
How Much It Grows:	General Fund	Special Fund	Federal Fund	Total
2006 Working Appropriation	\$3,792	\$5,707	\$10,996	\$20,495
2007 Governor's Allowance	<u>12,031</u>	<u>9,961</u>	<u>3,522</u>	<u>25,514</u>
Amount Change	\$8,239	\$4,254	-\$7,474	\$5,019
Percent Change	217.3%	74.5%	-68.0%	24.5%
 Where It Goes:				
Personnel Expenses			\$132	
Employee salary increments				\$42
Fiscal 2007 employee and retiree health insurance				38
Increase due to understatement of fiscal 2006 employee and retiree health insurance				21
Retirement contributions				16
Other fringe benefit adjustments				15
General Administration			\$22	
Telecommunications charges per DBM				143
Contractual employment.....				83
Grants for provisional judges.....				40
Higher printing costs ahead of 2006 election				30
Other				10
Other telecommunications charges (aligned to most recent actual)				-43
Termination of maintenance contracts for old voter registration system				-241
HAVA			\$5,860	
Operation and maintenance of statewide voting system.....				6,446
Capital lease payments				881
Fall in contractual services based on ramp up of services in fiscal 2006 ahead of 2006 elections				-1,290
Contractual employment.....				-177
Statewide Voter Registration System			\$-995	
Transition from system development and implementation to ongoing operations and maintenance				-995
Total				\$5,019

Note: Numbers may not sum to total due to rounding.

As notable as the overall increase in spending is the dramatic change in funding sources supporting SBE. However, this picture of change in SBE’s fiscal 2007 budget is distorted because the fiscal 2006 working appropriation also does not reflect likely expenditure levels.

When all of the budget amendments processed in fiscal 2006 but not yet reflected in the fiscal 2006 working appropriation are included in the working appropriation, as shown in **Exhibit 6**, SBE’s overall spending pattern changes. Rather than showing an increase of just over \$5 million between fiscal 2006 and 2007, spending is projected to fall by \$3 million, 11%. Indeed, this decline may be even steeper according to SBE, as additional expenditures related to the upcoming elections can be anticipated in fiscal 2006.

Exhibit 6
An Alternative View of SBE Spending Changes
Fiscal 2005 – 2007



Source: Department of Legislative Services

Fiscal 2006 to 2007 Expenditure Changes

Personnel and general administration spending increase relatively little between fiscal 2006 and 2007. The major expenditure changes, as would be expected, relate to the statewide voting system or HAVA program, and the new Statewide Voter Registration System (MDVoters).

HAVA Program

As shown in Exhibit 5, it would appear that non-personnel spending on the HAVA program goes up almost \$6 million in fiscal 2007, 55%. However, the three major components of this spending are not what they might seem:

- The more than \$6.4 million increase in spending on the operation and maintenance of the statewide voting system is overstated because it does not reflect processed budget amendments. For example, SBE recently processed a budget amendment that included additional costs of over \$5 million relating to the operations and maintenance of the voting system. This included \$665,000 in unexpected costs and over \$4.3 million in invoices that had been in dispute with Diebold for over a year. The extent of disputed invoices is very high. **SBE should be prepared to discuss its contract monitoring and oversight procedures and specifically discuss the disputed Diebold invoices.**
- A drop in spending on other HAVA-related contracts from fiscal 2006 to 2007 might be anticipated given the preparation that must take place ahead of the 2006 primary and general elections. Contracts include expenditures for a judges training manual, project management, independent verification, and validation of the voting system, as well as voter outreach. However, this decline is understated, again because the fiscal 2006 data does not reflect other processed budget amendments.
- Finally, expenditures on lease payments are also understated in fiscal 2006 because the fiscal 2006 working appropriation does not reflect a budget amendment to backfill with federal funds a fiscal 2006 legislative reduction of \$2 million in special funds. The fiscal 2007 budget also includes \$2 million to finance the final phase of the statewide rollout of the voting machines (in Baltimore City). At this point, this number is still a place-holder.

