STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

March 28, 2007

Mr. Edgardo Cortés
State HAVA Funding Reports
U.S. Election Assistance Commission
1225 New York Avenue, N.W., Suite 1100
Washington, DC 20005

Dear Mr. Cortés:

Enclosed please find a financial status report (SF269) and a narrative report for Help America Vote Act (HAVA), Title II, Section 251 funds. These reports reflect the activities funded, by category, to meet HAVA requirements and how such activities conform to the State Plan.

If you have any questions regarding this report, please contact Cindy Paradine, Michigan Department of State, Grants Management Section at (517) 373-7941.

Sincerely,

Brian DeBano
Chief of Staff and Chief Operating Officer

Enclosures

pc: Christopher Thomas
Joseph Pavona
Gena Hyde
Cindy Paradine

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 No.	Page of
U.S. Election Assistance Commission	Title II, 251	0348-0039	1 of 1 pages

3. Recipient Organization (Name and complete address, including ZIP code)

State of Michigan, Michigan Department of State, Austin Building, 4th Floor, 430 West Allegan St., Lansing, MI 48918

4. Employer Identification Number	5. Recipient Account Number or Identifying Number	6. Final Report	7. Basis
[redacted]	CFDA # 90.401	☐ 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)
8/19/2004	Until Spent	10/1/2005	9/30/2006

10. Transactions:	I Previously Reported	II This Period	III Cumulative
a. Total outlays	12,246,037.57	28,088,558.12	40,334,595.69
b. Refunds, rebates, etc.	0.00	0.00	0.00
c. Program income used in accordance with the deduction alternative	0.00	0.00	0.00
d. Net outlays *(Line a, less the sum of lines b and c)*	12,246,037.57	28,088,558.12	40,334,595.69
Recipient's share of net outlays, consisting of:			
e. Third party (in-kind) contributions	0.00	0.00	0.00
f. Other Federal awards authorized to be used to match this award	0.00	0.00	0.00
g. Program income used in accordance with the matching or cost sharing alternative	0.00	0.00	0.00
h. All other recipient outlays not shown on lines e, f or g	612,301.94	1,404,428.43	2,016,730.37
i. Total recipient share of net outlays *(Sum of lines e, f, g and h)*	612,301.94	1,404,428.43	2,016,730.37
j. Federal share of net outlays *(line d less line i)*	11,633,735.63	26,684,129.69	38,317,865.32
k. Total unliquidated obligations			21,114,749.12
l. Recipient's share of unliquidated obligations			1,055,737.35
m. Federal share of unliquidated obligations			20,059,011.77
n. Total Federal share *(sum of lines j and m)*			58,376,877.09
o. Total Federal funds authorized for this funding period			82,699,800.90
p. Unobligated balance of Federal funds *(Line o minus line n)*			24,322,923.81
Program Income, consisting of:			
q. Disbursed program income shown on lines c and/or g above			0.00
r. Disbursed program income using the addition alternative			0.00
s. Undisbursed program income			0.00
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	e. Federal Share
	17.02%	2652134.58	451,393.31	428,823.64

12. *Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.*

Interest earned during this report period totaled $2,713,256.22. Line o includes total interest income of $3,739,326.90. MOE for the fiscal year ending September 30, 2006 was $1,775,268.26. $1,833,900 was appropriated for MOE in FY07.

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 purposes set forth in the award documents.**

Typed or Printed Name and Title	Telephone (Area code, number and extension)
Joseph P. Pavona, CFO	(517) 241-4500
Signature of Authorized Certifying Official	**Date Report Submitted**
	March 28, 2007

Michigan Department of State
Report on HAVA, Title II, Section 251 Requirements Payments
Activity for the Period of October 1, 2005 through September 30, 2006

In fiscal year 2006, the Michigan Department of State ("Department") expended $27,637,164.81 in HAVA, Title II funds. This amount included $1,381,858.76 funded by the State as part of the 5% State match. These funds were expended to purchase voting systems, comply with Title III requirements, educate voters, train election officials and perform other HAVA related activities. Following is a list of expenditures by category and descriptions of the activities funded to meet HAVA requirements and conform to Michigan's State Plan:

Voting System Purchases	$13,249,891.73

The State has contracts with three vendors: Election Systems and Software, Inc. (ES&S), Diebold Election Systems, Inc., and Sequoia Voting Systems, Inc. to purchase optical scan voting systems. The following optical scan voting systems payments were processed in accordance with Michigan's State Plan:

Vendor	Model of New Equipment Purchased	Quantity Purchased
Diebold	Accuvote Optical Scan Tabulator	803
ES&S	M100 Optical Scan Tabulator	1,478
Sequoia	Insight Optech Optical Scan Tabulator	768
Local Jurisdictions	Optical Scan Tabulator	473
Total Tabulators		3,522

If the voting system being replaced was formerly a punch card or mechanical lever machine, a portion of the cost ($3,192.22/tabulator) was paid from HAVA Title I, Section 102 funds.

Accessible Voting Systems	$10,013,686.80

The State has a contract with Election Systems and Software, Inc. (ES&S) to purchase accessible voting systems. The State processed payments for a total of 1,824 AutoMARK voting systems during the period of October 1, 2005 to September 30, 2006.

