



COUNTY OF LOS ANGELES
REGISTRAR-RECORDER/COUNTY CLERK
12400 IMPERIAL HWY. – P.O. BOX 1024, NORWALK, CALIFORNIA 90651-1024

CONNOR B. McCORMACK
Registrar-Recorder/County Clerk

June 3, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE 2002-03 APPROPRIATION ADJUSTMENT FOR THE DEPARTMENT OF
REGISTRAR-RECORDER/COUNTY CLERK
(ALL DISTRICTS) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached appropriation adjustment moving \$4.0 million originally budgeted in Fixed Assets to Services & Supplies for the InkaVote interim voting system.

PURPOSE

On June 26, 2002, your Board adopted a one-time allocation of \$4.0 million for the purchase of a Countywide interim voting system. The purpose of this appropriation adjustment is to move the \$4.0 million originally placed in Fixed Assets to Services and Supplies as all expenditures for this system fall under the Services and Supplies category.

JUSTIFICATION OF RECOMMENDED ACTION:

Los Angeles County's current voting system is, and has been since 1968, the Votomatic pre-scored punch card system used for voting on election day at approximately 5,000 voting precincts Countywide and also for absentee voting by mail. However, due to the decertification of the pre-scored punch card voting system by the Secretary of State and the Federal court decision in February 2002, Los Angeles County is now mandated to implement an alternate State-certified voting system by January 2004. InkaVote, a transitional voting system developed to replace the pre-scored punch card voting system on an interim basis, will be used initially beginning with the November 2003 Uniform District Election (UDEL) through the 2004 elections and until an electronic system can be purchased Countywide. Your Board approved on August 20, 2002 a phased-in approach for transitioning to a new voting system technology because of the size and complexity of conducting elections in Los Angeles County.

Phase I was implemented in conjunction with the November 2002 General Election when a touchscreen voting system was in place for "early voting" at 21 locations throughout Los Angeles County. A contract for a small amount of Direct Recording Electronic (DRE) equipment hardware and peripheral equipment, tabulation software as well as vendor support services and maintenance to set up these "early voting" sites was approved by your Board on April 16, 2002. All 21 sites contained DRE equipment loaded with software containing every ballot type Countywide (818 separate, distinct types). Any of the County's 4 million registered voters were eligible to cast a ballot on the DRE system at any one of the 21 established touchscreen voting sites throughout the County. In addition to plans to continue use of this DRE equipment during the early voting periods, when feasible, the new equipment will be used for election day voting at the precinct level beginning in 2003 for selected smaller-scale elections (cities, school districts, special elections, etc.). The goal is to familiarize as many voters as possible with electronic voting prior to future Countywide implementation of electronic voting.

Phase II consists of the purchase of an interim paper-based optical scan voting system certified by the Secretary of State. The process of acquiring this system for both voting at the County's 5,000 precincts and for absentee voting by mail is now ongoing with implementation to begin with the November 2003 UDEL election. This interim paper-based system will continue to be used through the 2004 elections and beyond until such time as full funding for a DRE voting system can be fully identified/assured. The cost of this interim paper-based optical scan ballot voting system for Countywide conversion is estimated at \$4 million. The estimate includes sufficient InkaVote equipment for 5,000 voting precincts on election day, absentee voting by mail, ballot tabulation equipment for both precinct and absentee ballots and approximately 1,700 Electronic Poll Books to be used at the polling locations in place of hardcopy voter rosters.

The Electronic Poll Book (EPB) is an important accompaniment to the interim voting system phase for future electronic voting in all 5,000 precincts. The EPB is a computerized listing of all County registered voters which will allow the precinct worker to quickly and easily look up a precinct voter and validate that the voter is in the correct precinct for voting. It will provide the pollworker with the ability to quickly identify the voter's correct precinct and redirect them if necessary, provide a printed update of hourly voter history at the polls thereby relieving the pollworker of manually tracking voters and crossing out names, and provide an electronic update to the master voter history record. The unit will be easy to use with the ability to manually enter a voter's name or 'read' the bar code from the voter's sample ballot or the magnetic strip from a California Driver License or California Identification Card if available. The benefits of the system to the pollworker is greatly improved accuracy and reliability in looking up a voter's name and precinct, reduced effort in tracking the hourly voter history, greatly reduced time and improved accuracy updating voter master file history data and a significant reduction in pre-printed paper reports sent to the precinct. Additionally, the EPB system will result in enhanced service to the voter and candidate community as well as improved productivity and ease of use for County staff.

Phase III consists of full Countywide conversion to a Direct Recording Electronic (DRE) touchscreen voting system in all 5,000 voting precincts. However, the timing of such a conversion is currently unknown primarily due to insufficient funds. Proposition 41, approved by the voters at the March 2002 Primary Election, authorized issuance of \$200 million in voting modernization bonds (with a 3 to 1 state/county match). The adopted allocation formula reveals if all counties apply for their maximum allocation, Los Angeles County would be eligible for 25.45% of total statewide Proposition 41 funds which is equal to \$49.6 million. Additionally, Congress passed and President Bush signed into law the Martin Luther King Help America Vote Act (HAVA), on October 29, 2002. This act authorized allocation of up to \$3.9 billion in federal funds nationwide for voting system improvements over the next three years. Initial funding appropriation of \$1.5 billion was included in the current fiscal year, but it is still unknown how much federal funding Los Angeles County may receive as a result of this federal legislation. At this time, the estimated cost for Los Angeles County to purchase sufficient hardware, software, peripheral equipment, warehousing requirement and vendor support services, including training and ancillary services, to implement an electronic touchscreen voting system for the County's 5,000 voting precincts is estimated at \$107 million. To date, no local funding (by Los Angeles County or by any of the 88 cities within Los Angeles County) has been identified or allocated to augment the expected shortfall of federal and state funds. As such, the timing for implementation of touchscreen voting at the precinct level is unknown.