Statewide Voter Registration System

Expenditure changes relating to the new Statewide Voter Registration System reflect the transition of the system from development/implementation to operations and maintenance. At this time, the total development/implementation costs of this system developed under contract with SABER Consulting are estimated at \$9.3 million.

During the 2005 session, there was considerable discussion about the specific funding responsibilities for this new system. SBE proposed the development of a single, centralized statewide database managed by SBE to replace the multiple voter registration systems previously in place (an SBE voter registration system used by 19 LBEs and five locally developed and maintained mainframe systems). While the fiscal 2006 budget assumed a certain amount of local contribution, no agreement was in place to justify that assumption.

An agreement between SBE and the Maryland Association of Counties is now in place. The State share of system development/implementation costs is \$6 million, funded exclusively through federal HAVA funds, with the remainder the responsibility of the local jurisdictions (divided based on each jurisdiction's percentage of the State's voting age population). Maintenance costs under the

SABER contract (estimated at \$5.2 million through fiscal 2011) will be a State responsibility, again funded through federal HAVA funds. Ancillary costs outside of the SABER contract (for example consulting fees, replacement costs, system connectivity, other required equipment and services not covered in the SABER contract) will be a local responsibility. These ancillary costs are expected to total \$2 million through fiscal 2011.

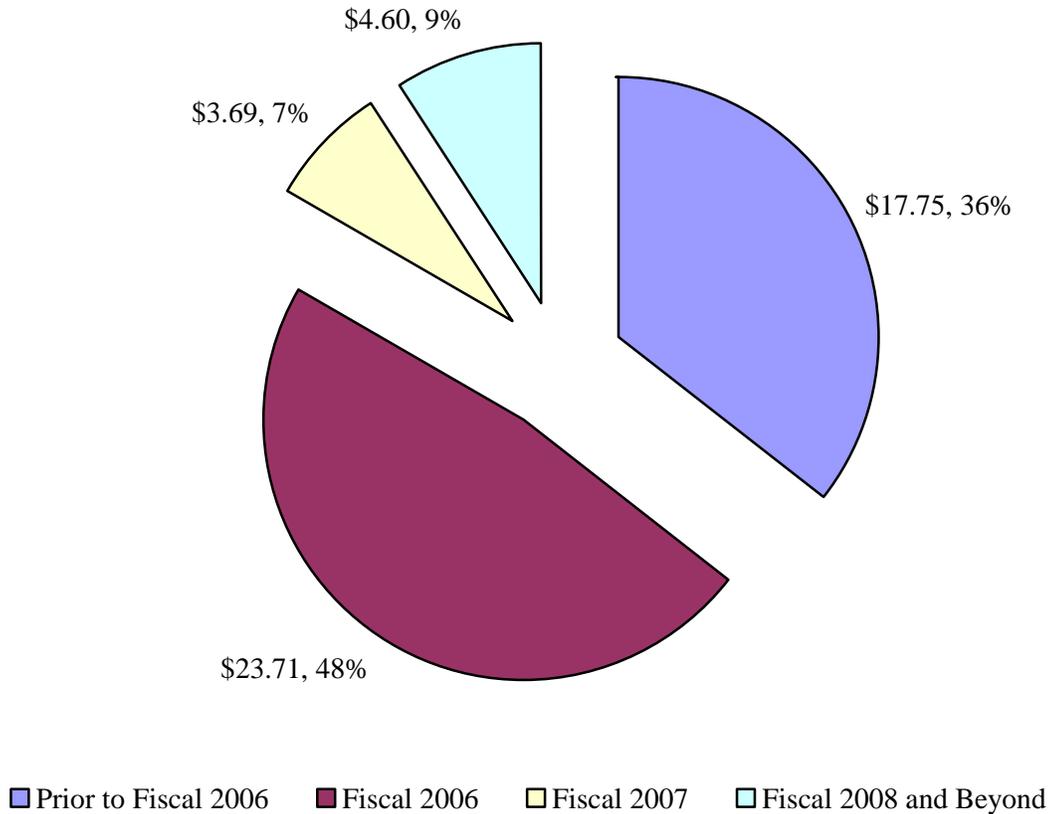
Fiscal 2006 to 2007 Funding Changes

As significant as the expenditure changes between fiscal 2006 and 2007 is the change in funding source. In fiscal 2004 and 2005, Maryland received a total of just over \$49.7 million in federal HAVA funds. These funds were deposited in the Maryland Election Modernization Fund pursuant to Chapter 197, Acts of 2003. These funds included just under \$7.3 million of Title I funds (for improvements in election administration and the replacement of punch-card or lever voting machines) and just under \$42.5 million in Title II funds to implement the key requirements of HAVA such as voting systems, provisional voting and voter information, and voter registration. Title I funds were made available to states on a formula basis. Title II funds were also awarded on a formula basis but contained various matching and maintenance of effort requirements.

