



Stephen Kaufman, Chair

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Voting Modernization Board

Modernizing Voting Equipment in California

To: Voting Modernization Board

From: /s/ Paula Ritter
Staff Consultant, Voting Modernization Board

Re: May 10, 2020, Meeting Staff Report– Discussion on the
Additional Funding Round and Unallocated Funds

The purpose of this memo is to examine the remaining unallocated funds under the Voting Modernization Bond Act of 2002 (“Act” or “Prop 41”) and to propose a plan to dispense with them.

Originally, the Voting Modernization Board (VMB) was established to oversee the modernization of voting systems for each California county, with an allotment of \$195 million.

Final Round of Funding:

On August 11, 2021, the Board voted to implement a final deadline of December 20, 2021, for counties to request reimbursement of any unspent amounts from their original allotments. After the Final Round of Funding, any unawarded amounts would revert back to the Voting Modernization Fund.

On February 9, 2022, with remaining allotments of \$13,698,052.55, the Board awarded \$2,022,677.45 to five counties that submitted their Project Documentation Plans (PDPs) by the final deadline. The board voted to review the applications of four additional counties at the next board meeting; these counties needed additional time to revise the PDPs they submitted by the December 20, 2021, deadline.

At the May 10, 2022, staff is recommending the board award \$108,160.69 to two of the counties with remaining funds from their original allotments, leaving a remainder of \$11,567,214.41 available for the Additional Funding Round.

Table 1 Final Round of Funding	
Remaining Allocations prior to Final Round	\$13,698,052.55
Awarded at 2/9/2022 meeting:	
Calaveras	\$89,202.38
Humboldt	\$65,891.85
San Diego	\$878,714.12
Santa Barbara	\$982,363.00
Sonoma	\$6,506.10
Total awarded 2/9/2022	\$2,022,677.45
Recommend to Award at 5/10/2022 meeting	
Placer	\$35,289.19
Solano	\$72,871.50
Total recommended award 5/10/2022	\$108,160.69
Remainder	\$11,567,214.41

Additional Funding Round:

On February 9, 2022, the Board voted to offer an Additional Funding Round that required counties to submit an Application for Additional Funding Consideration (Applications) and a Governing Board Resolution (Resolution). Applications for the Additional Funding Round were due April 6, 2022.

We received Applications from five counties by the deadline requesting VMB funding totaling \$4,230,559.57. The allowable items included in the Applications total \$2,779,343.97; we recommend approving the allowable amounts requested. Approval of the allowable amounts will require county matching funds of \$926,447.99 with combined project totals of \$3,705,791.96.

Some counties that submitted Applications were unable to provide a Resolution by the April 6, 2022, deadline. We recommend the Board grant an extension of time, until May 25, 2022, for the counties to submit their Resolutions.

If the awards and allotments approved under both the Final Round of Funding and the Additional Funding Round are paid in full, there will be a remainder of \$8,787,870.44 in the Fund.

Table 2 Additional Funding Round					
County	2022 Applications Received	Unallowable	Recommended Allotment	County Match	Project Total
Los Angeles	\$2,155,925.18	(\$1,338,965.63)	\$816,959.55	\$272,319.85	\$1,089,279.40
Mono	\$2,182.50		\$2,182.50	\$727.50	\$2,910.00
San Joaquin	\$437,769.00	(\$9,600.00)	\$428,169.00	\$142,723.00	\$570,892.00
Santa Clara	\$1,606,116.20	(\$74,083.28)	\$1,532,032.92	\$510,677.64	\$2,042,710.56
Sonoma	\$28,566.69	(\$28,566.69)	\$0.00	\$0.00	\$0.00
Total	\$4,230,559.57	(\$1,451,215.60)	\$2,779,343.97	\$926,447.99	\$3,705,791.96
Remainder from 2002 Initial Funding Allocations			\$11,567,214.41		
Unallocated Funds			\$8,787,870.44		

We considered the following options for disposition of the remaining funds:

1) Authorize another funding round.

The Board could authorize another funding round in an attempt to disburse the remaining funds. Since there are other funding options available to the counties that do not have the same restrictions as Prop 41 funds and those options do not require the same level of documentation, there appears to be an understandable lack of interest in submitting applications for VMB funding.

If the Board were to approve this option, we recommend surveying the counties to gauge both the level of participation that can be expected, and what a workable timeframe would be, prior to authorizing another funding round.

A survey could be issued to the counties in July 2022, with the results to be reviewed at the August 24, 2022, Board meeting. If the survey results indicate a low level of participation, an extended timeframe, or both, the Board would have that information available to them to assist with making a decision.

2) Extend the deadline for the Additional Round of Funding.

Extending the deadline by an additional 60 days may allow additional counties that did not have the resources available to complete their Applications by the April 6, 2022, deadline to participate. Fresno, Placer, and Ventura have expressed interest in submitting applications if we were to extend the deadline. Also, San Joaquin has expressed interest in amending their existing application to include additional equipment.

If the Board were to approve this option, we recommend extending the timeline as follows:

- a) Application submission deadline of July 6, 2022
- b) Project Documentation Packages (PDPs) submission deadline of September 21, 2022
- c) Payment Request submission deadline of March 22, 2023

This option would not penalize the counties that submitted their applications timely, we recommend approving their applications now, and any future applications received will share the remaining unallocated funds of \$8,787,870.44.

Table 3 Key Meeting Dates and Deadlines		
Meetings and Deadlines	Existing Dates	Option 2 Extension Dates (Proposed)
Application submission deadline	Wednesday, April 6, 2022	Wednesday, July 6, 2022
Board Meeting (review applications and allocation of funds calculation)	Wednesday, April 27, 2022	Wednesday, August 24, 2022
PDP submission deadline	Wednesday, May 25, 2022	Wednesday, September 21, 2022
Board Meeting (review PDPs)	Wednesday, June 22, 2022	Wednesday, October 26, 2022
Board Meeting	Wednesday, August 24, 2022	TBD
Board Meeting	Wednesday, October 26, 2022	TBD
Payment request deadline	Wednesday, December 7, 2022	Wednesday, March 22, 2023
Board Meeting	Wednesday, December 14, 2022	Wednesday, March 29, 2023

3) Close the Fund.

Prop 41 funds have been available to the counties since 2002. Since our request for applications for an Additional Funding Round did not generate applications that indicate the remaining funds will be exhausted, and due to the understandable lack of interest mentioned in Option 1 above, it seems unlikely that there will be any significant requests for VMB funding in the future.

If the board were to consider this option, additional research will be required to determine how this would be accomplished. VMB Staff could provide the results of the research at the August 24, 2022, Board meeting.

Summary of Board decisions required from this Staff Report:

1. Decision on recommended approval of allotments totaling \$2,779,343.97 for the Additional Funding Round
2. Decision on recommended approval of an extension of time, until May 25, 2022, for the counties that submitted Applications by the deadline to submit their Governing Board Resolutions
3. Decision on disposition of unallocated funds -
 - a. If the Board votes to authorize another funding round:
 - i. does the board approve the issuance of a county survey?
 - ii. does the board approve the recommended dates for the survey?
 - b. If the Board votes to extend the deadline for the Additional Funding Round:
 - i. does the Board want to vote now on the recommended allotments for the counties who submitted their applications timely?
 - ii. does the Board approve the proposed timeline for the extension?
 - c. If the Board votes to close the Fund, does the Board approve allowing VMB staff until the August 24, 2022, meeting to conduct the required research?