Specifically, the \$4.0 million InkaVote funding provides for the Phase II purchase of necessary interim voting system services and supplies, such as optical read head upgrades and maintenance, vote recorder devices and transport boxes, Microcomputer Tally System hardware, Electronic Poll Books, system testing and training and outreach activities. Since these expenditures are not classified as fixed assets (unit price threshold of \$5,000 or above), we are requesting that the entire \$4.0 million InkaVote funding be moved from Fixed Assets to Services and Supplies.

Implementation of Strategic Plan Goals:

This request supports the County's Strategic Plan as follows:

Goal No. 1: Service Excellence: Provide the public with easy access to quality information and services that are both beneficial and responsive. Provide the registered voters of Los Angeles County a user-friendly, cost-effective, transitional voting system until full implementation of electronic voting can be accomplished.

Goal No. 3: Organizational Effectiveness: Ensure that service delivery systems are efficient, effective and goal-oriented. The InkaVote system was determined to be the most cost-effective option for an interim replacement voting system. Also, the InkaVote ballot cards are adaptable to the State of California precinct and absentee voting procedures and electronic voting system technology. The InkaVote system is anticipated to remain in use as the County's absentee vote by mail system.

Goal No. 4: Fiscal Responsibility: Strengthen the County's fiscal capacity. Manage effectively the resources we have by correctly budgeting appropriations to fund the required phase-in of Countywide electronic voting.

FISCAL IMPACT/FINANCING

The requested appropriation adjustment requires moving budgeted funds from Fixed Assets to Services & Supplies. This requested action does not change net County cost.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The requested appropriation impacts the current process of acquiring the InkaVote voting system and the anticipated new system launch in conjunction with the November 2003 UDEL election.

Respectfully submitted,

CONNY B. McCORMACK
Registrar-Recorder/County Clerk

CMC:AS
Attachments (2)

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
Auditor-Controller

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. 710

DEPARTMENT OF Registrar Recorder/County Clerk

May 22, 2003 ~~PK~~

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AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2002-2003
 (3 Votes)

Sources:

Registrar Recorder/ County Clerk
 Fixed Assets - Equipment
 A01-RR-11300-6038
 \$4,000,000

Uses:

Registrar Recorder/County Clerk
 Services and Supplies
 A01-RR-11300-2000
 \$4,000,000

This Budget adjustment is necessary to shift \$4,000,000 from Fixed Assets to Services and Supplies to fund InkaVote voting system expenditures.

Kathleen Connors

Chief, Finance & Management Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

| | | | |
|--|----------------|--|------------------------------|
| REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR | ACTION | APPROVED AS REQUESTED | AS REVISED |
| | RECOMMENDATION | 19 | CHIEF ADMINISTRATIVE OFFICER |
| AUDITOR-CONTROLLER BY | | APPROVED (AS REVISED) BOARD OF SUPERVISORS | 19 |
| No. | 19 | BY | DEPUTY COUNTY CLERK |

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

The Honorable Board of Supervisors
June 3, 2003
Page 6

S&S Expenditures of One-Time InkaVote System Funds

Fiscal Year 2002-03

| Description | No. of Units | S & S Expenditures | Comments |
|--|--------------|---------------------|---|
| <u>Optical Read Head Upgrades</u> | | | |
| Upgrades | 40 | 240,000 | |
| Maintenance | 40 | 156,000 | |
| Subtotal | | 396,000 | To upgrade current optical read heads. |
| <u>Vote Recorder Devices</u> | | | |
| Initial Order | 30,000 | 763,163 | InkaVote requires a modified Vote Recorder base for voting with |
| Additional at reduced rate | 15,000 | 255,741 | a felt-tip pen rather than a stylus. |
| Subtotal | 45,000 | 1,018,903 | |
| Pens | 50,000 | 52,501 | For the InkaVote devices , felt-tip pens are required instead of a stylus. |
| <u>Election Material Assembly Supplies</u> | | | |
| Black Masks/Hinges for June Test Election | 10,000 | 3,046 | |
| Practice Pages/Laminated for Test Election | 60,000 | 14,257 | |
| Black Masks and Ink | 100,024 | 51,131 | |
| Black Hinges | 1,000,000 | 100,402 | |
| Subtotal | | 168,835 | Required for assembly of official ballot pages used in InkaVote recorders. |
| <u>Testing, Training & Voter Outreach</u> | | | |
| InkaVote Testing Costs | | 15,239 | Miscellaneous testing expenses. |
| Various Voter Outreach activities & supplies | | 100,000 | Voter Outreach activites related to InkaVote voter awareness and education. |
| Subtotal | | 115,239 | |
| Vote Recorder Device Transport Boxes | 7,000 | 8,032 | Boxes for transporting new InkaVote ballot devices to inspectors. |
| MTS Hardware: New PC's Screens, printers | 22 | 59,538 | Required computer hardware for implementation. |
| Electronic Poll Books | 1,700 | 2,180,952 | Electronic Roster for use at Polls. |
| Total InkaVote Funding | | \$ 4,000,000 | |