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January 14, 2011

The Honorable Robert Blumenfield, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee
State Capitol, Room 5035
Sacramento, CA 95814

Dear Chairmen Blumenfield and Leno:

Attached please find a copy of a status report on the Help America Vote Act (HAVA) activities carried out over the past calendar year, provided pursuant to budget control language adopted under Item Number 0890-001-0890, Provision 4 of the 2009-10 Budget.

The Secretary of State reached several milestones over the past year, including:

- Updating California's State Plan for HAVA implementation, which entitles California to receive \$31.9 million in additional funding earmarked exclusively for HAVA requirements
- Concluding a federal audit of the HAVA program stretching back to its inception that resulted in no outstanding issues to be resolved
- Creating a ground-breaking voting system data collection program through the enactment of SB 1404 (Pavley), Chapter 333, Statutes of 2010, to identify all known problems with voting systems that will serve as a national model

I hope you will find the report informative and helpful in understanding the Secretary of State's progress to date on HAVA activities, as well as the upcoming challenges. If there are any questions from your office about this report, please feel free to contact me at (916) 653-0296.

Sincerely,

Chris Reynolds
Deputy Secretary of State, HAVA Activities

cc: The Honorable Robert Dutton, Vice Chair, Senate Budget and Fiscal Review
Committee
The Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee
The Honorable Paul Fong, Assembly Elections and Redistricting Committee
The Honorable Lou Correa, Chair, Senate Elections, Reapportionment and
Constitutional Amendments Committee
The Honorable Joan Buchanan, Chair Assembly Budget Subcommittee, State
Administration
The Honorable Mark DeSaulnier, Chair, Senate Budget Subcommittee, State
Administration
Mr. Mac Taylor, Legislative Analyst
Ms. Ana Matosantos, Director, Department of Finance

Status Report: Help America Vote Act of 2002 (HAVA) related activities

Pursuant to Budget Control Language, the Secretary of State is required to report, by January 15th of each year, on the following activities, until the Statewide Voter Registration System (the VoteCal system), required by Section 303 of HAVA, is fully implemented. This status report is required to address the following areas:

- Election system security measures, including: (1) source code review; (2) parallel monitoring; and (3) poll monitoring;
- The expected General Fund exposure for completion of HAVA compliance, including the expected costs of administration; and
- Completion of the VoteCal system, including information on the costs associated with the use of contractors and consultants, the names of the contractors and consultants used, and the purposes for which contractors and consultants were used.

The information contained herein comprises the fifth annual status report.

Election system security and reliability measures

Source code review – The Secretary of State approves escrow facilities that voting system vendors are required to deposit their source code with and verifies the deposit of source code in the approved escrow facility. In addition, the Secretary of State:

- Monitors escrow of source code in approved California facilities (EC §19103)
- Inspects and approves escrow facilities (CA Code of Regulations, Title 2, §20630-20682)
- Receives and distributes trusted builds of source code to county elections officials
- Maintains records of voting systems in use

New reporting system – The California Secretary of State is responsible for inspecting voting systems and ballot manufacturing facilities for potential problems or flaws before approving their use in elections. However, companies were never required to notify the Secretary of State – or any other local, state, or federal entity – of any flaws in a product discovered before or after the Secretary's inspection. In 2010, the Secretary of State sponsored Senate Bill 1404 (Pavley), Chapter 333, Statutes of 2010, to correct that oversight. Effective January 1, 2011, SB 1404 requires voting system vendors and ballot manufacturers to notify the Secretary of State, in writing, of every known problem in their respective products used in California. To implement the new law, the

Secretary of State has developed a database for electronic upload of the reports by voting system vendors. The new law calls for the Secretary of State to submit a report of all disclosed voting system defects to the U.S. Election Assistance Commission (EAC), the oversight authority for HAVA and the federal authority for voting system certification. The EAC's website will serve as a clearinghouse for the reports, making it easy for anyone to access the newly disclosed information. The EAC plans to use the SB 1404 reports as the foundation for an enhanced, relational database clearinghouse that incorporates reports submitted by other states. It may encourage other states to file reports in a compatible format, resulting in a more searchable, useful resource.

The data provided pursuant to SB 1404, which was cited as a national model, may help to prevent voting system issues from occurring that could call into question the accuracy of the final tally of election results.

