THE U.S. ELECTION ASSISTANCE COMMISSION

FISCAL YEAR 2011
CONGRESSIONAL BUDGET JUSTIFICATION

February 1, 2010

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VISION AND MISSION

Vision
Lead election reform that reaffirms the right to vote and to have all eligible votes counted accurately.

Mission
Assist the effective administration of Federal elections.

Salaries and Expenses Resources Available for Obligation					
FY 2009 **Enacted**		**FY 2010** **Enacted**		**FY 2011** **President's Budget**	
FTE	Dollars	FTE	Dollars	FTE	Dollars
43	$17,959,000	50	$17,959,000	50	$16,800,000

FY 2011 high-performance priority goals

- Serve as a clearinghouse and provide election officials and voters with necessary information regarding the process for casting a vote in the 2012 Federal elections.
- Provide election officials with funding, technical assistance and information, as appropriate, to support poll worker training, educate the public, and help provide voters access such as when and where to vote for the 2012 Federal elections.
- Distribute materials designed to allow citizens who are not proficient in the English language to participate fully in Federal elections to any jurisdictions covered by the Voting Rights Act Section 5 languages.
- Provide voluntary best practices for computerized statewide voter registration list requirements and registration by mail guidance to the States.
- Ensure that voting systems and modifications of already-certified systems submitted to the U.S. Election Assistance Commission's (EAC's) program are successfully and efficiently tested to Federal standards.

Appropriations language:

U.S. Election Assistance Commission

SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the Help America Vote Act of 2002, [$17,959,000] $16,800,000, of which [$3,500,000] $3,250,000 shall be transferred to the National Institute of Standards and Technology for election [reform] administration activities authorized under the Help America Vote Act of 2002.[: Provided, that $750,000 shall be for the Help America Vote College Program as provided by the Help America Vote Act of 2002 (Public Law 107-252): Provided further, that $300,000 shall be for a competitive grant program to support community involvement in student and parent mock elections.] (Financial Services and General Government Appropriations Act, 2009.)

EAC Background, Mission and Organizational Structure

In October 2002, Congress passed the Help America Vote Act (HAVA). The law recognized the need for States to invest in their election infrastructure and set out a comprehensive program of funding, guidance, and ongoing research. To foster those programs and to promote and enhance voting for United States citizens, HAVA established the EAC.

EAC is an independent, bipartisan agency. Four full-time Commissioners, appointed by the President and confirmed by the U.S. Senate, and three Federal advisory committees--the Standards Board, Board of Advisors, and the Technical Guidance Development Committee--guide the EAC. Its mission is to assist in the effective administration of Federal elections. EAC is statutorily required to:

- Create a clearinghouse of information for election officials and the public.
- Distribute HAVA funds to states for election administration improvements.
- Issue, and periodically review and modify, as necessary, Voluntary Voting System Guidelines (VVSG).
- Accredit voting system test labs and certify voting equipment.
- Conduct periodic studies of election administration issues.
- Establish best practices and guidelines on election administration for state and local election officials.
- Maintain the national voter registration form developed in accordance with the National Voter Registration Act (NVRA) of 1993.
- Provide Congress with a bi-annual report to assess the impact of the NVRA.

The Standards Board and the Board of Advisors provide advice and guidance to EAC on Voluntary Voting System Guidelines and other election administration issues. In addition, the Technical Guidelines Development Committee (TGDC) assists EAC in the preparation of the VVSG. The VVSG sets the standards against which voting systems are tested. The Director of the National Institute of Standards and Technology (NIST) serves as the Chair of the TGDC and provides technical support to the Committee.

Additionally, HAVA specifies that NIST provide recommendations to EAC regarding voting system test laboratories. Since Fiscal Year 2004, EAC's annual appropriations have included funds for NIST support.

The Senate confirmed four Commissioners in December 2003 and EAC began operations in January 2004, within ten months of the date mandated by HAVA. Its Fiscal Year 2004 operating budget was $1.7 million. At the close of the fiscal year, EAC had a staff of 18.

EAC's focus in 2004 was to assemble staff, obtain office space, arrange for administrative support from the General Services Administration (GSA), establish a website, start clearinghouse operations, and distribute Federal financial assistance to states. In regard to Federal financial assistance, Congress appropriated nearly $3 billion in Fiscal Years 2003 and 2004 for payments to States under Titles I and II of HAVA. States received the funds to upgrade their voting systems, establish a statewide voter registration database, train election officials, and educate voters. As EAC did not begin operations until 2004, GSA initially distributed HAVA funds to the fifty States, Guam, Puerto Rico, the U.S. Virgin Islands, American Samoa and the District of Columbia on EAC's behalf in Fiscal Year 2003.

In FY 2004, EAC appointed a statutorily-required General Counsel. During Fiscal Year 2005, EAC appointed its other statutorily-required position, the Executive Director, and an interim Inspector General. EAC focus in subsequent years was on upgrading the VVSG, completing required research to promote effective Federal elections and to present key data on election practices and voting, instituting a voting system testing and certification program, auditing State use of HAVA funds, and providing information on improving elections to its stakeholders.

In FY 2007, the full-time equivalent staffing ceiling of 24 was lifted. As of the end of FY 2009, EAC had a full-time staff of 43 employees, including three Commissioners and four special assistants. Since its inception, EAC has received $2.5 billion in requirements payments based on a formula of the number of eligible voters, $14.7 million in discretionary grant funds for Poll Workers, Mock Elections and Election Data Collection, and transferred $17.7 million to NIST. EAC is located in Washington, D.C.

Issues behind the FY 2011 high-performance priority goals

Voters need easy access to up-to-date information on where, when and how to vote. Leading up to an election year, election officials are faced with an increasing task of informing voters and training Election Day poll workers.

Federal elections are locally administered with a wide variety of practices and policies. Election officials work hard to conduct fair, accessible, accurate and secure elections. They do this by informing the electorate and properly training poll workers. EAC assists states and local jurisdictions by providing tools and best practices to election officials to improve election administration practices, including pre-election testing and contingency planning materials, which promote a proactive approach to election management.

As States look to new technology and practices in voting (including remote access voting for Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) voters, vote by phone and accessible technology for disabled voters) and private sector manufacturers expand the number and type of voting systems available, EAC must be in a position to test the new systems against rigorous Federal standards in a timely, efficient and high-quality manner.

Implementation of the high-performance priority goals in FY 2011

High-performance priority Goals 1a and 1b

> *Serve as a clearinghouse and provide election officials and voters with necessary information regarding the process for casting a vote in the 2012 Federal elections.*
>
> *Provide election officials with funding, technical assistance and information, as appropriate to support poll worker training, educate the public, and help provide voters with access to information such as when and where to vote for the 2012 Federal elections.*

The first of the high-performance priority goals is aimed at assisting eligible voters who are registered and who want to be registered to vote so that they have the necessary knowledge to cast and have their ballots counted on Election Day. Three EAC program areas will be involved in implementation of the goals--the Research, Policy and Program, Communications, and Grants Divisions—in partnership with State and local election officials, voter advocacy groups and all other stakeholders.