Of the total funds received by the State, just over \$30 million were attributed to the cost of the voting system (even though actual expenditures are anticipated to be much higher). Under State law, (Chapter 564, Acts of 2001) this \$30 million was split between the State and all eligible local jurisdictions (all except for Baltimore City) with the local share used to offset the local share of voting system costs (that responsibility also established under Chapter 564).

As shown in **Exhibit 7**, based on SBE's most recent estimate of expenditures for fiscal 2006 and 2007, all but \$4.6 million of the federal HAVA funds will be spent by the end of fiscal 2007 (including all of the federal funds attributed to the local jurisdictions). Virtually all of the remaining funds will be used to offset out-year costs associated with the Statewide Voter Registration System. As a result, as shown in **Exhibit 8**, general fund expenditures, which have remained stable despite the ongoing transformation of the State's election system, increase significantly in fiscal 2007.

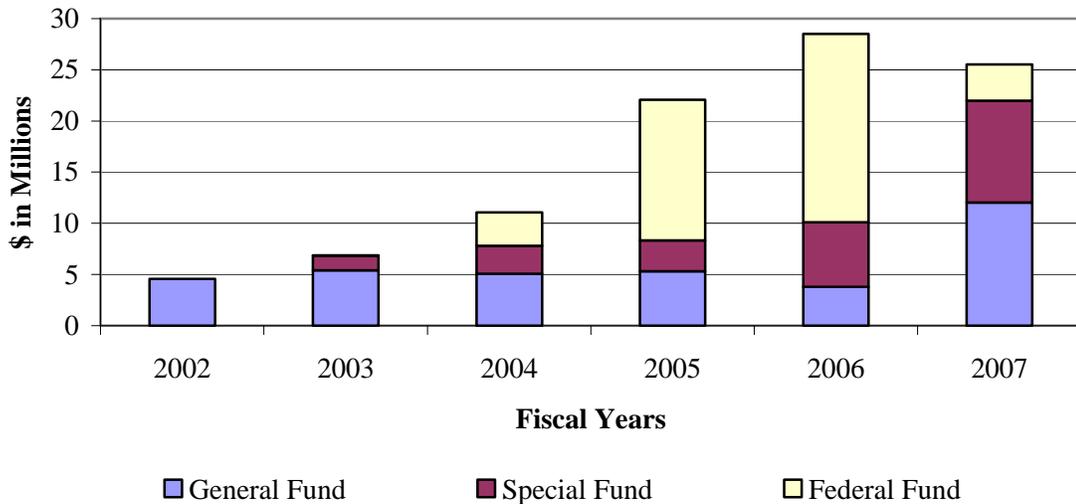
Exhibit 7
SBE Federal HAVA Funds
Expenditures by Fiscal Year
(\$ in Millions)



Note: Expenditures in fiscal 2006 and 2007 are the most recent estimates by SBE and do not reflect expenditures as shown in the Governor's budget books. Expenditures for fiscal 2008 and beyond represent the current estimate of available funds after fiscal 2007.

Source: State Board of Elections

Exhibit 8
SBE: Funding an Election System Post 2000 Election
Fiscal 2002 – 2007



Note: Fiscal 2006 data reflects processed budget amendments; fiscal 2007 is as provided in the allowance.

Source: Department of Legislative Services

It should also be noted that because Maryland recently amended the State Plan required under HAVA to attribute most of the costs of the new Statewide Voter Registration System to HAVA funds, the funds that are currently set aside for future costs associated with that system cannot be used to back-fill for other proposed fiscal 2007 general fund expenses.