Complying with Title III Requirements	$1,813,516.51

In accordance with Michigan's State Plan, the Department took the following actions to comply with Title III requirements:

- **State Plan Objective:**
  Exploration of the potential for providing Michigan's smaller jurisdictions with additional methods of electronically accessing the Qualified Voter File (QVF) system.

  Description of the Activity Relating to the State Plan Objective:
  The Department is creating a secondary version of the QVF system designed for municipalities that have fewer than 5,000 voters. This new system will allow the QVF to be extended to virtually any jurisdiction that meets minimum system specifications. The Department is in the process of completing the testing phase of this system and expects the system to become available in the Fall of 2007.

- **State Plan Objective:**
  Use digitized signatures in the QVF database, which are already on the Department's driver's license file.

  Description of the Activity Relating to the State Plan Objective:
  The Department began a project to allow the QVF system to make use of digitized signatures maintained in the Department's license system. Using digitized signatures in the QVF will allow system users to easily verify signatures on absentee ballot applications and petitions. It will ultimately eliminate the need for most hardcopy voter registration applications processed as changes of address in the Department's Branch Offices (driver license offices). The Department has created a process to move approximately 7,000,000 signatures from the driver license system to the corresponding voter records in the QVF system. This project remains in the testing phase with the hopes of a gradual implementation in fall 2007.

- **State Plan Objective:**
  Development of new capabilities that permit the Qualified Voter File (QVF) system to store the last four digits of a voter's social security number.

  Description of the Activity Relating to the State Plan Objective:
  The Department enhanced the QVF system by enabling QVF to maintain the last four digits of the social security number for mail-in registrants. With this program in place, mail-in registrants are verified by matching the last four digits of their social security

number against the Social Security Administration (SSA) database. Programming was completed in 2006.

- **State Plan Objective:**
  Development of a process that permits the QVF system to electronically remove voters who have not responded to notices pursuant to the National Voter Registration Act:

  Description of the Activity Relating to the State Plan Objective:
  The Department utilized returned mail from a statewide mailing to verify voter location according to the National Voter Registration Act (NVRA). With this program, voters were mailed letters requesting verification of their voter registration address. Those voters who did not reside at their voter registration address were marked in the voter registration database to be tracked for activity for two federal elections. This program was completed in summer of 2006.

  The Department utilized Social Security Deceased information to assist in the removal of deceased voters from the voter registration database. This was completed in spring 2006.

  The Department created an electronic method to track voters who have not responded to notices pursuant to the NVRA. In addition, an incentive program was created to reimburse clerks complying with the NVRA notice requirements regarding undeliverable, returned voter ID cards.

- **State Plan Objective:**
  Exploration of new technology to expand the street index functionality for the QVF system.

  Description of the Activity Relating to the State Plan Objective:
  The Department programmed the voter registration street index to allow local election officials to submit street index changes in a more automated manner. In addition, software was purchased to assist with analyzing the voter registration street index to assist with clean up of the data.

Voter Education	**$1,959,143.05**

In accordance with Michigan's State Plan, the Department took the following actions to educate voters:

- **State Plan Objective:**
  Expand and improve upon the use of the Internet-based Voter Information Center.

  Description of the Activity Relating to the State Plan Objective:
  The Department redesigned the Voter Information Center to contain ballot information for the 2006 General Election. This feature allows voters within the state to determine where they vote and view their ballot prior to the election.

- **State Plan Objective:**
  Develop educational outreach initiatives designed to instruct voters on the operation of the voting equipment.

  Description of the Activity Relating to the State Plan Objective:
  The Department produced and distributed information regarding how to use the AutoMARK disability voting equipment. Training sessions were given regarding this information at select locations through out the state.

Train Election Officials	**$42,400.01**

In accordance with Michigan's State Plan, the Department took the following actions to train election officials:

- **State Plan Objective:**
  Develop education programs designed to instruct election officials on the operation of the voting equipment selected for the implementation of Michigan's statewide, uniform voting system.

  Description of the Activity Relating to the State Plan Objective:
  Test deck preparation materials were created to assist election officials with voting system setup on Election Day.

Other Activities	**$558,526.71**

In accordance with Michigan's State Plan, the Department took the following actions:

Michigan Department of State
Report on HAVA, Title II, Section 251 Requirements Payments
Activity for the Period of October 1, 2005 through September 30, 2006

State Plan Objective:
Establishment of a polling place accessibility program to ensure all polling places are compliant.

Description of the Activity Relating to the State Plan Objective:
The Department purchased tables for use with the accessible voting equipment. These tables are accessibly compliant to allow voters with disabilities to utilize the accessible voting equipment in the most efficient manner.

State Plan Objective:
Development of applications to improve the administration of federal election.

Description of the Activity Relating to the State Plan Objective:
The Department programmed elections for AutoMARK equipment for select counties in the state for the Primary and General elections for 2006.

Also, funds have been set aside to cover the costs specific to HAVA for the Department's Single Audit.

Indirect Expenses	**$451,393.31**

Federal - Title II Expenditures	**$26,684,129.69**
State (5% Match) – Title II Expenditures	**$1,404,428.43**
Total Title II Expenditures	**$28,088,558.12**