In order to implement the goals, EAC will employ such strategies as:

- Increasing the use and availability of EAC research products and teaching materials through the EAC clearinghouse and other electronic tools.
- Using the results of the 2010 evaluation of EAC products to revise publications such as the poll worker training manual, poll worker recruitment guide, and voter education materials for 2010 and beyond;
- Implementing an annual research plan; and
- Disseminating voluntary guidance on provisional voting pursuant to Section 311 of HAVA.

High-performance priority Goal 2

> *Support jurisdictions covered by the Voting Rights Act Section 5 languages so that all jurisdictions have access to and use materials designed to allow citizens who are not proficient in the English language to participate fully in Federal elections.*

The aim of the goal is to ensure that all voters assigned to jurisdictions covered under Section 5 prior to and as a result of the 2010 Census receive materials and support from EAC. These voters include persons who are Native American, Asian American, Alaskan Natives or of Spanish heritage. It also will help in ensuring that limited and non-English proficiency voters are able to register and vote. The lead EAC offices responsible for implementing the goal are the Language Accessibility Program of Research, Policy and Program Division, and the Grants Division. Partners in the effort include State and local election officials, voter advocacy groups and all other stakeholders.

EAC's strategy to achieve the goal is to receive the 2010 Census data and translate the EAC "Voters' Guide to Federal Elections" and other materials to any additional languages and jurisdictions determined to be covered under minority language provisions of the Voting Rights Act and any other jurisdiction that may have a need based on their population. Resources needed to achieve the goal include funds for translations and publications and the ability to convene working groups and roundtables; these resources are included in the 2011 Budget request for EAC Salaries and Expenses.

High-performance priority Goal 3

> *Provide States with best practices for computerized statewide voter registration list requirements and registration by mail based on voluntary guidance provided by EAC pursuant to Section 311 of HAVA.*

The aim of Goal 3 is to encourage the 50 States, Puerto Rico, the U.S. Virgin Islands, the District of Columbia, Guam and American Samoa to utilize best practices that encourage increased voter participation. The lead EAC division for the effort is Research, Policy and Program, in partnership with State and local election officials, and voter advocacy groups and all other stakeholders.

In order to achieve Goal 3, EAC, using in-house research, will help election officials educate voters on the need to update their registration status, and provide assistance regarding training poll workers on issues related to voter relocation within the same State (directing voters to the appropriate polling place, provisional ballots, acceptable ID, etc.). EAC plans on issuing voluntary guidance that may include but is not limited to: matching protocols, maintenance of accurate voter registration lists, data collection and storage, online functionality, identification

requirements for first-time voters, and interoperability and intraoperability of databases; and help States promote intergovernmental cooperation between their various agencies and departments.

High-performance priority Goal 4

Ensure that modifications of certified systems submitted to EAC's program are successfully and efficiently tested to federal standards.

The goal is to ensure that modifications of certified systems submitted to EAC's testing and certification program are successfully and efficiently tested to federal standards. The certifications help election officials maintain the reliability and security of those voting systems and the integrity of the overall election results. The lead office for implementation of the goal is the Testing and Certification division, with input from partners including the U.S. Department of Commerce National Institute of Standards and Technology.

Operating plan summary

Salaries and Expenses	FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
Full-Time Equivalent Staff	43	50	50
Personnel Compensation and Benefits			
11.1 Full-Time Permanent	$3,831,845	$4,209,015	$5,065,658
11.3 Other than Full-Time Permanent	477,717	649,118	448,726
12.1 Personnel benefits	993,722	1,480,015	1,220,898
Subtotal, Personnel	**5,303,283**	**6,383,149**	**6,735,282**
Non-Personnel			
21 Travel	1,139,400	871,894	954,141
23.1 Rental payments to GSA	586,581	717,111	882,477
23.3 Communications, utilities, postage	200,478	133,089	139,109
24 Printing and reproduction	701,031	601,933	686,694
25 Other services	4,600,227	4,289,030	3,270,292
25.3 Transfer to NIST	4,000,000	3,500,000	3,250,000
26 Supplies and subscriptions	100,900	154,733	113,685
31 Equipment	277,100	258,060	18,320
41 Grants	1,050,000	1,050,000	750,000
Subtotal, Non-Personnel	**12,655,717**	**11,575,851**	**10,064,718**
Total Budget Authority	**$17,959,000**	**$17,959,000**	**$16,800,000**

Note: FY 2011 assumes a Cost of Living Adjustment of 4.2% and a non-pay inflationary increase of 1% (exclusive of transfer to the National Institute of Standards and Technology (NIST) and Grants).

EAC has aligned its five Strategic Plan goals—Communicate; Fund and Oversee; Study, Guide, and Assist, Test and Certify; and Manage—with the offices responsible for implementing them.

Budgets and Performance Measures by Strategic Plan Goal

Strategic Plan Goal 1: **Communicate timely and accurate information on the effective administration of elections for Federal office and on the operations and services offered by EAC.**

> Outcome: The Congress, Federal agencies, State and local election officials and the public receive reliable, accurate, and non-partisan information about administering, conducting and participating in Federal elections and how, where, and when Americans vote.

FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
$985,017	$848,752	$840,167

Goal 1's aim of communication of timely and accurate information is the responsibility of the Office of Communications and Clearinghouse. The goal will be achieved via three strategic objectives:

- Operate the EAC Clearinghouse effectively.
- Respond to outside requests about the EAC timely and accurately.
- Convey the results of EAC operations and accomplishments.

Key Performance Measures
o Post applicable information on the web-based Clearinghouse within 24 hours of receipt.
o Respond to 75 percent of non-Freedom of Information Act requests within 72 hours.
o Issue quarterly press releases summarizing EAC accomplishments.
o Provide regular briefings regarding EAC activities to Congressional staffers.

The Communications division is responsible for administration of the agency's website, www.eac.gov which contains over 1,000 documents with information about voting system test plans, agency correspondence, and testimony from EAC monthly Public Meetings and hearings; and external and internal communications such as press releases,

news articles and speeches, informational videotapes on the programs, a monthly newsletter about EAC activities and events to approximately 1,200 subscribers, and a weekly email on internal operations. The unit coordinates with EAC staff to communicate policies guidance, research, and other agency initiatives to the Public.

The Communications division is instrumental in ensuring all stakeholders receive information about the testing and certification program. EAC's Testing and Certification Voting System Reports Clearinghouse is where Communications staff post and disseminate voting system reports and studies that have been conducted or commissioned by a State or local government.

Using an interagency agreement with the U.S. Department of Agriculture, the division produced poll worker and election official training videos, available on the eac.gov website and on YouTube. As we prepare for the 2010 federal election year, EAC plans on producing four new training videos at approximately $8,000.

In 2009, in order to accelerate establishment of a Clearinghouse of information on Federal elections and to ensure a cost-effective contract, EAC recompeted its contract which includes the Clearinghouse and a restructure of the website. With the new contract, EAC will continue to achieve our goal of serving as the trusted source for information about elections and election administration. In 2010, EAC intends to connect its stakeholders to a new, separately identifiable Clearinghouse on the EAC website. The fixed price for the website contract in FY 2011 is $130,000 with optional time and materials task orders.

Goal 1 is administered by a staff of three. The unit spends approximately $26,000 to produce the mandated EAC Annual Report.

