

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted ELECTION ASSISTANCE COMMISSION					2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) AZ20101001		
3. Recipient Organization (Name and complete address including Zip code) State Library, Archives & Public Records, Arizona 1700 W Washington St Fl 7, Phoenix, AZ 850072808							
4a. DUNS Number		4b. EIN		5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)		6. Report Type <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual
8. Project/Grant Period (Month, Day, Year) From: March 28, 2018 To: September 30, 2019					9. Reporting Period End Date (Month, Day, Year) March 31, 2021		
10. Transactions						Cumulative	
<i>(Use lines a-c for single or combined multiple grant reporting)</i>							
Federal Cash (To report multiple grants separately, also use FFR Attachment):							
a. Cash Receipts						\$15,860,974.00	
b. Cash Disbursements						\$9,352,874.34	
c. Cash on Hand (line a minus b)						\$6,508,099.66	
<i>(Use lines d-o for single grant reporting)</i>							
Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized						\$15,860,974.00	
e. Federal share of expenditures						\$9,352,874.34	
f. Federal share of unliquidated obligations						\$0.00	
g. Total Federal share (sum of lines e and f)						\$9,352,874.34	
h. Unobligated balance of Federal funds (line d minus g)						\$6,508,099.66	
Recipient Share:							
i. Total recipient share required						\$2,052,644.00	
j. Recipient share of expenditures						\$2,052,644.00	
k. Remaining recipient share to be provided (line i minus j)						\$0.00	
Program Income:							
l. Total Federal share of program income earned						\$308,862.77	
m. Program income expended in accordance with the deduction alternative						\$0.00	
n. Program income expended in accordance with the addition alternative						\$0.00	
o. Unexpended program income (line l minus line m and line n)						\$308,862.77	
11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
g. Totals:					\$0.00	\$0.00	\$0.00
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation: Please provide the following information:							
13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)							
a. Typed or Printed Name and Title of Authorized Certifying Official Schnupp, Sarah Chief Financial Officer					c. Telephone (Area code, number, and extension)		
					d. Email Address		
b. Signature of Authorized Certifying Official Schnupp, Sarah					e. Date Report Submitted (Month, Day, Year) May 5, 2021		

Standard Form 425
OMB Approval Number: 4040-0014
Expiration Date: 02/28/2022

Paperwork Burden Statement
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 4040-0014. Public reporting burden for this collection of information is estimated to average 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: US Department of Health & Human Services, OS/OIG/PHR, 200 Independence Ave, SW, Suite 336-E, Washington DC 20201. Attention: PHR Reports Clearance Officer

FEDERAL FINANCIAL REPORT

(Additional Page)

Federal Agency & Organization : ELECTION ASSISTANCE COMMISSION

Federal Grant ID : AZ20101001

Recipient Organization : State Library, Archives & Public Records, Arizona
1700 W Washington St Fl 7, Phoenix, AZ 850072808

DUNS Number : ACTIVE (as of 05/05/2021)

DUNS Status when Certified :

EIN : March 31, 2021

Reporting Period End Date : Report Certified/Pending Agency Approval

Status : Please provide the following information:

Remarks :
State interest earned (current fiscal year): \$17,373.46
State interest expended (current fiscal year): \$0
Program income earned (current fiscal year): \$0
Program income earned breakdown (current fiscal year): N/A
Program income expended (current fiscal year): \$0

Federal Agency Review

Reviewer Name :
Phone # :
Email :
Review Date :
Review Comments :

EAC Progress Report

Response ID:281 Data

3. EAC Progress Report

1. State or Territory:

Arizona

2. Grant Number:

AZ20101001-01

3. Report:

Semi-Annual (Oct 1 - March 31)

4. Grant:

Please select only one.

Election Security

5. Reporting Period Start Date

10/01/2020

6. Reporting Period End Date

03/31/2021

7. Recipient Organization:

Organization Name

Arizona Secretary Of State

Street Address

1700 W Washington

City

Phoenix

State

AZ

Zip

85007

4. Progress and Narrative

8. Describe in detail what happened during this reporting period and explain how you implemented the approved grant activities.

Our office presented a state fiscal year 2021 HAVA spending plan to the Arizona Joint Legislative Budget Committee (JLBC) in June 2020. During the last 6 months we have continued to work on implementation of the items that received favorable review from the committee. That includes-

- Continuation of our county subgrant program - \$17,528 during this report period

- Cyber security enhancements including new firewall, tenable scanner, load balancers, and the purchase of an NTA/UEBA solution
- Creation of a new Election Security Analyst position – position's primary focus is on ensuring security of the state's elections systems
- Threat Liaison Officer Program – this program provided an officer to be stationed with each county election official on Election Day
- USBs for counties to use for secure election night reporting

We also continue to use HAVA funds to pay a small portion of our grant coordinator's salary and for costs associated with the state's new voter registration system.

9. Describe any significant changes to your program during the project, including changes to your original State Plan/Program Narrative or favorable developments that improved program efficiency and/or service delivery.

Otherwise enter N/A.