For instance, as reported in previous annual reports, in 2009, the Secretary of State concluded an investigation into an error that was detected in one version of the Premier Election Solutions, Inc., voting systems. The issue was brought to the attention of the Secretary of State on December 3, 2008, by the Registrar of Voters in Humboldt County, who discovered a discrepancy between the certified election results and the number of ballots tallied in a separately conducted "election-transparency project" carried out in conjunction with a private, non-profit entity. According to public reports, the voting system vendor was aware of the issue, but had not informed the Secretary of State about it.

Through its investigation, the Secretary of State chronicled two issues:

- 1) Omission of 197 tallied ballots from official election results (which were later corrected) as a result of an error in the version of the voting system tally software used by Humboldt County, and
- 2) Deficiencies in the voting system's audit logs discovered while investigating the software error issue.

As a result of these findings, the Secretary of State conducted a March 17, 2009, public hearing and subsequently withdrew approval of the use of the defective version of the voting system tally software for use in California. Working with the EAC, the Secretary of State provided a complete copy of its report for posting on the EAC's Voting System Reports Clearinghouse website pursuant to Help America Vote Act (HAVA) Section 202(1).

Additional information regarding this issue can be found on the Secretary of State's website at www.sos.ca.gov/elections/elections_vs_premier.htm

The creation of the voting system, problem-reporting database is another proactive step taken by the Secretary of State to improve the integrity of, and confidence in, the electoral process. It is the latest in a series of efforts that began with the top-to-bottom review of voting systems conducted by the

Secretary of State in 2007, which included, for the first time, accessibility testing as a separate, specific component of the voting system approval process.

The top-to-bottom review was launched in response to years-long questions about voting system reliability and security. At the center of the issues was the question of transparency. The reliance on proprietary source code for electronic voting systems, including direct recording electronic (DRE) machines, precluded open, public examination of the entirety of voting systems and many questioned the ability of these voting systems to protect the security of the vote.

Under the top-to-bottom review, each voting system vendor was offered the opportunity to subject its approved system to the review, or to forgo the review based on representations that the vendor would bring forward a new, upgraded voting system for testing in time for use during the 2008 election cycle. The Secretary of State reserved the right to impose new, additional conditions on the use of any existing voting system if the vendor failed to bring forward a new system for approval testing as promised.

On August 3, 2007, the Secretary of State released the results of the top-to-bottom review. Based on the findings in the review, the Secretary of State withdrew approval of the three voting systems subjected to the review, and simultaneously re-approved their use, subject to stringent new conditions. Reports and the withdrawal/approval orders issued in accordance with the findings of the top-to-bottom review can be found on the Secretary of State's website at www.sos.ca.gov/elections/elections_vsr.htm.

In short, computer scientists discovered, documented and, in some cases, demonstrated source code and physical security vulnerabilities that called into question the security of the voting systems. The review cast doubt on the ability to prevent exploitation of these vulnerabilities, or to detect after the fact that these vulnerabilities had been exploited. In fact, these vulnerabilities were shown as a path to manipulate voting systems in ways that could affect the outcome of an election. Furthermore, the review found that malicious software code might propagate throughout an entire voting system, including infecting the central tabulation system. Based on these findings, the Secretary of State's approval orders restricted the use of two versions of DRE voting machines (the Sequoia Edge I and II v.5.0.24 and the Premier TSX v. 4.6.4) to allow only one such voting machine per polling place, which is the minimum number required by the HAVA 301 (a)(3) accessibility requirements. Where a county had previously deployed additional DRE voting units at the precinct, counties had a choice to provide optical scanners in the precincts or at a central location to tally votes cast on mark-sense paper ballots. Additionally, the Secretary of State imposed new security measures on all systems to limit and prevent potential exploitation of voting system source code vulnerabilities. In collaboration with county elections officials and voting system vendors, new use procedures were crafted to ensure consistent, uniform implementation of security measures.

The move away from DRE voting that followed the Secretary of State's top-to-bottom review reflected a similar trend in states such as New Mexico, Florida, Iowa and Maryland. The findings of the top-to-bottom review were largely replicated and confirmed by similar expert testing and analysis of electronic voting systems carried out by the states of Ohio and Colorado.

California's voting system testing and approval process has been modified to be consistent with and include the practices and procedures employed in the top-to-bottom review. Any new voting system brought forward for approval is now subject to a testing and approval process that incorporates the protocols for source code review used in the top-to-bottom review.