Strategic Plan Goal 2: **Deliver and manage Federal funds effectively.**
    Outcome: States and other recipients promptly and accurately receive Federal funds administered by EAC and use the funds appropriately to improve the administration of elections for Federal office.

	FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
Grants Management	$1,965,889	$1,914,069	$1,406,639
OIG	1,757,730	1,770,259	1,837,836
Total	**$3,723,619**	**$3,684,328**	**$3,244,475**

Goal 2 consists of three strategic objectives:

- Accurately and timely disburse Federal financial assistance administered by EAC.
- Effectively monitor Federal financial assistance administered by EAC.

- Provide technical assistance and guidance on the management of Federal financial assistance administered by EAC to reduce the risk of inappropriate use of funds and accounting errors.

Key Performance Measures
o Award grants within established timeframes.
o Submit State plans for publication in the Federal Register within 30 days of receipt of each plan.
o Submit payment requests to GSA within 10 days of receipt of acceptable requests/certifications in a timely manner.
o Respond to all inquiries by recipients about the use and administration of funds in accordance with EAC requirements in a timely manner.

Goal 2 is administered by the Grants Management unit and the Office of the Inspector General (OIG).

In FY 2009, EAC reorganized, creating a Grants Management division. The division is responsible for distributing, monitoring, providing technical assistance to States and grantees on use of funds, and reporting on requirements payments and discretionary grants that improve administration of elections for Federal office. The office negotiates indirect cost rates with grantees and resolves audit findings on use of HAVA funds.

With EAC's reorganization of the financial management functions, a new senior level grants director was hired in FY 2009. The director will emphasize technical assistance to the States and grantees, offering workshops and training sessions using distance learning tools and services of a grant support contract. EAC will continue to work with the States and grantees to clarify their responsibilities they have in managing the funds they receive or are awarded.

A system to track audits and State completion of corrective actions will be established. Another goal is to achieve the performance targets for timeliness in the Strategic Plan, such as resolving 100 percent of audit findings, awarding grants in established timeframes, and submitting State plans to the Federal Register within 30 days of receipt.

The Grants Office is currently staffed by the director and a grants specialist with contractor and temporary staff support. An estimated $303,000 will be needed to print State Plans and grants notices in the Federal Register. In FY 2010, EAC plans on hiring one full-time staff in lieu of FY 2009 contractor support.

For FY 2011, the Office of the Inspector General initial request is $1,893,494. The President's Budget request is $1,837,836. The Inspector General has determined that these amounts will support operations for FY 2011. Of the total requested in the President's Budget, $25,000 is for staff training to meet the continuing education requirements applicable under Generally

Accepted Government Auditing Standards, and $4,534 is for support for the Council of Inspectors General on Integrity and Efficiency.

OIG plans on increasing the number of audits from five per year to eight, and the number of reviews and investigations that are conducted. OIG plans on conducting two internal audits/evaluations of EAC programs and operations and an evaluation of its own operations in 2011.

An increase of one junior auditor is requested for FY 2010, in addition to the existing positions of the Inspector General, legal counsel, and senior auditor. OIG requests 3.5 additional staff – a director of audits, a journeyman auditor, an investigator, and a part-time administrative assistant – for 2011 to build two audit teams. The additional staff would be hired in lieu of contracts to increase flexibility to react to and further investigate questionable situations and potential audit findings. The staff would help manage contract audits to more efficiently review State and local government use of HAVA funds, expand grant audits to include the discretionary grant programs, and evaluate EAC operations.

Strategic Plan Goal 3: **Identify and develop information on areas of pressing concern regarding the administration of elections for Federal office and issue guidance, translations, best practices and recommended improvements as required by HAVA, and carry out responsibilities under the National Voter Registration Act.**

> Outcome: As a result of this goal: 1) the election community and other key stakeholders improve the administration of elections for Federal office on the bases of pertinent, impartial, timely, and high-quality information, recommendations, guides and other tools on election and voting issues and 2) eligible citizens use the mail voter registration application to register to vote, register with a political party, or report a change of name, address, or other information.

FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
$1,191,890	$1,544,817	$1,523,184

Goal 3 consists of four strategic objectives:

- Complete research on relevant issues that improve the administration of elections for Federal office and expeditiously report on critical administration subjects and election data.
- Identify and collect required and useful data on election administration practices and on voting methods and demographics and make recommendations for improving the quality of practices, methods, and data.
- Issue guides, translations and other tools that are timely and useful.

- Update and maintain a national mail voter registration application and report to the Congress as required by NVRA.

Key Performance Measures
o Increase the percentage of stakeholder use of EAC research products to improve the administration of elections for Federal office.   o Increase the accuracy and completeness of data reported by States in response to EAC surveys.   o Include recommendations to improve election administration and data to the Congress in the annual report on the Election Day survey.

The Research, Policy and Programs division administers:

1) the Election Management Guidelines Program to provide information on topics such as Ballot Design, Contingency Planning, Managing Change in an Election Office, Media and Public Relations, and Developing an Audit Trail for the verification of votes, to help election officials promote secure, accurate, and accessible elections;

2) the Language Accessibility Program to provide informational materials on the Federal election process and election terminology in languages other than English, translate the national voter registration form, and gather information from working groups to address the election needs of voters with limited or no English proficiency;

3) provides materials to voters to facilitate successful participation in Federal elections such as registering to vote; and

4) conducts election research on mandated topics.

HAVA mandates that EAC issue studies on the impact of free absentee ballot return postage on voter participation, electronic voting and Uniformed and Overseas Citizens Absentee Voting Act voters, the feasibility of alternative voting methods, the voting experiences of first-time voters who register to vote by mail, and the feasibility and advisability of identifying voters by Social Security Numbers.

Each year, staff presents potential Election Management Guideline (EMG) chapters and Quick Start Management Guide ideas to the Commissioners for their review and consideration. Ideas for new chapters and guides are gathered by program staff from a variety of sources in the elections field. Once reviewed by the Commissioners, staff from the Research, Policy and Programs Department complete preliminary research for each new agreed-upon chapter.

EMG chapters are vetted with the topical working group and made available for comment to the EAC's Board of Advisors and Standards Board through the Virtual Meeting Room. The final

version of each EMG chapter is formally adopted by the Commission. Once this has occurred the chapter is disseminated by mail and the Internet to all local and State election officials.

In 2011, EAC will release a report on data collected in the 2010 elections and a report to Congress assessing the impact of the National Voter Registration Act (NVRA) on the administration of elections for Federal office. On August 28, 2009, the NVRA regulations were transferred from the Federal Election Commission to EAC. The project will involve review of the current regulations, any proposed changes to the regulations, and consideration of public comments. The EAC will conduct hearings to ensure broad participation in the rulemaking process. Final regulations must be adopted by a vote of the Commission following the public rulemaking process and published in the Federal Register before taking effect. In addition, EAC will update the Federal Election Commission's implementation manual to reflect any changes in the regulations and the additional requirements added by the passage of HAVA.

EAC's Board of Advisors and Standards Board assist in prioritizing research topics that are important and helpful to election officials. When new research projects are identified as priorities to undertake, a working group is organized. The members of the working group provide feedback to Research staff about possible topics of study and are subject to final approval by Commissioners as part of the annual research plan.

