DEBRA BOWEN | SECRETARY OF STATE
STATE OF CALIFORNIA | ELECTIONS
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March 13, 2007

To: County Clerks/Registrars of Voters (07037)

From: _____
Chris Reynolds, HAVA Coordinator

Subject: EAC Pre-Approval Needed for All Physical Plant Capital Expenditures

At a recent HAVA auditing workshop conducted by the federal Election Assistance Commission (EAC), EAC staff provided some important information about reimbursement for physical plant capital expenditures (e.g. warehouse and warehouse modification costs).

You may recall that California had extensive discussions with the EAC staff about whether warehouse improvements necessary to store, secure and protect the investment in new voting equipment were an "allowable" expense (i.e. could HAVA funds be used to reimburse counties for these expenses). The EAC informed California that those expenses are not directly related to the HAVA Title III requirements (voting system standards, voter registration database requirements, provisional voting rights, voter education requirements, etc.), so the costs were only allowable/reimbursable if the payments were made under Section 251 (b) as a "minimum requirements payment."

In response to the EAC guidance, California notified the EAC that it would utilize the provisions in Section 251 (b) and create a proportionate share of its minimum requirements payment for each county in the Voting System Upgrade, Section 301 contract to allow counties to be reimbursed for:

- Storage and warehouse costs
- Cell phones
- Forklifts
- VVPAT retrofits

Several counties indicated their intent to use HAVA funds for the purpose of storage and warehouse purchases or modifications, if such were allowable expenses. Having worked with the EAC staff on submittal of the certification that California (and its counties) would use its Section 251 (b) "minimum requirements payment," a CCROV memo was issued on April 6, 2006 (#06145) informing counties that the four items listed above were allowable expenses, up to the maximum amount of the minimum requirements payment allocated to each county. Further, the Voting System Upgrade, Section 301 contracts, were amended to explicitly allow for these costs to be reimbursed in that manner. (Please note that the costs must be allocable to HAVA and that only the portion

of the cost devoted to HAVA activities can be claimed [i.e. the warehouse would have to be used ONLY for storing voting equipment if it is to be 100% reimbursable as a HAVA cost.])

That was the good news; now the not-so-good news. At the EAC workshop, states were informed that any of the expenses related to storage and warehouse costs must be pre-approved as allowable expenses by the EAC, regardless of the dollar amount of the cost and regardless of whether it is a part of a state's minimum requirements payment.

Please be aware that any claim submitted for reimbursement that includes a request to reimburse costs related to warehousing, storage, modifications, etc., will now need to be forwarded to the EAC for pre-approval before reimbursement can be made. In order to allow us to begin this pre-approval process and expedite reimbursement for your expenses, if you know that your county is planning to seek reimbursement for this kind of expenditure, please submit a request now to the Secretary of State's Office at:

Secretary of State
1500 11th Street, 6th floor
Sacramento, CA 95814
Attn. Chris Reynolds (pre-approval request)

Please include a one-page description of your plans with any supporting documentation (bids, quotes, estimates, invoices) that:

1. Explains the plans for expenditure of funds (e.g. purchase of warehouse space, modifications to warehouse space, rental of warehouse space, etc.)
2. Provides a general description of the plans (e.g. 5,000 square feet of space to house 800 [vendor name] DRE voting units on electrified racks, etc.)
3. Provides a justification of the need for the expenditure (e.g. the units are 3' x 5' and require storage to prevent damage and to ensure voting system security)
4. Identifies the cost and the portion that is an allocable HAVA cost (e.g. the improved $600,000 warehouse will be used only for storing voting equipment purchased to meet the requirements of HAVA Section 301 and is therefore 100% allocable to HAVA; the warehouse cannot and will not be used for other purposes because it is under the control, supervision and ownership of the elections official)
5. Specifies that the cost is less than the county's share of the state's minimum requirements payment as provided by the state to the EAC on April 3, 2006, or that no more than the county's share of the state's minimum requirements payment will be used for this purpose. (Attached is a copy of a spreadsheet that lists all counties minimum requirements payment amount.)

Thank you for your assistance. If you have any questions, please contact me at: 916-651-7837.