The Secretary of State also held a public hearing on February 8, 2010, to review how HAVA has changed the voting system landscape and to explore the future of voting systems, including issues such as the product life span of current voting systems, the development of open source software, and alternatives such as all-mail elections. The Secretary worked with county elections officials in shaping the agenda, and several local elections officials were invited to participate in the hearing.

Parallel monitoring – There was no parallel monitoring conducted during the two statewide elections in 2010, as there are no counties using more than one DRE voting system on a countywide basis. Reports on parallel monitoring programs previously conducted are posted on the Secretary of State's website at www.sos.ca.gov/elections/voting_systems/historic/historic_pm.htm

Election Day Observation (poll monitoring) – Election Day Observation was conducted during the November 2, 2010, General Election. Reports on this Election Day Observation program and programs previously conducted are posted on the Secretary of State's website at www.sos.ca.gov/elections/voting_systems/historic/historic_pm.htm

Expected General Fund exposure for completion of HAVA compliance (including expected costs of administration)

➤ Voting Systems

The voting system upgrade contracts for California's 58 counties provide reimbursement to counties for the cost to purchase or lease voting systems to meet federal voting system standards or to upgrade local voting systems. No General Fund exposure is expected for current or future activities relating to voting system requirements.

➤ Statewide Voter Registration System (VoteCal)

An “interim solution” to meet the requirements of Section 303 of HAVA for a statewide voter registration system was implemented pursuant to a Memorandum of Agreement (MOA) executed with the U.S. Department of Justice (US DOJ) – the enforcement authority for HAVA – on November 2, 2005. The interim solution voter registration system is still in use at this time. No General Fund exposure is expected for the activities related to the interim solution.

Under the terms of the MOA, the Secretary of State is required to pursue a long-term solution to meeting HAVA Section 303 requirements. The Secretary of State is now in the procurement phase of that project, called VoteCal. Additional details about the project are provided later in this report.

➤ Polling Place Accessibility

The Secretary of State has undertaken projects to improve polling place accessibility pursuant to a grant program conducted under HAVA Section 261, which is administered by the federal Department of Health and Human Services (DHHS). Under a \$211,534 contract with the Department of Rehabilitation, the state agency with expertise on physical accessibility standards for buildings, the Secretary of State developed and published in 2010 updated polling place accessibility guidelines required by the federal Voting Accessibility for the Elderly and Handicapped Act of 1984 and referenced in California Elections Code section 12280. This effort, conducted in collaboration with county elections officials and the Secretary of State’s Voting Accessibility Advisory Committee (VAAC) was followed by a statewide training program for county election officials in how to adhere to the guidelines and accompanying checklist to assess accessibility of polling places in their counties. The response from counties was enthusiastic, and the Secretary of State was able to offer DHHS-funded grants up to \$5,000 per county to be used for training on and assessing polling place accessibility, or for purchasing supplies needed to mitigate barriers in order to make polling places accessible.

Additionally, counties continued to improve accessibility to voters with disabilities using funds from two competitive grant programs awarded in 2008 and 2009. Through these programs, \$2,396,600 was awarded to 21 counties with funding provided by federal DHHS for use in categories specified by DHHS, including:

- Improving physical accessibility to polling places for voters with disabilities
- Improving access and participation by voters with disabilities
- Training elections officials on promoting access and participation by voters with disabilities
- Providing information on opportunities for participation to voters with disabilities

A third competitive grant fund of \$1,330,000 will be offered for counties in 2011 under this same program.

➤ Administration of the HAVA program

The following ongoing needs are associated with the administration of the HAVA program:

Internally, ongoing Secretary of State staffing costs are estimated at \$1.7 million for each of the next two fiscal years. This funding will support the staff working on HAVA activities, a portion of the cost of voting system testing and certification personnel, and administrative support (budgeting, accounting, and contracting services) for:

- Tracking and implementing changes to federal voting system testing and certification protocols and voting system standards
- Activities related to further modifications to the statewide voter registration system project
- Review and payment of claims for reimbursement against voting system upgrade contracts and contracts executed to improve polling place accessibility
- Reporting to state and federal agencies as required
- Coordinating activities relating to audits of the HAVA program

While these near-term costs associated with HAVA implementation are a certainty, long-term estimates are difficult to project because they may be affected by evolving federal standards and programs, including new oversight activities. The EAC – the oversight authority for HAVA – has notified the Secretary of State that California will be receiving \$31,991,503 in new funding (appropriated by Congress in 2008, 2009, and 2010) now that California's 2010 State Plan update has been adopted and published.

