

# **VOTING MODERNIZATION BOARD**

## Policies and Procedures Manual

**VOTING MODERNIZATION BOARD**  
**Policies and Procedure Manual**  
**Table of Contents**

**I. Voting Modernization Act of 2002 (Proposition 41)**

- A. Purpose
- B. Voting Systems
- C. Voting Modernization Board
- D. Voting Modernization Finance Committee
- E. County Eligibility
- F. Rejection of County Applications

**II. Purpose and Responsibilities of the Voting Modernization Board**

- A. Purpose of the Board
- B. Responsibilities of the Board
- C. Authority of the Board

**III. Board Organization and Operating Procedures**

- A. Organization
- B. Meetings
- C. Reporting and Record Retention

**IV. Board Member Information**

- A. Oath of Office
- B. Conflict of interest
- C. Bagley-Keene Open Meeting Act
- D. Expense Reimbursement

## **V. Bond Issuance**

- A. Summary
- B. Sources of Funds
- C. Process of Funding

### **Appendices:**

- A. Proposition 41 and Assembly Bill No. 56
- B. Election Reform Bills-House/Senate Side by Side and Analysis (National Association of Secretaries of State)
- C. Fair Political Practices Commission conflict of interest information
- D. ACLU lawsuit Consent Decree and Final Judgment and Secretary of State's Decertification Proclamation
- E. Attorney General's Office guide to the Bagley-Keene Open Meeting Act
- F. Primary Contact Listing for Proposition 41
- G. Procedures for Approving, Certifying, Reviewing, Modifying and Decertifying Voting Systems, Vote Tabulating Systems, Election Observer Panel Plan, and Auxiliary Equipment, Materials, and Procedures
- H. Voting Systems Vendors Update and Voting Systems Used by the Counties
- I. Board Member Biographies
- J. State requirements for Expense Reimbursement and Travel Expense Claim

## **I. VOTING MODERNIZATION ACT OF 2002 (PROPOSITION 41)**

### **A. Purpose**

The Voting Modernization Act of 2002 allows the State to sell \$200 million in general obligation bonds for updated voting systems. The money raised from these bond sales will assist counties in the purchase of new voting equipment that is certified by the Secretary of State.

### **B. Voting Systems**

"Voting system," means any voting machine, voting device, or vote-tabulating device that does not utilize pre-scored punch card ballots. The Secretary of State has authority under the California Elections Code to approve and certify voting systems.

### **C. Voting Modernization Board**

The five-member Voting Modernization Board (Board) created by the Act is responsible for considering applications and awarding bond monies to counties for the purchase of new voting equipment that meets the required specifications. The Act specifies that the Board shall consist of two members appointed by the Secretary of State and three members appointed by the Governor.

### **D. Voting Modernization Finance Committee**

A three-member Voting Modernization Finance Committee (Committee) is responsible for the issuance and sale of the bonds authorized by the Act in accordance with the State General Obligation Bond Law. The Committee consists of the State Controller, the Director of Finance, and the State Treasurer, or their designated representatives. The Treasurer serves as chairperson of the Committee.

Upon request of the Board, supported by a statement of its plans and projects approved by the Governor, the Committee shall determine whether to issue any bonds authorized under the Act to carry out the Board's plans and projects, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out these plans and projects progressively, and it is not necessary that all of the bonds be issued or sold at any one time.

#### E. County Eligibility

A county is eligible to apply to the Board for fund money if it meets all of the following requirements:

1. The county has purchased a new voting system after January 1, 1999, and is continuing to make payments on that system as of March 6, 2002.
2. The county matches fund moneys at a ratio of one dollar (\$1) of county moneys for every three dollars (\$3) of fund moneys.
3. The county has not previously requested fund money for the purchase of a new voting system.

Applications for expansion of an existing system or components related to a previously approved application shall be accepted.

#### F. Rejection of County Applications

The Board has the authority to reject any application for fund money it deems inappropriate, excessive, or not compliant with the intent of the Act. A county whose application is rejected is allowed to submit an amended application.

## **II. PURPOSE AND RESPONSIBILITIES OF THE VOTING MODERNIZATION BOARD**

#### A. Purpose of the Board

The Voting Modernization Board is established for two purposes:

1. To request the Committee to cause bonds to be issued for the purpose of creating a Voting Modernization Fund that is to be expended by the Board for the purposes specified in the Act.
2. To administer the Voting Modernization Fund.

#### B. Responsibilities of the Board

The responsibilities of the Board include:

1. Preparing statements of plans and projects for approval by the Governor.

2. Requesting the issuance of bonds by the Committee to carry out approved plans and projects.
  3. Approving or rejecting county applications for funding.
  4. Allocating funds to counties in accordance with their approved applications and the specific provisions of the Act.
- C. Authority of the Board
- The authority of the Board includes:
1. Requesting the issuance of bonds for the purposes of the Act and in accordance with plans and projects approved by the Governor.
  2. Rejecting applications for Fund money it deems inappropriate, excessive, or not in compliance with the intent of the Act.
  3. Establishing and administering policies and procedures to allocate funds to counties in accordance with their approved applications and the specific provisions of the Act.