Strategic Plan Goal 4: Build public confidence in elections by testing and certifying voting systems to improve system security, operation and accessibility.

> Outcome: Voting equipment operates more reliably and securely and is more accessible to the disabled. States use EAC testing and certification program to ensure voting systems meet standards.

FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
$1,672,406	$1,861,008	$1,825,642

Goal 4 consists of three strategic objectives:

- Develop and update the voluntary voting system guidelines (VVSG).
- Provide for the accreditation and revocation of accreditation of independent, non-Federal laboratories qualified to test voting systems to Federal standards.
- Administer the testing, certification, decertification, and recertification of voting system hardware and software by accredited laboratories.

Key Performance Measures
o Complete accreditation reviews for all laboratories recommended to EAC by NIST and for all emergency actions within 90 days. o Test and document the results of the review of compliance with procedures by at least 100 percent of accredited laboratories every two years. o Test 100 percent of systems applying and qualifying for testing. o Respond to requests for interpretations of voting system standards within 45 days.

Under HAVA, EAC is responsible for assisting States with improvements to voting systems through the distribution of Federal funds and by providing a voluntary federal certification program. The Federal Government's first voluntary Voting System Testing and Certification Program for the States also provides the public the opportunity to review every aspect of certifying voting equipment, such as voting equipment system information, test plans and reports, and reports on irregularities. Comprehensive procedures for the program are detailed in EAC's Voting System Testing and Certification program.

The division works on EAC's full accreditation and certification program. Staff works with the National Institute of Standards and Technology (NIST) to evaluate and accredit voting system test laboratories and the management of the voting system certification process. The program assists States with voluntary certification of their systems, supports local elections officials in the areas of acceptance testing and pre-election system verification, increases quality control in voting system manufacturing, and provides clear procedures to manufacturers for the testing and certification of voting systems to specified Federal standards consistent with the requirements of HAVA Section 231(a)(1).

In FY 2009, EAC increased the Testing and Certification staff to expedite the voting system certification process. An EAC certification means that a voting system has met the requirements of the Federal standards by passing a series of comprehensive tests conducted by an EAC-accredited test laboratory. Procedural requirements for the Voting System Test Laboratory Program are detailed in EAC's Voting System Test Laboratory Manual. Currently, six voting systems are participating in EAC's Testing and Certification Program.

The additional staff hired in 2009 has improved the process by answering technical questions of the election officials and vendors, helping test lab vendors understand how to test specialized systems, reviewing test plans, tracking complaints, visiting the testing labs, and keeping the technical review and approval process moving forward. The staff has made a commitment to match the testing time schedules provided by the voting system test laboratories and manufacturers. Staff holds weekly teleconferences with the labs and manufacturers of all testing

engagements underway. Staff holds kick-off meetings with the labs and manufacturers to give the technical reviewers an opportunity to meet with the labs and manufacturers and ask them about everything they need to know about the systems for their reviews.

> *EAC certified three voting systems between February and August 2009.*

In addition to staffing and staff efforts to streamline the voting system certification process, EAC along with its Standards Board, Board of Advisors, and Technical Guidelines Development Committee (TGDC) (chaired by the director of NIST and comprised of 14 other members) work together to review voluntary testing standards. Efforts are underway to revise the 2005 Voluntary Voting System Guidelines. The revisions are aimed at aiding the creation of test suites that promote uniform, consistent and faster testing by eliminating bottlenecks in the testing process. Revisions will also provide clarification in key areas that may cause confusion and slow the process.

In 2011, EAC plans on transferring $3,250,000 to NIST via interagency agreement for activities required under Sections 221 *Technical Guidelines Development Committee* (TGDC), 231 *Certification and Testing of Voting Systems*, and 245 *Study and Report on Electronic Voting and the Electoral Process* of HAVA.

EAC and NIST seek to produce a final report by the first quarter of 2010 related to UOCAVA initiatives on Best Practices for Transmission of Election Material and Security Considerations for Remote Voting. NIST's interim report, "Threat Analysis for UOCAVA Voting Systems," discusses the need to balance security and privacy in electronic transmission of voting materials with ensuring UOCAVA voters get to vote in a timely manner.

The Testing and Certification unit consists of six full-time staff, four part-time technical reviewers, and two contractual staff. Total cost of staff, reviewers, and contractors for FY 2011 is $1,254,941. Travel is budgeted at $280,500; printing at $105,200; other services at $180,000; and $5,000 for supplies. Current plans are to begin phasing out one of the contractual staff as new full-time staff are trained and can take over the function.

> *Improving and refining the testing process continues to be an agency priority.*

Strategic Plan Goal 5: Achieve organizational and management excellence.

> Outcome: EAC Commissioners and staff proficiently carry out EAC's strategic objectives.

Goal 5 consists of one clear-cut objective:

- Implement a high performance organization.

	FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
Commissioners	$1,149,402	$1,186,525	$1,354,238
Board of Advisors, Standards Board	454,333	293,299	274,786
Executive Director & Public Meetings	708,765	627,182	717,138
Chief Operating Officer	746,922	1,164,033	639,007
Administrative Services	2,160,741	1,862,250	1,822,466
Chief Financial Officer	470,790	704,511	602,339
Office of the General Counsel	695,115	670,677	706,559
Total	**$6,386,068**	**$6,508,477**	**$6,116,533**

Goal 5 is administered by the Commissioners, the Standards Board, the Board of Advisors, the Technical Guidelines Development Committee, Executive Director, Chief Operating Officer and Chief Financial Officer with support from the Offices of the General Counsel and Administration.

Key Performance Measures
o Obtain a clean audit opinion on agency financial statements within two years of the initial statement preparation.
o Implement 90 percent of the OIG audit recommendations within agreed upon timeframes.
o Meet annual performance measures.

EAC's offices have been realigned to address the goals in the Strategic Plan: Goal 1 Communicate is administered by the Office of Communications and Clearinghouse. Goal 2 Funds and Oversee is administered by the Grants and Inspector General Offices. Goal 3 Study, Guide and Assist is aligned with the Research, Program and Policy unit. Goal 4 Test and Certify is administered by the Voting Systems and Certifications unit.

Goal 5 Manage is aligned with the Boards, Commissioners, Executive Director, Chief Operating Officer, Chief Financial Officer and General Counsel. A cost allocation model distributing administrative costs to the goals was developed and submitted to the financial statement auditors for review. Budgets tie to information in the financial statements.

In FY 2009, in response to the agency's first financial statement audit, EAC reorganized the agency structure and created a financial division. The division consists of a senior level grants director who administers HAVA funds, an accounting director who is a Certified Public Accountant, and a Chief Financial Officer who ensures that EAC is compliant with Federal requirements and resources are used efficiently.

> *EAC received an unqualified opinion on its FY 2009 financial statement audit.*

The CFO department will continue to focus on resolution of issues identified in audits, setting up sound systems and policies and procedures, working with managers on the relationship between budget and performance, maximizing use of staff and financial resources, and training EAC staff on financial management processes and their responsibilities.

Management is working to foster a culture of accountability among staff. The agency is seeking to improve staff satisfaction ratings and achieve management excellence through improved internal controls and human resource initiatives.

