The State of Texas

Elections Division
P.O. Box 12060
Austin, Texas 78711-2060
www.sos.state.tx.us

Phone: 512-463-5650
Fax: 512-475-2811
Dial 7-1-1 For Relay Services
(800) 252-VOTE (8683)

Roger Williams
Secretary of State

February 22, 2007

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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 II, Section 251 Financial Activity Report for October 1, 2004 thru September 30, 2005 **Amended Per EAC Correspondence Dated January 30, 2007 (Amendments are highlighted with strikethroughs and bold text.)**

To Whom It May Concern:

The purpose of this letter is to report on the Texas HAVA Title II, Section 251 financial activity for the time period covering October 1, 2004 through September 30, 2005 as required by the U.S. Election Assistance Commission. Specifically, this report will include a list of expenditures made with respect to each category of activities described for the use of funds in HAVA Section 251; 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 Report for Section 251 for the same report period is attached as well.

Secretary of State (SOS) HAVA State Plan Administration and Voter Education, Election Official and Poll Worker Training

"SOS HAVA State Plan Administration" and "Voter Education, Election Official and Poll Worker Training" purpose areas were budgeted under Title I, Section 101 funds in the original 2003 State Plan. Texas augmented the budget amount for those purpose areas by amending the State Plan in 2005 to account for the additional Title II, Section 251 funds that were appropriated to the state (FY 2004 funds). However, the Secretary of State plans to utilize the Title I, Section 101 funds first. Accordingly, no funds were expended under these purpose areas.

Statewide Voter Registration System

In October 2004, the Secretary of State signed a contract with IBM to implement a HAVA-compliant voter registration database that centers on a product by Hart InterCivic called eRegistry. The SOS formed a project steering committee and named the system Texas Elections Administration Management (TEAM).

In November 2004, the project was formally kicked off with IBM after the November elections were completed. In January 2005, the state commenced requirements gathering and customization of the application. Over the following months, the state held "Focus Group" meetings to gather input from a diverse group of counties to obtain a comprehensive perspective as requirements were being gathered.

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From February through the end of August, the following milestones were achieved:

- SOS Infrastructure Setup Plan Implemented (hardware & software installed).
- Established County Data Conversion Strategy.
- Approved County Data Migration Plan.
- Received 1st major code deliverable of the core Hart eRegistry VR Release 2.0 COTS product (paid $975K of License).
- Approved User Acceptance Criteria for final product.
- Baselined performance of existing TVRS Transaction system for TEAM performance measurement.
- Completed most of the requirements identification resulting in 2680 system requirements (2185 COTS application functional requirements and 495 SOS implementation requirements).
- Completed design specifications for TEAM System interfaces.
- Received Hart eRegistry Product Roadmap v1.
- Began external communications (conferences, web pages, newsletter, etc.) announcing TEAM System rollout in 2006.
- Held project Design Phase's Technical Review to assess readiness of the COTS infrastructure and implementation.
- Received, installed, and tested HART eRegistry Software Release v2.1 COTS product.
- Received and began in-house SOS testing of Hart eRegistry Software Release v2.2 COTS product.
- Commenced TVRS bridge sub-project using DPS/SSA 2-way drivers license and Social Security validation interface to permit SOS HAVA compliance until full TEAM system is deployed in June 2006.
- Began training SOS IT staff on new software products supporting TEAM.
- Received Hart eRegistry Product Roadmap v2.
- Began project schedule restructuring to reflect Hart eRegistry Product Roadmap releases toward mid-2006 initial TEAM release, subsequent releases, and to accommodate the counties' other HAVA loads in 1Q2006.
- Received and completed initial in-house testing of Hart eRegistry v2.2.2 product release, which installed at SOS & ran 191 functional validation tests successfully.
- Completed use case development as part of Configuration of eRegistry for Texas specific features.