Our state spending plan presentation to JLBC included public education and voter registration program items that the committee either changed or gave unfavorable review. More details are provided in answer #3.

10. Issues Encountered:

Describe all major issues that arose during the implementation of the project and the reasons why established goals were not met, if applicable. Address each issue separately and describe whether and how the issues were resolved. Also, briefly discuss the implications of any unresolved issues or concerns.

Otherwise enter N/A.

Our biggest concern with regards to spending the state's HAVA funds is our reliance on the state legislature to appropriate the funds to the Secretary of State's Office (even though the grant is issued to this office, state statute requires the funds to be appropriated in order for them to be used). Once appropriated, the legislature requires the office to submit a spending plan for review by a Joint Legislative Budget Committee (JLBC), made up of members of the House and Senate, led by the party in leadership. Receiving a favorable review is not necessary for expense of the funds, but provides a level of comfort and accountability for the expense of public resources. Additionally, so far, the state has not appropriated any funds to meet the match, and instead we have had to rely on independent expenses from our counties to count towards the match. Without those expenses, our state would experience a significant penalty, impacting our ability to utilize the HAVA Funds for our state.

Our FY2021 spending plan presented to JLBC included a \$500,000 line item for state-level public education for the 2020 presidential primary and general elections. In this instance, the committee gave neither a favorable or unfavorable review and instead determined that any HAVA expenditures for public education "shall only be made in the form of grants to county recorders", leaving the office in a quandary in terms of how to proceed with the planned public education campaign for the elections. Fortunately, the Secretary of State's office received a \$4,795,000 private grant (via an ISA with the Governor's office) from the Center for Election Innovation & Research (CEIR) that we were able to use for statewide public education.

Lack of funding for public education is our office's biggest ongoing concern when it comes to our annual HAVA plans. To add to the issue, the legislature passed HB2569 just this month prohibiting local and state officials from using private donations for election administration, preparation, and conduct. The Governor signed the bill into law on 04/09/21, barring our office, and any other election office in the state, from using a grant program like CEIR again in the future.

We also planned to use HAVA funds for an online Voter Registration application programming interface (api). The project would have moved the state's voter registration webpage from the Motor Vehicle Department's website to the Secretary of State's website where all the other statewide information and resources for voters is located. Then, during the current legislative session, the legislature unanimously passed bill # HB2360, which would have moved the voter registration page to our office's site, but the Governor vetoed the bill. Unfortunately, JLBC asked us to remove the item from the spending plan and didn't consider it for review. The office plans to request funding as an enhancement to the statewide voter registration

database.

11. Provide a description of any security training conducted.

Otherwise enter N/A.

None during this reporting period.

12. Subgrants (if applicable):

Describe how you made funds available to local jurisdictions.

Provide a description of the major categories of subgrant activities local voting districts will accomplish with the funds.

Otherwise enter N/A.

In 2019, after Secretary Hobbs took office, the SOS created a formula distribution subgrant program for Arizona counties under the 2018 HAVA grant. After the 2020 HAVA grant was awarded, the legislature created a formula for county subgrants against those funds. Counties are required to apply for the funds. The application includes the item(s)/service(s) that will be purchased, the project's intent, what federal HAVA guideline the project falls within, how the project enhances election technology or improves election security while benefiting registered voters and an explanation of how their county will be affected if their project request is not approved. Applications are reviewed by the Secretary of State's HAVA grant coordinator, Chief Financial Officer, and Assistant Secretary of State.

In addition to the formula subgrants, the counties received fortification subgrants to be used specifically to implement cyber security recommendations that arose as the result of an audit. Also, 1 out of the state's 15 counties used the public education subgrant that JLBC moved from our office to the counties (described above in answer #3) for the 2020 presidential primary/general election cycle. Those subgrants were distributed in prior reporting periods.

During this reporting period counties have used their formula subgrants to:

Update security features, purchase drop boxes and voting equipment such as Express Vote machines, printers, and scanners.

The expenditures fell within the following guidelines:

- Replace voting equipment that only records a voter's intent electronically with equipment that utilizes a voter verified paper record;
- Fund other activities that will improve the security of elections for Federal Office;
- Improving the administration of elections for Federal Office; and
- Improving/replacing voting systems and technology and methods for casting and counting votes.

13. Match (if applicable):

Describe how you are meeting the matching requirement.

Otherwise enter - match not required.

Match met in prior period using eligible expenses from County general operating budgets.

5. Expenditures

14. Current Period Amount Expended and Unliquidated Obligations

GRANT COST CATEGORIES

	Federal	Match
Voting Equipment and Processes:	\$0.00	\$0.00
Post-Election Auditing:	\$0.00	\$0.00
Voter Registration Systems:	\$571,907.34	\$0.00
Cyber Security:	\$268,521.37	\$0.00
Communications:	\$0.00	\$0.00
Total	\$869,278.95	\$0.00
Grant Coordinator Salary	\$4,655.00	\$0.00
County Subgrants	\$17,528.00	\$0.00
Correcting Transfer	-\$292.46	\$0.00
Threat Liaison Program	\$6,959.70	\$0.00

OMB CONTROL NUMBER: 3265-0020