> *Improvement of internal controls will be an ongoing high priority effort.*

Procurement Strategy

Beginning in FY 2008, EAC started the process of hiring staff in lieu of contractors for its research and evaluation work. By FY 2009, EAC phased out 12 contracts awarded by the Department of Interior on EAC's behalf and used staff to produce publications and reports that had previously been contracted out.

Some one-time contracts totaling $244,000 were awarded in FY 2009 related to remediation of financial management and Federal Information Security Management Act audit findings after the agency's first financial statement audit covering FY 2008.

In accordance with the President's Memorandum on Government Contracting, issued on March 4, 2009, we have reviewed EAC's existing contracts and current acquisition practices in order to target achievable cost savings. The acquisition budget for FY 2010 is planned at $4.3 million and FY 2011 is approximately $3.3 million. The following items are proposed in order to save 3.5 percent of EAC's baseline contract spending in FY 2010 and a further 3.5 percent in FY 2011.

Acquisition Savings Plans Steps to be Taken for FY2010/2011
1) Perform an analysis of organizations within EAC to consider the continued need and cost-effectiveness of out-sourcing expertise that could be staffed in-house.
2) Cost savings are projected by converting current out-sourced resources to current or future in-house staff for ongoing work tied to growth projections of EAC.
3) Re-compete two current contracts to obtain cost reductions: ➢EAC Website Maintenance & Hosting Contract. Savings in 2011: $235,000   ➢EAC Election Day Survey Analysis Contract: $130,000 in 2010

Human Resource Management

Program and financial integrity depends on well-structured human resource policies and practices. Along with the Chief Operating Officer and Chief Financial Officer, EAC's Human Resource (HR) Director in the Office of the Chief Operating Officer is charged with improving program operations and tracking accomplishment of goals. In 2009, HR began the process of implementing policies and procedures to improve staff performance and to establish a human resource accountability system. The system will ensure effective Human Resource management in support of the agency's Strategic Plan and in adherence to the Federal merit systems principles, and other Federal HR laws and regulations.

EAC is committed to building a diverse, well-trained, high-performing workforce. Managers and supervisors are accountable for efficient and effective human resources management in support of the agency's mission and in accordance with merit system principles. Supervisors will undergo a human resources management training program with the aim of enhancing managers' and supervisors' ability to accurately evaluate performance, recognize good performance, and take corrective action as needed to address identified performance deficiencies. They will be trained on effective performance management: the importance of providing feedback to employees frequently throughout the year, and of conducting regular formal performance appraisals with appropriate detailed feedback to help staff grow and succeed. The supervisory training program also includes modules on EEOC and sexual harassment, No Fear Act, teambuilding, ergonomics, and work/life balance.

Staff and supervisors will also be responsible for annual Performance Plans and Individual Development Plans (IDPs) to help employees identify strengths and weaknesses, reach their potential and attain their career goals. The Performance Plans will address not only accomplishment of strategic plan goals and how each employee contributes to achievement of the agency's mission and goals, but will also address core competencies and performance elements for each position. Development activities in the IDPs include in addition to formal training, mentoring, coaching, computer-assisted training, brown bag lunch-time learning groups, and formal feedback.

In September 2007, EAC produced a Succession Management Framework to mitigate the impact of employee attrition. The plan outlines recruitment, selection criteria, identification of agency-wide core competencies required, development of staff, and retention of staff by providing challenges and rewards. The acquisition budget for FY 2010 is planned at $4.3 million and FY 2011 is approximately $3.3 million.

Improving Employee Satisfaction and Wellness

EAC plans on using employee survey findings to improve recruitment, retention and future ratings. We are developing an action plan to address the specific areas that employees have identified as needing improvement. One area identified as needing improvement is leadership and supervisory skills. As mentioned in the Internal Control section of this document, a

Supervisory Development Program will be offered with courses in project cost management; EEO, sexual harassment and diversity; financial management, human resources management, and performance appraisal. Further, the agency arranges team building exercises to improve internal communication over and above the activities described in Goal 1 Communicate.

The acquisition budget for FY 2010 is planned at $4.3 million and FY 2011 is approximately $3.3 million. In an effort to promote health and wellness initiatives, EAC provides staff with an Employee Assistance Program via a Memorandum of Understanding with Federal Occupational Health. EAC has expanded the services provided under the MOU to include clinic services such as first aid and blood pressure checks and the WorkLife4You Program. The Work/Life Program includes consultations for staff on such topics as child and elder care, adoption, career development, retirement planning, and services for adults with disabilities and illnesses. In addition, EAC does not have to expend funds on offering a fitness facility as one is provided to staff in the building to use free of charge. EAC participates in the Flexible Spending Account program, and provides flexible work schedules, telecommuting, and transit benefits. In FY 2009, EAC purchased automated external defibrillators for each of its three locations and provided cardio-pulmonary resuscitation training to approximately 12 staff on use of the machines through the Red Cross.

Information Technology

The Commission's information security program encompasses those measures necessary to protect the Commission's information resources. These measures include providing for each project: the appropriate technical, personnel, physical, administrative, environmental and telecommunications safeguards; and continuity of operations through contingency or disaster recovery plans. The Commission's protective measures cover the following information resources: data, applications, software, hardware, physical facilities and telecommunications. The Commission's information security program assures that each automated information system has a level of security that is commensurate with the risk and magnitude of the harm that could result from the loss, misuse, unauthorized disclosure or improper modification of the information contained in the system.

Currently, EAC depends on GSA for email, internet and information technology (IT) security services, and on a contractor for maintenance of the website, www.eac.gov. Current EAC IT staff maintains personal computers and smartphones, provide software requested by EAC staff, and perform vulnerability scans. The agency has a shared drive but does not have an intranet where policies and procedures can be posted.

EAC is GSA's last IT client agency. EAC's vision is to be responsible for our own infrastructure led by a qualified Chief Information Officer (CIO). EAC expects to replace the acting CIO with a CIO in the first quarter of FY 2010. The CIO will work on integration of EAC systems, upgrade the agency's email to MS Outlook from Lotus Notes, assist the directors with systems to capture performance metric data, and guide EAC in implementation of an automated Time and Attendance system and an e-Travel system. Currently, EAC submits hard copy exception-based

time sheets to GSA, where the Electronic Time and Attendance Management System is used.
EAC submits hard copy Travel Authorizations and Vouchers to GSA.

