

VTI Counties History/Background

The State Plan

In the summer of 2003, the first installment of the Vote Indiana Team adopted the *Indiana State Plan for Implementing the Help America Vote Act of 2002 (HAVA):A Blueprint for Indiana Elections* (State Plan). While developing the State Plan, Secretary Rokita offered to issue a Request for Proposal (RFP) for a replacement of voting systems across the entire state, ensuring all counties received new equipment and a standard system was in place in every county. This approach would have leveraged the buying power of the entire state and most assuredly would have saved taxpayer dollars by receiving large volume discounts and providing the ability to share equipment as certain counties increase their need for machines while others see a decrease in need. County election administrators and executive bodies overwhelmingly opposed this approach stating their desire for local control of the decision. The Vote Indiana Team agreed with the approach, reminding counties that with this option, there was the responsibility to be vigilant and to protect taxpayer dollars when researching voting systems and vendors. At the recommendation of the Team, the Indiana Election Division entered into Quantity Purchase Agreements (QPAs) with all certified vendors to cap the cost of voting systems and the software required to operate them for counties.

As part of the State Plan, a reimbursement formula was developed in order to assist counties pay for their voting systems. Counties were classified as either “Tier A” or “Tier B”. Tier A counties were those still using lever or punch card voting systems in November of 2000. Those counties received up to \$8,000 per precinct and \$50,000 for software. Tier B counties already had newer voting system technologies in place, and were eligible for up to \$4,000 per precinct and \$50,000 for software. These reimbursements were to be made on a first-come, first-served basis. The Team recognized that there were 24 counties that purchased newer voting technologies between 1998 and 2001, these counties were not eligible for federal funds that increased the Tier A reimbursement. In order to assist these counties, the Team recommended holding \$2 million in HAVA funds as a reimbursement pool following the implementation of HAVA.

Voting Systems in 2003

Following the adoption of the State Plan, the Indiana Election Division developed an application for voting system reimbursement and distributed it to each county. Of the four VTI counties, three needed an entirely new voting system – Cass, Parke, and Randolph; while one, Boone County, required only machines to meet HAVA’s accessibility requirement (one accessible machine per polling place). Between 2003 and 2006, all four counties purchased new voting systems from Voting Technologies International (VTI). The following reimbursements were made through 2008 to each of the four counties:

Boone - \$238,000
Cass - \$362,000
Parke - \$186,000
Randolph - \$250,000

(Note: these amounts include either \$4,000 or \$8,000 per precinct and \$50,000 for software to each county.)

VTI Bankruptcy

It was learned in 2007 that the owner of VTI had numerous civil financial disputes in Wisconsin, during that time, VTI failed to exist. The four Indiana VTI counties claimed that their new voting equipment was no longer useful and they were unable to obtain technical or other operating support for the system. Since the counties had received their allocation of reimbursement funds, there were not funds remaining to help pay for a second voting system for these counties.

House Enrolled Act 1071 (2008)

This legislation was passed during the 2008 Session of the Indiana General Assembly. Essentially, it adds a third reason for reimbursement of HAVA funds for voting systems. Specifically, if a county “has purchased

or will purchase a new voting system to replace a voting system that the county cannot use because the county is unable to obtain technical or other operating support...” The Act further requires any HAVA funds distributed by the federal government after January 1, 2008, to be allocated to reimburse Boone, Cass, Parke, and Randolph counties for the purchase of new voting systems.

Federal law

Section 254 of the federal HAVA law requires the Vote Indiana Team, through the development of the State Plan, “...to determine how the State will distribute requirements payments to local government...”. This section also requires the State Plan to propose a budget to meet HAVA requirements. This includes the formulas used in the reimbursement process.

2008 HAVA Appropriation

Congress appropriated \$2.5 million in HAVA funds for Indiana, and an additional \$125,200 in state matching funds were appropriated in HEA 1071. In order to receive these funds, the funds must be budgeted in an amended version of the State Plan. The former VII counties and the contracted amount for the new voting systems are listed below:

Boone County - \$403,644
Cass County* - \$215,445
Parke County** – \$XXX
Randolph County – \$194,648

*Additional voting machines totaling almost \$500,000 would be needed if the vote centers option was not available to the county post 2010.

**County information was not available prior to meeting.