Distribution of the Help America Vote Act (HAVA) Funds by County

Counties	Percentage of the Proposition 41 Formula	Section 251 Payment Amount $195 Million	Minimum Requirements Payment Amount $11,596,803	Section 251 Payment Minus Minimum Requiements Payment
Alameda	4.502%	$ 8,779,360.86	$ 522,115.48	$ 8,257,245.38
Alpine	0.004%	$ 8,115.19	$ 482.62	$ 7,632.57
Amador	0.172%	$ 335,363.98	$ 19,944.36	$ 315,419.62
Butte	0.754%	$ 1,469,905.57	$ 87,416.44	$ 1,382,489.13
Calavares	0.164%	$ 319,548.93	$ 19,003.83	$ 300,545.11
Colusa	0.062%	$ 121,292.74	$ 7,213.37	$ 114,079.37
Contra Costa	3.455%	$ 6,736,389.70	$ 400,618.38	$ 6,335,771.32
Del Norte	0.084%	$ 164,420.41	$ 9,778.21	$ 154,642.20
El Dorado	0.562%	$ 1,095,674.94	$ 65,160.65	$ 1,030,514.29
Fresno	2.188%	$ 4,266,077.65	$ 253,706.98	$ 4,012,370.66
Glenn	0.093%	$ 180,968.11	$ 10,762.32	$ 170,205.79
Humboldt	0.506%	$ 986,044.95	$ 58,640.87	$ 927,404.08
Imperial	0.335%	$ 653,218.33	$ 38,847.41	$ 614,370.93
Inyo	0.081%	$ 158,387.99	$ 9,419.46	$ 148,968.53
Kern	1.745%	$ 3,401,866.46	$ 202,311.67	$ 3,199,554.79
Kings	0.298%	$ 581,008.11	$ 34,553.01	$ 546,455.10
Lake	0.214%	$ 417,320.58	$ 24,818.38	$ 392,502.19
Lassen	0.107%	$ 207,796.11	$ 12,357.80	$ 195,438.32
Los Angeles	25.455%	$ 49,636,590.28	$ 2,951,926.97	$ 46,684,663.31
Madera	0.329%	$ 642,094.85	$ 38,185.88	$ 603,908.97
Marin	0.964%	$ 1,879,587.19	$ 111,780.52	$ 1,767,806.66
Mariposa	0.075%	$ 145,591.18	$ 8,658.42	$ 136,932.76
Mendocino	0.318%	$ 620,444.80	$ 36,898.34	$ 583,546.46
Merced	0.542%	$ 1,056,294.37	$ 62,818.66	$ 993,475.72
Modoc	0.039%	$ 76,314.42	$ 4,538.48	$ 71,775.95
Mono	0.047%	$ 91,998.83	$ 5,471.24	$ 86,527.58
Monterey	1.021%	$ 1,991,025.08	$ 118,407.82	$ 1,872,617.26
Napa	0.457%	$ 891,111.44	$ 52,995.10	$ 838,116.34
Nevada	0.444%	$ 866,431.28	$ 51,527.35	$ 814,903.94
Orange	8.606%	$ 16,782,377.26	$ 998,061.14	$ 15,784,316.11
Placer	1.034%	$ 2,015,870.78	$ 119,885.42	$ 1,895,985.36
Plumas	0.090%	$ 176,139.87	$ 10,475.18	$ 165,664.70
Riverside	3.851%	$ 7,509,478.39	$ 446,594.57	$ 7,062,883.82
Sacramento	3.960%	$ 7,721,635.32	$ 459,211.71	$ 7,262,423.61
San Benito	0.155%	$ 303,222.05	$ 18,032.85	$ 285,189.20
San Bernardino	4.100%	$ 7,995,027.76	$ 475,470.57	$ 7,519,557.18
San Diego	8.578%	$ 16,726,146.94	$ 994,717.08	$ 15,731,429.86
San Francisco	2.945%	$ 5,742,339.82	$ 341,501.45	$ 5,400,838.37
San Joaquin	1.682%	$ 3,279,406.93	$ 195,028.90	$ 3,084,378.03
San Luis Obispo	0.867%	$ 1,690,189.44	$ 100,516.89	$ 1,589,672.55
San Mateo	2.344%	$ 4,569,941.98	$ 271,778.04	$ 4,298,163.94
Santa Barbara	1.410%	$ 2,749,794.06	$ 163,532.41	$ 2,586,261.65
Santa Clara	4.874%	$ 9,503,395.64	$ 565,174.40	$ 8,938,221.25
Santa Cruz	0.871%	$ 1,698,327.79	$ 101,000.89	$ 1,597,326.90
Shasta	0.593%	$ 1,156,557.13	$ 68,781.36	$ 1,087,775.77
Sierra	0.022%	$ 43,825.14	$ 2,606.32	$ 41,218.83
Siskiyou	0.189%	$ 368,246.57	$ 21,899.91	$ 346,346.66
Solano	1.178%	$ 2,297,314.22	$ 136,623.08	$ 2,160,691.14
Sonoma	1.677%	$ 3,269,773.85	$ 194,456.02	$ 3,075,317.84
Stanislaus	1.251%	$ 2,438,812.87	$ 145,038.11	$ 2,293,774.75
Sutter	0.255%	$ 497,078.20	$ 29,561.63	$ 467,516.57
Tehama	0.198%	$ 386,407.44	$ 22,979.95	$ 363,427.49
Trinity	0.060%	$ 117,825.36	$ 7,007.17	$ 110,818.20
Tulare	0.907%	$ 1,768,204.25	$ 105,156.49	$ 1,663,047.76
Tuolumne	0.211%	$ 410,726.23	$ 24,426.21	$ 386,300.02
Ventura	2.347%	$ 4,576,270.14	$ 272,154.38	$ 4,304,115.76
Yolo	0.557%	$ 1,085,882.12	$ 64,578.26	$ 1,021,303.85
Yuba	0.174%	$ 339,538.10	$ 20,192.60	$ 319,345.50
		$ 195,000,000.00	$ 11,596,803.00	$ 183,403,197.00

Source: Secretary of State