Summary of Information Technology Resources Table

IT Resource Category	Budget Activity	FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
Salaries and Expenses (Dollars in thousands)				
Major IT Investments	Not applicable			
Non-Major IT Investments				
Telecommunications	Telephone, smartphones, wireless service for PCs	90.4	92.2	94.0
Financial management system and reports	Memorandum of Understanding with GSA/Pegasys and FMIS	16.7	17.0	17.3
Payroll processing and reports	Memorandum of Understanding with GSA/Comprehensive HR Integrated System (CHRIS)	14.4	14.7	15.0
Subtotal, Non-Major IT Investments		121.4	123.9	126.3
IT Security	Memorandum of Understanding with GSA	5.6	5.7	5.8
Infrastructure Investments	EAC website & Clearinghouse maintenance/recompeted 2009	650.0	400.0	400.0
	Staff salaries and benefits	217.7	379.1	388.2
	Memorandum of Understanding with GSA	36.4	37.1	37.8
	Personal computers	6.0	19.5	16.5
Subtotal, Infrastructure Investments		910.1	837.5	848.3
Total, IT Investments		**1,037.1**	**961.4**	**974.6**

Capital Assets

Resource Category	FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
Salaries and Expenses (Dollars in thousands)			
Personal Property	417.6	837.6	837.6
Leasehold Improvements	551.4	633.0	633.0
Total, Capital Assets	**969.0**	**1,470.6**	**1,470.6**

Appendix A
EAC Strategic Plan FY 2009 – FY 2013 Performance

By Fiscal Year

2009

- o Issue clearinghouse policy within 6 months.
- o Issue policies and procedures to process requests from outside the agency by September 2009.
- o Publish grants program handbook in Fiscal Year 2009.
- o Establish a baseline in Fiscal Year 2009 on the accuracy and completeness of election data reported by states in response to EAC surveys.
- o Complete the "Voters Guide to Federal Elections" in languages currently covered under the minority language provisions of the Voting Rights Act by September 2009.
- o Issue the annual report to Congress on the expenditure of HAVA funds by July 15 of each year.

2010

- o Establish a separate location on the EAC website in 2010 to present and manage all clearinghouse information.
- o Complete an inventory of potential research projects in Fiscal Year 2010.
- o Establish, in Fiscal Year 2010, a baseline for measuring stakeholder use of EAC research and educational products to improve the administration of elections for Federal office.
- o Complete guidance regarding HAVA Section 302 by August 2010.
- o Complete interactive glossaries by March 2010.
- o Begin NVRA rulemaking process and adopt interim procedures by January 2010.
- o Establish a baseline for measuring stakeholder use of EAC teaching materials by the end of Fiscal Year 2010.
- o Complete a feasibility study of making the national mail voter registration application available in all languages covered by the Voting Rights Act by June 2010.
- o Produce an update to the VVSG in Fiscal Year 2010.
- o Obtain a clean audit opinion on agency financial statements for Fiscal Year 2010.
- o Institute an internal integrated budget and financial management system in Fiscal Year 2010.
- o Issue the annual report to Congress on the expenditure of HAVA funds by July 15 of each year.

2011

- o Recoup and redistribute unspent Section 102 funds by February 2011.
- o Complete guidance regarding HAVA Section 303 by June 2011.
- o Complete initial materials for addressing the needs of Native Americans and Alaska Natives by October 2010.

o Translate the "Voters Guide to Federal Elections" to any additional languages determined to be covered under minority language provisions of the Voting Rights Act on the basis of the 2010 Census.
o Issue the annual report to Congress on the expenditure of HAVA funds by July 15 of each year.

2012

o Complete guidance regarding HAVA Section 301 by January 2012.
o Issue the annual report to Congress on the expenditure of HAVA funds by July 15 of each year.

2013

o Produce an update to the VVSG in Fiscal Year 2013.
o Complete NVRA rulemaking process and issue guidance by October 2012 and make new regulations effective immediately following the Federal general election of 2012.
o Issue the annual report to Congress on the expenditure of HAVA funds by July 15 of each year.

Mandatory

o Respond to FOIA requests in accordance with requirements.
o Produce the annual report of EAC activities to Congress by January 1 of each year for the preceding year ending September 30.
o Resolve 100 percent of grant audit findings within established time frames.
o Issue required research reports to Congress by statutory deadlines.
o Issue the biennial report on the impact of NVRA by June 30 of each odd-numbered year.
o Include recommendations to improve election data collection and data provided to Congress in the biennial report on the Election Day Survey.
o Award grants within established timeframes.
o Implement 90 percent of OIG audit recommendations within agreed upon timeframes.

Annual/ongoing outputs

o Produce an annual FOIA report to chronicle requests and responses.
o Conduct site visits to at least three high priority grantees each year.
o Offer at least one grants workshop per year.
o Plan to conduct voting system field reviews for at least 50 percent of jurisdictions that volunteer for reviews.
o Test and document the results of the review of compliance with procedures by 100 percent of accredited laboratories every 2 years.
o Test 100 percent of voting systems qualifying for testing each year.
o Conduct at least one review of a voting system manufacturing facility of a registered manufacturer a least once every 4 years.
o Disseminate all completed research project reports to stakeholders.
o Start 100 percent of planned and funded research projects each year. M

o Meet milestones for the completion of research projects in accordance with schedules and deliverables each year.

Stretch goals annually/ongoing -- measurable

o Post applicable information on the web-based clearinghouse within 24 business hours of receipt.
o Distribute at least one email update per month to stakeholders about the web-based clearinghouse.
o Distribute media and Congressional inquiry and response log to EAC staff on a daily basis.
o Respond to 75 percent of non-FOIA requests within 72 hours.
o Provide weekly updates about EAC activities and election administration issues to EAC employees.
o Issue quarterly press releases summarizing EAC activities.
o Provide regular briefings regarding EAC activities to Congressional staffers.
o Issue at least 12 EAC newsletters per year.
o Submit state plans for publication in the *Federal Register* within 30 days of receipt of the plan.
o Submit grant payment requests to General Services Administration (GSA) within 10 days of receipt of acceptable requests/certifications.
o Review grant financial and performance reports and notify recipients of reporting anomalies or failure to file within 30 days of knowledge of such conditions, in writing in all cases and by telephone as time permits, to offer assistance and answer questions.
o Negotiate indirect cost rates within 30 days of receipt of acceptable indirect cost proposals.
o Submit to the Commissioners all recommended policy and guidance concerning the administration of Federal financial assistance administered by EAC within established time frames.
o Respond to all inquiries by recipients about the use and administration of grant funds in accordance with EAC requirements in a timely manner.
o After 2010, increase the percentage of stakeholder use of EAC research products and teaching materials.
o Increase the accuracy and completeness of reported election data after FY 2009.
o Complete accreditation reviews for all laboratories recommended to EAC by NIST and for all emergency actions within 90 days.
o Respond to requests for interpretations of voting system standards within 45 days (Measures may be modified after EAC determines average number of requests).

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Appendix B
EAC FY 2009 Annual Performance Report

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February 1, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Madam Speaker:

I am pleased to present the U.S. Election Assistance Commission's (EAC's) Fiscal Year 2009
Annual Performance Report. EAC's mission is to assist in improving the administration of
elections for federal office.

The Office of Management and Budget approved EAC participation in the alternative to the
consolidated Performance and Accountability Report. The alternative reporting format consists
of the Agency Financial Report, the Annual Performance Report, and a Citizen's Report.

The Agency Financial Report, submitted November 16, 2009, contains EAC's audited financial
statements and describes EAC's financial results over the past year. EAC received an
unqualified opinion on the financial statement audit. The report also highlights agency efforts to
strengthen internal controls.

The Annual Performance Report which follows this letter contains information comparing
EAC's Fiscal Year (FY) 2009 actual performance with FY 2009 targeted performance goals.
Since EAC's first Strategic Plan was adopted in March 2009, metrics presented are for the most
part, presented for the portion of the fiscal year covered by the Strategic Plan. Consequently, FY
2009 measures represent partial year baseline information, and historical data is not presented.
At this stage of development of our performance measurement, we are reporting on outputs. As
you will see in the report which follows, we are in the process of finalizing remaining program
and administrative policies and procedures and establishing an agency-wide internal control
program to get to the point where we are able to verify the reliability and completeness of the
performance data presented in future Annual Performance Reports.