During 2008-09, the EAC's Office of Inspector General conducted the second federally sponsored audit of the HAVA program. The scope of the audit dates back to the inception of the program in California. Final audit findings and recommendations were accepted by the EAC in December 2010, with no unresolved adverse findings.

Completion of VoteCal system (including information on the costs associated with the use of contractors and consultants, the names of contractors and consultants used, and the purposes contractors and consultants were used)

As previously indicated, California achieved interim compliance with HAVA Section 303 requirements to establish a statewide voter registration system. However, under the MOA executed with the US DOJ, California is required to

implement the long-term, fully compliant VoteCal project. During the 2010 calendar year, the Secretary of State initiated design of the VoteCal project. The history of the VoteCal project to date includes:

- A Secretary of State Feasibility Study Report (FSR) for the statewide voter registration system project (VoteCal) was approved on April 14, 2006, and an updated Special Project Report (SPR) on VoteCal was issued August 15, 2007.
- A Request for Proposal to solicit vendor bids for VoteCal was issued on December 13, 2007. A solution-based procurement process, as provided for in state law, was used for the project.
- Under the auspices of this process, potential bidders notified the Secretary of State by December 31, 2007, of the intent to bid on the project and thereafter engaged in a series of discussions with Secretary of State staff under the direction of Department of General Services (DGS) personnel in preparation for submission of a bid. During this process, in response to bidder questions and to clarify the RFP, addenda were issued.
- The final addendum to the RFP was issued on December 31, 2008, and a deadline for submission of bids was set for January 29, 2009.
- Under the direct supervision of DGS personnel, a team of evaluators analyzed three bids submitted against the pre-established criteria defined in the RFP. Of the three bids, only one vendor was deemed eligible to proceed to cost opening.
- A Notice of Intent to Award a contract was issued on April 24, 2009.
- As required by the state procurement process, a Special Project Report (SPR) describing the project in greater detail based upon the winning bid was completed and the SPR submitted to state control agencies, including the Department of Finance (DOF) and Office of the Chief Information Officer (OCIO) on June 23, 2009, which provided copies to the Legislature.
- Meetings with county representatives to describe the project, answer questions and receive input commenced on July 17, 2009. These communications continued, and will continue throughout the project lifecycle.
- The Legislature formally received the SPR on July 23, 2009 from the DOF, and approved the project on August 25, 2009.
- An amended Spending Plan requesting expenditure authority for VoteCal costs for the fiscal year (FY) 2009-10 was received by the Legislature from the DOF on August 6, 2009, and approved by the Legislature on August 25, 2009.
- The contract for the VoteCal project was fully executed with the winning bidder – Catalyst Consulting Group, Inc. (Catalyst) – on September 8, 2009.
- The project completed the Planning Phase – Phase I – on December 11, 2009.

- On April 7, 2010, Catalyst proposed a new deployment date that would complete the project in 2013. The Secretary of State (SOS) asked Catalyst to provide a more detailed schedule and approach before the SOS would consider the request. Catalyst's approach did not consider the network blackout dates. The SOS asked Catalyst to revise its schedule to reflect these dates per the contract, which would result in deploying VoteCal in 2014.
- On April 19, 2010, the SOS determined Catalyst had not yet provided a performance bond per the contract. Additionally, the SOS and its independent project oversight consultant expressed concerns about Catalyst's performance, including its ability to meet contractual deadlines. The SOS began working with Catalyst to resolve those issues at that time.
- On April 24, 2010, DGS emailed Catalyst a letter dated April 26, 2010 requesting that Catalyst submit the performance bond to DGS by April 30, 2010. (Performance bonds from vendors are issued to DGS by the surety company and sent directly to DGS by the vendor.)
- On April 27, 2010, DGS indicated to the SOS that DGS would lead the cure process to resolve these issues and transmit the cure letter outlining the issues to Catalyst.
- On April 29, 2010, Catalyst sent a letter to DGS indicating its attempts to secure the performance bond with the expectation it would take an additional 60 to 90 days – or between 9 and 10 months beyond the contractually required date.
- On May 3, 2010, DGS informed the SOS that the SOS would lead the cure process with Catalyst. When asked for policies or procedures to guide the SOS, DGS indicated it did not have any direction to provide to the SOS and that its legal counsel and procurement staff would not participate in the process.
- On May 4, 2010, the SOS sent Catalyst a letter with a requirement to resolve the issues identified above within 30 days and concurrently offered to meet with Catalyst to discuss the issues.
- On May 6, 2010 Catalyst responded to the cure letter stating it would need 120 days to secure a performance bond – 11 months beyond the contractually required date, but conditioned securing the performance bond on payment that could not be made until the bond was issued, per DGS direction to the SOS.
- Catalyst requested a meeting to discuss options, which eventually led to a discussion of negotiating termination of the contract. On May 21, 2010, Catalyst and the SOS mutually agreed to terminate Catalyst's contract.
- On July 19, 2010, the SOS submitted to the OCIO an SPR describing the project status and is based on the initial FSR for the VoteCal project. The SPR incorporated lessons learned to date, and provided an evaluation of project and HAVA requirements as noted above. The SPR must be approved by the state OCIO before an RFP can be issued to solicit bids.
- On July 23, 2010, the SOS submitted an Information Technology Procurement Plan (ITPP) to DGS. DGS approves all large information