Ongoing lease payments and the ongoing operations and maintenance of the voting system and Statewide Voter Registration System together with other election activities will require the level of general fund support proposed in fiscal 2007 to continue in the foreseeable future. Indeed, as shown in **Exhibit 9**, the total estimated costs associated with HAVA activities keeps growing. Other potential significant costs not reflected in these data include any requirement to implement a voter verified receipt (especially as SBE has concluded that the voting machines now in use will not support such a receipt) or electronic pollbooks to effectuate real-time electronic update of a voter's voting status on election day.

The issue of potential additional expenditures has particular pertinence given the override of the Governor's veto of Senate Bill 478 (Chapter 5, Acts of 2006). This legislation concerns early voting. As passed, an uncodified section of the bill requires the Governor to allocate the funds necessary to implement the bill. The question remains as to how SBE intends to implement the bill. A variety of solutions are possible, and estimates of what it would cost to implement the bill will obviously vary according to what solution is chosen. **SBE should be prepared to brief the committees on how it intends to implement Chapter 5, Acts of 2006 and the expected cost of implementation.**

Exhibit 9
Maryland’s Budget for HAVA Activities
(\$ in Millions)

<u>Item</u>	<u>State Plan (May 2004)</u>	<u>State Plan Amendment (2005)</u>	<u>Revised SBE Estimate (2005)</u>
Voting Systems	\$57.5	\$111.8	\$133.3
Statewide Voter Registration System	6.0-12.0	15.4	15.4
Other activities	6.5-9.5	4.8	4.8
Total	\$70.0-79.0	\$132.0	\$153.5

Note: Voting system costs are estimated through fiscal 2014; statewide voter registration costs are estimated through fiscal 2011.

Source: State Board of Elections

Recommended Actions

	<u>Amount Reduction</u>
1. Reduce funds for contractual support. The reduction still provides for a more than 50% increase over the fiscal 2006 legislative appropriation. Further, the State Board of Elections has more vacant positions than it needs to meet turnover requirements and could fill those positions to meet its staffing requirements.	\$ 25,000 GF
Total General Fund Reductions	\$ 25,000

Current and Prior Year Budgets

Current and Prior Year Budgets State Board of Elections (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2005					
Legislative Appropriation	\$5,272	\$2,285	\$8,270	\$0	\$15,827
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	25	4,122	5,573	0	9,720
Reversions and Cancellations	0	-3,394	-69	0	-3,462
Actual Expenditures	\$5,297	\$3,013	\$13,775	\$0	\$22,085
Fiscal 2006					
Legislative Appropriation	\$3,769	\$5,707	\$10,996	\$0	\$20,472
Budget Amendments	23	0	0	0	23
Working Appropriation	\$3,792	\$5,707	\$10,996	\$0	\$20,495

Note: Numbers may not sum to total due to rounding.

Fiscal 2005

The fiscal 2005 legislative appropriation for SBE was increased by \$6.258 million. This increase was derived as follows:

- Budget amendments increased the legislative appropriation by just over \$9.7 million. General funds were increased \$25,000 representing the SBE share of the fiscal 2005 cost-of-living adjustment (COLA) originally budgeted in the Department of Budget and Management (DBM). Special fund and federal fund budget amendments supported a variety of expenses including: \$7.3 million to cover hardware and support contract expenditures, security upgrades, and program management costs all in connection with the operation of the statewide voting system; \$1.5 million to support a new Statewide Voter Registration System; \$0.7 million to offset a general fund reduction made by the legislature because of the availability of federal HAVA dollars; and \$0.2 million for an Independent Verification and Validation of the Statewide voting system.
- The increase in the legislative appropriation resulting from various budget amendments was partially offset by just under \$3.5 million primarily in special fund cancellations.

Fiscal 2006

To date, the fiscal 2006 legislative appropriation has been increased by \$23,000. This increase represents the SBE share of the fiscal 2006 COLA originally budgeted in DBM.