The FY 2009 Annual Performance Report will be posted on our web site, www.eac.gov, on
February 2, 2010. The Citizen's Report, which summarizes the financial and performance data,
will be available on February 15, 2010.

Sincerely,

Donetta Davidson, Chair

Overview

In November 2009, the U.S. Election Assistance Commission (EAC) presented an FY 2009 Agency Financial Report (AFR). The report described EAC's financial results over the past year as it pursued its mission to assist the effective administration of Federal elections. The report highlights efforts to strengthen internal controls and financial management activities. This is the second year EAC has undergone a financial statement audit per the Accountability of Tax Dollar Act of 2002, and the first year EAC is participating in the pilot performance reporting project as described in OMB Circular A-136 on Financial Reporting Requirements in place of the Performance and Accountability Report. EAC presented summarized performance data in the AFR, and provides as much detailed data as possible in the following Annual Performance Report for FY 2009 in conjunction with the FY 2011 Congressional Justification.

Managing for results and producing an Annual Performance Report requires valid, reliable and high-quality performance measures and data. EAC is committed to the continuous improvement of its performance and financial management data. To this end, EAC is working on recommendations for a data validation system, mandatory source documentation, and documentation of calculation methodology for estimates. Performance indicators are supported by documentation. An independent reviewer evaluated EAC business processes related to implementation of the four programmatic goals in the Strategic Plan. The reviewer made recommendations on procedures EAC can implement to provide reasonable assurance that the reported performance data is relevant and reliable. The recommendations will be implemented in FY 2010.

The agency has made tremendous progress in the program areas during FY 2009. EAC made strides in speeding up certification of voting systems: between February and August, three voting systems were certified. In order to improve communications with stakeholders, EAC instituted a Testing and Certification Voting System Reports Clearinghouse on its website. EAC issued a report on Voter Registration, Quick Start Management guides on administering Federal elections, best practices for voter information web sites; held roundtable discussions on Elections, Election Office Management and Accessibility; awarded 13 Poll Worker grants to colleges, universities and nonprofit organizations totaling $750,000, and seven Mock Election grants to State and local election officials, and regional and nonprofit organizations totaling $300,000 to educate secondary school students and their parents about the electoral process through mock Federal elections.

Funding

Status of Help America Vote Act Authorization versus Appropriations (dollars in thousands)			
	Authorized	**Appropriated FYs 2003-2010**	**Remaining**
General Services Administration			
Election Administration Improvement (Section 101)	$324,750	$324,750	-
Punch Card/Lever Machine Replacement (Section 102)	324,750	324,750	-
Administrative Expenses for 101 and 102	500	500	-
EAC			
Requirements Payments (Section 251)	3,000,000	2,604,460	$395,540
Voting Technology Improvement Research Grants (Section 271)	20,000	8,000	12,000
Equipment and Technology Testing Grants (Section 281)	10,000	-	10,000
Pre-Election Logic and Accuracy Testing & Post-Election Verification	3,000 [1]	3,000	-
Operations (Section 210)	99,582 [2]	99,582	-
Election Data Collection Grants	10,000 [3]	10,000	-
National Student and Parent Mock Election Organization (Section 295)	1,400 **	199	1,201
Help America Vote Act Foundation (Section 601)	5,000	2,246	2,754
Poll Worker Grants (Section 501)	5,000 **	2,246	2,754
Total	**$3,803,982**	**$3,379,733**	**$424,249**

1/ Authorized by P.L.s 111-8 and 111-117

2/ $30 million per HAVA, balance per appropriations. Includes $2.6 million Poll Worker grants, $800,000 Mock Election Grants

3/ Authorized by P.L. 110-161

**Plus such sums as may be necessary in succeeding years
Notes: excludes $140 million plus such sums authorized for HHS under Disability Access Section 261 and Participation Section 291.
The General Services Administration distributed funds on EAC's behalf in FY 2003 prior to establishment of EAC.

State-Reported Help America Vote Act Spending as of September 30, 2009		
Description	Amount	Percent
Voting Systems	$1,604,367,413	71.0%
Voter Registration Systems	354,992,541	15.7
Improving to the Administration of Federal Elections*	155,299,936	6.9
Educating Voters, Training Officials and Poll Workers, and Recruiting Poll workers	77,140,039	3.4
Improving Polling Places	29,765,726	1.3
Provisional Voting	3,664,550	0.16
Uncategorized	34,206,688	1.5
Total	$2,259,436,893	

*Includes costs associated with preparing State plans, administering the HAVA program, identification for first-time voters, posting voting information at polls, and language assistance. Also, includes additional costs of training, voting equipment, and voter registration systems that was reported collectively.

EAC received $100,000,000 in FY 2009 appropriations for Requirements Payments of which $26.3 million were disbursed. In FY 2009, the States reported having spent $16.0 million of the HAVA Section 102 funds. EAC has approximately $7.3 million remaining available until expended, in FY 2009 grant appropriations for research on voting technology improvements, pre-election logic and accuracy testing and post-election voting systems verification, and carryover Requirements Payments funds that will be disbursed in FY 2010.

EAC, as presented in its Statement of Net Costs, categorizes results of operations within four programs: Communications; Fund and Oversee; Research, Policy and Programs; and Testing and Certification. The four programs correspond with goals one through four of the EAC Strategic Plan. Direct costs for each of program such as assigned personnel costs and specific program contract costs are allocated to the respective program directly.

Other general agency overhead costs such as rent, human resource costs and financial management costs are allocated on either a per employee basis or a percent of overall costs method. This methodology is outlined in the EAC's Cost Allocation Model and is reviewed each year by staff and financial statement auditors to ensure the accurate allocation of expenses to each program.

The Fund and Oversee program reports the expenditures for the Requirements Payments and the other EAC grants. In years in which EAC receives significant appropriation for the Help America Vote Act (HAVA) Election Reform Program funds, this program typically exceeds the other programs in overall costs.

The following table presents FY 2009 expenditures of direct and indirect costs by the four programs:

Results of FY 2009 Operations by Program

Program	Expenditures
Communications	$ 1,994,125
Fund and Oversee	113,042,449
Research, Policy and Programs	2,972,123
Testing and Certification	3,578,173
	$121,586,870

Performance Goals

Recognizing the need to formalize its planning, reporting and execution activities, EAC began
development of its first five year Strategic Plan 2009-2014 in March 2008. The plan was
reviewed by the Office of Management and Budget, and presented to EAC's Board of Advisors
and Standards Board for comment, as required by HAVA. EAC adopted the Plan in March
2009. As such, the majority of performance data presented herein for FY 2009 begins at that
point.

EAC has five strategic goals:

1. **Communicate** -- Communicate timely and accurate information on the effective
   administration of elections for Federal office and on the operations and services offered by
   EAC.
2. **Fund and Oversee** -- Deliver and manage Federal funds effectively.
3. **Study, Guide and Assist** -- Identify and develop information on areas of pressing concern
   regarding the administration of elections for Federal office, issue recommended
   improvements, guidance, translations, and best practices as required by HAVA, and carry out
   responsibilities under the National Voter Registration Act.
4. **Test and Certify** -- Build public confidence in elections by testing and certifying voting
   systems to improve system security, operation, and accessibility.
5. **Manage** -- Achieve organizational and management excellence.