- technology procurements in the State of California. An ITPP describes the procurement approach proposed by the requesting department. Approval for this ITPP was received on August 4, 2010.
- In June and July, the VoteCal team met daily to review the scope requirements in an effort to clarify them. On July 26, 2010, the OCIO directed the SOS to reduce the project budget and schedule (and thus the scope).
 - On August 3, 2010, the SOS submitted a revised SPR to OCIO that reflected OCIO's direction to reduce one-time costs and shorten the schedule. OCIO approved the SPR on August 31, 2010.
 - The SOS invited county elections officials to review the RFP and provide input to the SOS on which requirements should be in an RFP that more narrowly focuses scope on voter registration and list maintenance requirements. Six county elections officials reviewed the requirements during August 24-26, 2010 meetings and provided input on each of the functional requirements.
 - On August 6, 2010, the SOS submitted a revised ITPP to DGS. The revised document reflected the reduction in budget and schedule (and therefore scope) directed by the OCIO in response to the July 2010 SPR. Approval of the ITPP was received on August 23, 2010.
 - In the month of September, the team concluded its review and revision of the business and technical requirements.
 - On October 29, 2010, the revised RFP was issued, and seven vendors have indicated an interest in bidding on the work.
 - In November and December 2010, bidders were allowed to ask questions and protest RFP requirements. Questions were answered with the information being made available via both DGS and SOS websites. No vendor formally protested any requirement.
 - Expenditure of these funds is consistent with California's State Plan to comply with HAVA requirements for a statewide voter registration database, election official training, verification of voter registration information, and requirements for certain voters who register by mail as provided for in Section Six of its 2010 State Plan (Budget) Update.

For the foreseeable future there is a continuing need for internal Secretary of State staffing including:

- Elections Division (program) support to maintain the interim voter registration system and to assist in planning for the fully compliant VoteCal voter registration system.
- Information Technology Division (technical) support to maintain the interim solution and to assist in planning for the fully-compliant VoteCal voter registration system.
- Administrative support (budgeting, accounting and contracting services) for activities related to planning and executing contracts for development and deployment of VoteCal.

Current costs for contractor and consultant needs to support the VoteCal project include:

- **Project Management:** A contract was issued for \$1,043,440 to Kiefer Consulting for services of Linda Wasik as project management consultant for fiscal years 2006-2008. Actual invoices under this contract, which expired June 30, 2009, totaled \$780,290. In July 2009, a contract was issued for \$308,752 to VIP Consulting for services of Fred Wood as a project management consultant through May 31, 2010. \$223,260 was expended under this contract, \$159,120 of it in 2010. In June 2010, a contract was issued for \$1,046,429 with VIP Consulting for services of a project management team consisting of Jonathan Kerhlikar, Mardell Hall, and headed by Kerry Washburn. This contract expires on December 31, 2011, and will need to be extended for the project duration at that time. In 2010, \$311,940 was expended under this contract.
- **Project administrator/librarian:** A contract was issued for \$243,168 to COMSYS for services of Melissa Crowley from December 2007 through December 31, 2009. Actual invoices under this contract totaled \$226,950. In January 2010, a contract was issued to Net InComm through December 31, 2011, in the amount of \$283,710. Of this amount, \$89,967 was expended in 2010. The SOS expects these services to be needed throughout the project lifecycle.
- **Technical Architect:** A contract was issued for \$328,455 to R Systems, Inc. for services of Pooja Deshmukh from November 2, 2009, through June 30, 2011. \$85,900 was paid under this contract in 2010. The SOS is likely to need to extend these services as the SOS is in procurement and needs these services during design and development.
- **Required Independent Project Oversight Consulting:** A contract was issued for \$762,900 to Continuity Consulting for services of Joan Rene, Tim Jacobs, and Christine Walker from May 2007 to December 31, 2009. Actual invoices under this contract totaled \$566,525. Effective January 1, 2010, a new contract has been issued to Meta Vista Consulting Group for \$98,550 for the services of Payson Hall and Rochelle Furtah through June 30, 2012. \$24,600 was paid under this contract in 2010. Payson Hall has been replaced by Michelle Colodzin.
- **Required Independent Verification and Validation (IV&V) Consulting:** A contract was issued for \$846,715 with Information Integration Innovation & Associates (I Cubed) for services of Dr. Michael Cox, Arthur G. Mulligan, Al Pangelinan, and Paula Grose from May 2007 through December 31, 2010. (DGS prohibited the term of the contract from running through the project lifecycle.) Actual invoices under this contract totaled \$276,767 in 2010. When the SOS attempted to secure another contract with this vendor through the Non-competitive Bid (NCB) process, DGS denied the request. The SOS has issued a Request for Offers to continue IV&V services.

- A primary system integration vendor contract: A deliverables-based contract was signed September 8, 2009, for \$18,177,000 to Catalyst Consulting Group, Inc. (Catalyst) for a fully operational system. The bid included the services of Scott Hilkert, Don Westfall, Kurt Schwartz, Matt Benton, Kalyn Ferris, and Timothy Smith to serve in lead roles for the project. Actual invoices under this contract totaled \$1,869,666 for both 2009 and 2010. The contract was terminated on May 21, 2010. The SOS issued a request for proposals (RFP) on October 29, 2010, to secure system integration services.
- A contract for a Quality Assurance Manager was issued to Andes Consulting in March 2010 in the amount of \$386,840 for the services of Chris Moore through October 31, 2011. In 2010, \$26,790 was expended under this contract. The SOS expects these services to be needed throughout the project lifecycle.
- Contracts with counties for participation in the design sessions have been executed in the amount of \$254,344. \$126,610 was expended in 2010.
- Additionally, contracts with counties that had to migrate to a different EMS were executed. Approximately \$259,798 has been expended in 2010. This represents a portion of the budgeted amount of \$2,698,920 for migration of some counties to a new election management system (EMS) and for data conversion for all counties throughout the lifecycle of the project.
- Legal Services: \$14,318 was expended in FY 2009-10 to advise the SOS as it was negotiating a settlement with Catalyst and as the SOS prepares the revised RFP for publication. Projected costs are expected to be \$45,000 in total.

Other contracts yet to be issued include:

- Web language translation: Projected costs are \$79,152 for fiscal years 2010-11 through 2012-15.
- Security Auditor: Projected costs are \$40,000 for FY 2012-13.
- SI Vendor: An RFP was issued on October 29, 2010. The budget will be determined by the chosen vendor's bid. In the latest approved SPR, dated August 3, 2010, \$18,177,000 was budgeted for this vendor per OCIO direction.
- EMS vendors for remediation services: Projected amount is \$5,493,638.
- Third-party back up and recovery services for the system will be needed.
- Contracts with all 58 counties will be executed for assistance in the deployment of the VoteCal solution. Projected amount: \$3,602,948.

Contracts with state departments are not included in this list.

The costs identified above are funded with federal HAVA money allocated to California. Long-term General Fund exposure for VoteCal maintenance and operation costs is difficult to project at this time with any certainty. Right now, the

operation of the statewide voter registration system relies heavily on integration and synchronization with county EMSs. The costs to maintain and operate local EMSs are the responsibility of the county elections officials. The state will incur some future General Fund liability associated with continued operation and maintenance of the VoteCal statewide voter registration system at the point HAVA funding is no longer available. However, when that will occur depends on the cost of operation and maintenance and the cost of deploying the project itself.

This means, assuming that VoteCal comes in at the expected cost of \$53 million (including one year of maintenance and operations), more than \$20 million will be left in existing HAVA funds that could be used for VoteCal maintenance and operation. Given the current estimated cost of \$3.3 million per year in maintenance costs, this means existing HAVA funds could pay for up to six additional years of maintenance and operation before a General Fund request would be made.