Audit Findings

Audit Period for Last Audit:	July 1, 2000 – April 16, 2003
Issue Date:	March 16, 2004
Number of Findings:	5
Number of Repeat Findings:	4
% of Repeat Findings:	80%
Rating: (if applicable)	n/a

- Finding 1:*** SBE did not sufficiently assess each local board of election’s compliance with election laws and regulations. The administrator disagreed with this finding, specifically noting strengthened oversight in the areas of voter registration, candidacy and campaign finance, ballot preparation, voting systems and polling place procedures, and compliance audit analysis review and follow-up.
- Finding 2:*** SBE’s internal networks were not adequately secured from external threats. The Administrator concurred with this finding and recommendation.
- Finding 3:*** Controls over the processing of non-cash adjustments were inadequate. The administrator concurred with this finding and recommendation.
- Finding 4:*** A control account was not maintained on a current basis and reconciled with the related records. The administrator concurred with this finding and recommendation.
- Finding 5:*** Duties were not adequately separated over certain payroll processing functions. The administrator concurred with this finding and recommendation.

*Bold denotes item repeated in full or part from preceding audit report.

**Object/Fund Difference Report
State Board of Elections**

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	32.50	32.50	32.50	0	0%
02 Contractual	12.00	9.00	5.50	-3.50	-38.9%
Total Positions	44.50	41.50	38.00	-3.50	-8.4%
Objects					
01 Salaries and Wages	\$ 1,422,753	\$ 1,982,114	\$ 2,113,930	\$ 131,816	6.7%
02 Technical & Spec Fees	236,702	335,727	241,563	-94,164	-28.0%
03 Communication	299,447	379,766	476,611	96,845	25.5%
04 Travel	23,635	18,000	22,606	4,606	25.6%
07 Motor Vehicles	1,234	2,459	2,618	159	6.5%
08 Contractual Services	2,953,693	9,077,141	2,624,101	-6,453,040	-71.1%
09 Supplies & Materials	48,572	25,451	19,642	-5,809	-22.8%
10 Equip - Replacement	329,084	42,500	0	-42,500	-100.0%
11 Equip - Additional	9,673,117	5,187,294	6,068,430	881,136	17.0%
12 Grants, Subsidies, and Contributions	6,865,017	3,082,468	13,568,596	10,486,128	340.2%
13 Fixed Charges	231,389	361,999	375,857	13,858	3.8%
Total Objects	\$ 22,084,643	\$ 20,494,919	\$ 25,513,954	\$ 5,019,035	24.5%
Funds					
01 General Fund	\$ 5,296,878	\$ 3,791,938	\$ 12,030,978	\$ 8,239,040	217.3%
03 Special Fund	3,013,135	5,707,381	9,961,060	4,253,679	74.5%
05 Federal Fund	13,774,630	10,995,600	3,521,916	-7,473,684	-68.0%
Total Funds	\$ 22,084,643	\$ 20,494,919	\$ 25,513,954	\$ 5,019,035	24.5%

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.

**Fiscal Summary
State Board of Elections**

<u>Program/Unit</u>	<u>FY05 Actual</u>	<u>FY06 Wrk Approp</u>	<u>FY07 Allowance</u>	<u>Change</u>	<u>FY06 - FY07 % Change</u>
01 General Administration	\$ 4,167,153	\$ 3,791,938	\$ 3,932,465	\$ 140,527	3.7%
02 Federal Help America Vote Act Funding	16,915,175	10,702,981	16,576,489	5,873,508	54.9%
03 Major IT Projects	1,002,315	6,000,000	5,005,000	-995,000	-16.6%
Total Expenditures	\$ 22,084,643	\$ 20,494,919	\$ 25,513,954	\$ 5,019,035	24.5%
General Fund	\$ 5,296,878	\$ 3,791,938	\$ 12,030,978	\$ 8,239,040	217.3%
Special Fund	3,013,135	5,707,381	9,961,060	4,253,679	74.5%
Federal Fund	13,774,630	10,995,600	3,521,916	-7,473,684	-68.0%
Total Appropriations	\$ 22,084,643	\$ 20,494,919	\$ 25,513,954	\$ 5,019,035	24.5%

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.