The state expended a total of ~~**$4,210,036.44**~~ **$4,663,557.52** on the TEAM project in FY 2005 for the following:

IBM	$2,383,449.45
eRegistry	$975,000.00

Hardware/Software and Maintenance	$1,093,069.60
Focus Group Travel	$17,752.22
Administrative Expenses (Includes project manager, project assistant, telephone charges for vendor project staff, etc.)	$194,286.24

Accessible Voting System in Every Polling Place / Grant Funding to Counties for HAVA (Title III) Compliance

In the original 2003 State Plan, Texas created two budget items for the counties to acquire a HAVA-compliant voting system: Voting System Accessibility and General HAVA Compliance. Using statistics from the 2000 federal election, one was based on the number of precincts and one was based on voting age population. Because the FY 2003 allotment of funding would not cover all of the county's costs to purchase an accessible voting system in each polling location, including the additional equipment, software, and other services needed to implement a HAVA-compliant voting system, Texas amended the State Plan in 2005 and allocated a large portion of the FY 2004 appropriation for the acquisition of the voting systems. The state added the two amounts already awarded to the counties and increased the total by 200 percent. The net amount was added to the original General HAVA Compliance allotment awarded to each county.

During FY 2005, the state expended ~~**$20,642,355.32**~~ **$20,642,903.06** for the acquisition of HAVA-compliant voting systems through grant award agreements with the counties. ~~**8,174**~~ **Roughly 8,145** DREs were purchased, and ~~**2,356**~~ **approximately 2,400** of those DREs are accessible to individuals with the full range of disabilities. The funding also paid for additional equipment, supplies, software, and contractual services, such as election worker training, needed to help implement HAVA-compliant voting systems.

County Compatibility with New Statewide Voter Registration System

As with the "SOS HAVA State Plan Administration" and "Voter Education, Election Official and Poll Worker Training" purpose areas, the "County Compatibility with New Statewide Voter Registration System" purpose area was already budgeted under Title I, Section 101 funds in the original 2003 State Plan but was augmented in the amended 2005 State Plan using the FY 2004 appropriated funds. Again, the Title I money will be expended first. Although Texas is compliant with Section 303 of HAVA, deployment of the TEAM system will occur in the spring/summer of 2006. Accordingly, none of the "compatibility" funds were expended in FY 2005.

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

Sincerely,

Ann McGeehan

Ann McGeehan
Director of Elections

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

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency	OMB Approval	Page
U.S. Election Assistance Commission	CFDA # 90.401 - Section 251 of HAVA Title II	No. 0348-0039	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	505	Yes (No) AMENDED	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)
6/14/2004	Until Disbursed	10/1/2004	9/30/2005

10. Transactions:	I Previously Reported	II This Period	III Cumulative
a. Total outlays	0.00	25,305,870.42	25,305,870.42
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)*	0.00	25,305,870.42	25,305,870.42
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		1,265,251.78	1,265,251.78
i. Total recipient share of net outlays *(Sum of lines, e, f, g and h)*	0.00	1,265,251.78	1,265,251.78
j. Federal share of net outlays (line d less line i)	0.00	24,040,618.64	24,040,618.64
k. Total unliquidated obligations			
l. Recipient's share of unliquidated obligations			0.00
m. Federal share of unliquidated obligations			0.00
n. Total federal share (sum of lines j and m)			24,040,618.64
o. Total federal funds authorized for this funding period			163,075,601.27
p. Unobligated balance of federal funds *(Line o minus line n)*			139,034,982.63
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	Fixed
	b. Rate	c. Base	d. Total Amount 0.00	e. Federal Share

12. *Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:* $2,220542.43 interest earned in FY 2005, State 5% match appropriation was $8,457,471 and earned interest of $159,412.18 in FY 2005

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: Donald L Archer	Date Report Submitted: 2-15-07

Previous Edition Usable 269-104 Standard Form 269 (REV 2-92)
NSN 7540-01-012-4285 Prescribed by OMB Circulars A-102 and A-110
200-498 P.O. 139 (Face)