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The State of Texas

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Elections Division
P.O. Box 12060
Austin, Texas 78711-2060
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Phone: 512-463-5650
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Dial 7-1-1 For Relay Services
(800) 252-VOTE (8683)

Roger Williams
Secretary of State

March 2, 2007

State HAVA Funding Reports
U.S. Election Assistance Commission
1225 New York Avenue, NW – Suite 1100
Washington, DC 20005

RE: Help America Vote Act ("HAVA") Title I, Sections 101 and 102 Financial Activity Report for January 1, 2006 thru December 31, 2006

The purpose of this letter is to report on the Texas HAVA Title I, Sections 101 and 102 financial activities for the time period covering January 1, 2006 thru December 31, 2006 as requested by the U.S. Election Assistance Commission. Specifically, this report will list expenditures by program, function, or task (including dollar amount) made with respect to each category of activities described for the permissible use of funds in HAVA sections 101(b) and 102(a)(2); including the following:

- the number and type of articles of voting equipment obtained with the funds; and
- an analysis and description of:
  - the activities funded to meet HAVA requirements; and
  - how such activities conform to the submitted state plan.

The federal 269 reports for Sections 101 and 102 are attached to this report.

Each of the Title I funded activities outlined in the Texas HAVA State Plan filed with the EAC corresponds to a subtitle below, which includes the budgeted amount for that purpose, the 2006 expenditures, and a description of the activities carried out in 2006.

Punch Card and Lever Replacement
Budget $6,269,521 - 2006 Expenditures $1,872,872

The SOS dispersed $1,872,872 to counties that used punch card or lever voting systems during the 2000 federal election. The funding acquired approximately 1100 electronic voting devices – 350 of which are accessible to individuals with the full range of disabilities while 744 are DREs without the accessible upgrades.

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FINANCIAL STATUS REPORT
(Long Form)
(Follow instructions on the back)

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1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency	OMB Approval No. 0348-0039	Page
U.S. Election Assistance Commission	CFDA #39.011 - Section 101 of HAVA Title I		1 of 1 page

3. Recipient Organization (Name and complete address, including ZIP code)
Texas Secretary of State, Financial Management, PO Box 12887, Austin, Texas 78711-2887

4. Employer Identification Number	5. Recipient Account Number or Identifying Number	6. Final Report	7. Basis
74-6000143	0502	Yes (No)	Cash (Accrual)

8. Funding/Grant Period *(See instructions)* From: (Month, Day, Year)	To: (Month, Day, Year)	9. Period Covered by this Report From: (Month, Day, Year)	To: (Month, Day, Year)
5/1/2003	Until Disbursed	1/1/2006	12/31/2006

10. Transactions:	I Previously Reported	II This Period	III Cumulative
a. Total outlays	942,682.32	4,920,738.50	5,863,420.82
b. Refunds, rebates, etc.			0.00
c. Program income used in accordance with the deduction alternative			0.00
d. Net outlays *(Line a, less the sum of lines b and c)*	942,682.32	4,920,738.50	5,863,420.82
Recipient's share of net outlays, consisting of:			
e. Third party (in-kind) contributions			0.00
f. Other Federal awards authorized to be used to match this award			0.00
g. Program income used in accordance with the matching or cost sharing alternative			0.00
h. All other recipient outlays not shown on lines e, f or g			0.00
i. Total recipient share of net outlays *(Sum of lines, e, f, g and h)*	0.00	0.00	0.00
j. Federal share of net outlays (line d less line i)	942,682.32	4,920,738.50	5,863,420.82
k. Total unliquidated obligations			328,251.13
l. Recipient's share of unliquidated obligations			
m. Federal share of unliquidated obligations			328,251.13
n. Total federal share (sum of lines j and m)			6,191,671.95
o. Total federal funds authorized for this funding period			19,068,134.13
p. Unobligated balance of federal funds *(Line o minus line n)*			12,876,462.18
Program income, consisting of:			
q. Disbursed program income shown on lines c and/or g above			
r. Disbursed program income using the addition alternative			
s. Undisbursed program income			
t. Total program income realized *(Sum of lines q, r and s)*			0.00

11. Indirect Expense	a. Type of Rate *(Place "X" in appropriate box)*			
	Provisional	Predetermined	Final	X Fixed
	b. Rate	c. Base	d. Total Amount	e. Federal Share
	48.548%	210,810.32	102,344.19	102,344.19

12. *Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:* $711,135.87 Interest earned in 2006 transferred $265,101.31 earned interest from section 102

13. **Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.**

Typed or Printed Name and Title	Telephone (Area code, number and extension)
Donald Archer, Director Financial Management	512/463-5594
Signature of Authorized Certifying Official	**Date Report Submitted**
Donald L Archer	2-15-07

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Preliminary Planning For Statewide Voter Registration System
Budget $120,796 - 2006 Expenditures $0

As reported in 2004 and 2005, this category is no longer relevant because the SOS is past the preliminary planning phase of the implementation of the HAVA-compliant voter registration system (Texas Election Administration Management "TEAM" System). The balance was used for voter education. Accordingly, the budget amount has been reduced from $465,836 to $120,796, which has all been expended.

State Plan Administration
Budget $3,527,314 - 2006 Expenditures $435,726

The SOS expended $435,726 in 2006 for administrative expenses. These included staffing costs for a grant manager, grant accountant, grant monitor, voting system security expert, and a contract employee to assist with the implementation of TEAM as well as help administer the grant funding to the counties; minimal travel costs; the ongoing development and maintenance of an online grant system through an outside vendor; and indirect costs. The budget was reduced from $3,726,690 to $3,527,314 to increase the budget for voter education.

Voter Education
Budget $3,642,488 - 2006 Expenditures $3,563,841

The budget for voter education was increased from $2,795,017 to $3,642,488. The SOS contracted with a company to conduct voter education and outreach. The services included the creation of a website (http://www.votexas.org/). The website includes information on how to register; polling locations; FAQs; and interactive features on how to use the electronics voting equipment. The services also included a leased tour bus to travel the state and demonstrate the electronic voting equipment, which complimented numerous events planned around the state.

Election Official and Poll Worker Training
Budget $2,795,017 - 2006 Expenditures $185,549

The SOS contracted with a company to create an online poll/election worker training tool. The online training consists of two components. The first component instructs election officials of the polling place rules and rules on qualifying voters. This component incorporates HAVA into the general rules and existing training materials. The second component of the online training consists of training on the new, HAVA-mandated voting machines.

In addition to being online, the training is user interactive with voice features and a testing element to ensure that the election official understands election terminology and lessons before being able to move on to another chapter.

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County Compatibility with New Statewide Voter Registration System
Budget $5,590,035 - 2006 Expenditures $309,022

$309,022 was expended by the counties to be compatible with the Texas Election Administration Management "TEAM" System. Costs included equipment (e.g., computer and printer upgrades), software, supplies, and contractual services, such as Internet service provider fees, to integrate with the TEAM system. Counties will continue to make expenditures through 2007 as counties can evaluate local performance and newer versions of the system are implemented.

County Education Fund
Budget $1,834,000 - 2005 Expenditures $360,072

The SOS reimbursed counties $360,072 in 2006 for election officials to attend professional training events - including conferences, seminars, and training on the new TEAM system. Additional expenditures will be incurred through 2008 for county election officials to attend conferences and seminars as well as costs for county election officials to attend training on new versions of the TEAM system.

If you have additional questions, please do not hesitate to contact my office.

Sincerely,

Ann McGeehan

Ann McGeehan