### **III. BOARD ORGANIZATION AND OPERATING PROCEDURES**

#### **A. Organization**

1. The Board consists of five members, three selected by the Governor and two selected by the Secretary of State.
2. The Chair is nominated by at least one other member of the Board and elected by at least three members of the Board. The Chair is nominated and elected at the first Board meeting. The Chair presides at all meetings of the Board until the business of the Board is completed, the Chair is removed, or voluntarily terminates. A Vice Chair is also nominated and elected at the first Board meeting. The Vice Chair is the presiding officer in the absence of the Chair.
3. The Secretary of State shall provide resources and administrative services to the Board in accordance with a Memorandum of Understanding with the Board.

#### **B. Meetings**

1. The Board will initially meet in Sacramento and thereafter shall hold meetings at such times and places as determined by the Board on an as needed basis until the business of the Board is completed.

2. A written notice of the time, place and agenda of each meeting will be issued as provided by California law.
  3. Meetings shall follow Roberts' Rules of Order or alternative rules adopted by the Board.
  4. Three members of the Board shall constitute a quorum for the purpose of transacting any business of the Board. A majority vote of that quorum is sufficient to carry an item under consideration.
  5. Meeting minutes shall be prepared for each meeting and will specify the actions taken on each agenda item. Minutes (with the exception of minutes taken at closed meetings) are public records. The minutes are not legally approved until the Board votes such approval.
- C. Reporting and Record Retention
1. The Board shall prepare and distribute quarterly, annual, biennial and special reports in accordance with state reporting requirements.
  2. Board administrative records shall be retained for the life of the Board. When the Board is terminated, the Secretary of State shall retain the records for an additional five years.

#### **IV. BOARD MEMBER INFORMATION**

A. Oath of Office

The Secretary of State, or his designee, for each Board member at the beginning of their first meeting, will administer the oath of office.

B. Conflict of Interest

Conflict of interest rules prepared by the Fair Political Practices Commission are included in Appendix C.

C. Bagley-Keene Open Meeting Act

A summary of the open meeting law prepared by the Attorney General is located in Appendix E.

D. Expense Reimbursement

Excerpts from the State Administrative Manual covering reimbursement of Board member expenses and a travel expense claim are included in Appendix J.

## V. BOND ISSUANCE

### A. Summary

#### 1. Authority to Issue Bonds

Section 19234 of the Elections Code allows the State to sell \$200 million in general obligation bonds to assist counties in the purchase of updated voting systems. The Board may request the sale of these bonds and the Committee shall, based on cash flow needs, determine whether to issue any bonds.

#### 2. Process for Selling Bonds

The Treasurer has the authority to determine the process and timing for selling bonds.

#### 3. Availability of Funds Prior to the Sale of Bonds

The Board may request a loan from the Pooled Money Investment Account for use prior to the sale of bonds. The request would be made to the Pooled Money Investment Board and may be for any amount up to the amount of the bonds, which have been authorized for sale by the Committee but not yet sold.

### B. Sources of Funds

#### 1. Issue and Sale of Bonds

Section 19240 of the Elections Code allows the Board to request that the Committee authorize the Treasurer to issue and sell bonds.

#### 2. General Fund

Section 19238 of the Elections Code allows the Director of Finance, by executive order, to authorize sums to be deposited into the Voting Modernization Fund. Such sums must be repaid, with interest, from the proceeds of bond sales.

#### 3. Pooled Money Investment Account

Section 19239 of the Elections Code allows the Board to request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account. Such loans must be repaid, with interest, from the proceeds of bond sales.



## C. Process of Funding

### 1. Issue and Sale of Bonds

- a. The Board may request the Committee to authorize the issue and sale of bonds.
- b. The request to the Committee must be accompanied by a statement of the Board's plans and projects approved by the Governor.
- c. The Committee has the authority to determine whether or not to issue any bonds.
- d. The Committee authorizes the issue and sale of bonds through a resolution.
- e. The Committee authorizes the Treasurer to sell all or any part of the bonds authorized in Section 19234(a).
- f. The Committee may authorize the Treasurer to sell any issue of bonds at less than par value if the Committee deems it necessary for an effective sale of the bonds. The discount may not exceed three percent of the par value.
- g. The bonds may be sold at the time or times established by the Treasurer.

### 2. General Fund

- a. The Director of Finance, by executive order, may authorize that the funds be deposited into the Voting Modernization Fund from the General Fund.
- b. The funds authorized cannot exceed the amount of the unsold bonds, which have been authorized by the Committee to be sold.
- c. The Board must return the funds to the General Fund when proceeds from the sale of bonds are available.
- d. Repayment to the General Fund must include interest on the funds in the amount that would have been earned in the Pooled Money Investment Account.

### 3. Pooled Money Investment Account

- a. The Board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account.
- b. The amount of the request cannot exceed the amount of the unsold bonds, which have been authorized by the Committee to be sold.
- c. The Board is authorized to execute any documents required by the Pooled Money Investment Board to obtain and repay the loan.
- d. The repayment to the Pooled Money Investment Account will be made from proceeds of the sale of bonds.
- e. The repayment will include interest at a rate and time stipulated by the loan agreement.