



August 27, 2004

Honorable Wesley Chesbro, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Honorable Dede Alpert, Chair
Senate Appropriations Committee

Honorable Judy Chu, Chair
Assembly Appropriations Committee

Allocation of Section 28.00 Funds for the Help America Vote Act

On August 13, 2004, we submitted an expenditure authorization request for \$35.1 million in federal funds for the Secretary of State related to Help America Vote Act (HAVA) funds. The purpose of the request was to extend the availability of HAVA funds previously approved in 2003-04, due to delays in submission of HAVA funding requests by counties and other causes.

This letter constitutes our notification that we will not allocate \$17.6 million in discretionary HAVA funds pertaining to this request, even after the 30-day notification period required under Section 28.00, until such time as the audit of the expenditure of HAVA funds authorized by the Joint Legislative Audit Committee on August 26, 2004 has been completed and we have reviewed the audit's findings. Until the audit and review have been completed, we intend to allocate only \$17.5 million for voting machine modernization.

We are taking this action because questions about HAVA expenditures came to our attention after approval of the August 13 request. Subsequently, the Legislature approved the audit mentioned above. We therefore consider it appropriate to approve only the expenditure of non-discretionary HAVA funds until we have had an opportunity to review the audit's findings.

If you have any questions or need additional information regarding this matter, please call Keith Gmeinder, Principal Program Budget Analyst, at 445-8913.

DONNA ARDUIN
Director
By:

MICHAEL C. GENEST
Chief Deputy Director

cc: Honorable Ross Johnson, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Honorable Joseph Dunn, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable John Dutra, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (3)
Mr. Danny Alvarez, Staff Director, Senate Budget and Fiscal Review Committee
Ms. Anne Maitland, Staff Director, Senate Appropriations Committee
Mr. Jeff Bell, Fiscal Director, Senate Republican Fiscal Office
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Christopher W. Woods, Chief Consultant, Assembly Budget Committee
Mr. Geoff Long, Chief Consultant, Assembly Appropriations Committee
Mr. Peter Schaafsma, Staff Director, Assembly Republican Fiscal Committee
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Mr. Kevin Shelley, Secretary of State
Ms. Sandra Duvenceck, Chief Assistant, Operations, Secretary of State
Mr. Lorenzo Hines, Division Chief, Management Services Division, Secretary of State
Ms. Debra Jones, Manager, Fiscal Affairs, Secretary of State