EAC Strategic Plan objectives listed below describe in general terms the results needed to
accomplish its Strategic Goals. Outcomes measure the effect program outputs have on their
stakeholders. Outputs are quantifiable targets that directly measure the results of a program. A
program may have multiple outputs but each output is associated with one program.
Performance measures are quantifiable, documentable, representations of a capacity, process or
outcome that is relevant to the assessment of performance.

The agency, during FY 2009, with the hiring of a CFO/Budget Director and Director of
Accounting who is a CPA, and adoption of a five year Strategic Plan, implemented controls that
ensure that financial transactions are executed in accordance with budgetary and financial laws
and other requirements, consistent with the purposes authorized, and are recorded in accordance
with Federal accounting standards. EAC was able, by the end of the fiscal year, to ensure that

assets are properly acquired and used, safeguarded to deter theft, accidental loss or unauthorized disposition, and fraud.

Where the agency has work to do, taking into consideration the newness of the Strategic Plan, is collecting performance data and ensuring that it is adequately supported. To this end, EAC contracted for an independent review of: 1) its strategic plan performance measures and systems to collect the data and 2) risk levels associated with providing inaccurate information for internal decision-making.

EAC's assessment of internal controls for ensuring the effectiveness and efficiency of operations focused on assessing controls for ensuring the reliability of information associated with the performance measures presented in its strategic plan, and on self-assessments in the Office of the Chief Financial Officer (OCFO). With respect to assessing internal control designed to ensure the reliability of financial reporting, EAC is not required by OMB Circular A-123 to perform a separate assessment. EAC relied upon the evaluation of internal controls over financial reporting conducted by its independent auditors, on reports issued by the Inspector General, and on OCFO departmental risk assessments and letters of assurance over the accounting, budget, grants, procurement and overall OCFO functions. With respect to internal controls to ensure compliance with laws and regulations, EAC relied upon the evaluation conducted by its independent auditors and the Inspector General.

The independent auditors identified a material weakness in internal controls over financial reporting involving five accounting errors in FY 2009. The errors were resolved by September 30, 2009. Further the auditors identified two significant deficiencies, one regarding controls over journal vouchers and one involving the need to determine the collectability of a non-material receivable. In FY 2010, EAC will implement policies and procedures for journal vouchers, and will resolve the receivable issue as quickly as possible.

In FY 2009, EAC focused efforts on resolving material weaknesses and strengthening internal controls. By the end of FY 2009, management identified two material weaknesses in the effectiveness of its internal control over operations: lack of effective written policies and procedures in the areas of property, personnel, travel, information technology, research, and communications; and full compliance with the requirements of Federal Managers' Financial Integrity Act (FMFIA). The pertinent policies and procedures are in draft and in legal review.

One of the keys to management excellence is a strong internal control program. The agency is working towards an integrated Federal Managers' Financial Integrity Act and OMB Circular A-123 *Internal Control Systems* program that provides management with continuous assurance about the effectiveness of internal controls relating to effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. The integrated internal control evaluation process will result in an invaluable tool for evaluating, financial and budgeting performance, program performance, financial and program risks, control activities and assessments, and will lead to an effective program for monitoring the effectiveness of financial and programmatic activities on a periodic basis.

During FY 2010, EAC will work on implementing remaining required internal control actions. Each manager will be familiar with internal control requirements and responsibilities and be able to sign statements of assurance that controls are in place and functioning. EAC will work in FY 2010 to finalize the remaining effective policies and procedures, strengthen its processes and systems, and establish a robust internal control program.

At the current time, the Commission provides a qualified statement of assurance that the internal control and financial management systems meet the objectives of the FMFIA. This is the second year in its six year operational existence that EAC prepared financial statements and submitted them for audit. Prior to establishment of an Office of the Chief Financial Officer (OCFO) in the Spring of 2009, EAC did not have the systems, controls, processes, and staff expertise necessary to comply with the Office of Management and Budget guidance for financial and performance reporting and received a disclaimer opinion on the FY 2008 financial statement audit.

To improve the quality of EAC's financial information and to prepare for future audits, we began taking necessary steps at the end of FY 2008 by engaging contractors to help EAC draft policies and procedures, identify improvements to internal controls, and upgrade financial reporting; and by hiring a staff of budgeting, accounting, grants and contracting experts. The agency now has an exceptional OCFO team in place.

EAC worked diligently in FY 2009 to receive its unqualified opinion on the FY 2009 financial statements. During FY 2009, EAC began the process of designing, implementing, and assessing internal controls in full compliance with Office of Management and Budget Circular A-123, *Management's Responsibility for Internal Control*, and FFMIA. A-123 requires the managers of Federal agencies to take responsibility for assessing internal controls over financial reporting. EAC contracted for independent review of the key business processes impacting financial operations and the financial statements, and business processes with no material impact on the financial statements but which have some potential for risk or exposure for the agency.

In December 2009, EAC began conducting agency-wide internal control training, emphasizing identification of risks to accomplishment of the agency's mission and program results. Each agency director will be responsible for risk assessment of their specific unit, and for remediation activities for identified risks, in conjunction with CFO staff. As mentioned earlier, performance measurement systems were independently assessed. The assessment revealed that existing performance measures are good indicators as to whether programs and operations achieve intended results. Recommendations from the assessment, including control activities needed to achieve program objectives and control activities that will improve accuracy of performance data, will be implemented in FY 2010 so that EAC's performance metric reports are reliable and measure the right activities.

Strategic Goal One -- Communicate

Strategic Plan Goal 1 is to communicate timely and accurate information on the effective administration of elections for Federal office and on the operations and services offered by EAC. The outcome for the goal is to provide Congress, Federal agencies, State and local election officials and the public with reliable, accurate, and non-partisan information about administering, conducting and participating in Federal elections and how, where, and when Americans vote.

FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
$985,017	$848,752	$840,167

Goal 1's aim of communication of timely and accurate information is the responsibility of the Office of Communications and Clearinghouse. The goal will be achieved via three strategic objectives. The results of the measures associated with the objectives appear in the next table of this report.

FY 2009 Accomplishments

The Communications division has been instrumental in FY 2009 in improving communication about EAC's voting system Testing and Certification program, ensuring that election officials are getting the information they need. In FY 2009, the division established a Testing and Certification Voting System Reports Clearinghouse, where Communications staff post and distribute voting system reports and studies that have been conducted or commissioned by a State or local government on the EAC website, www.eac.gov. To be considered for posting on the EAC website, a State or local government official submits the report to the EAC Chair or Executive Director and certifies that the report reflects their experience operating voting systems or implementing EAC's voluntary voting systems guidelines. All system test plans, test reports including discrepancies, and certification information are posted to the website.

During FY 2009, using a cost-effective interagency agreement with the U.S. Department of Agriculture, the division produced training videos. Poll worker and election official training videos are available on both the EAC website and on YouTube.

In 2009, in order to accelerate establishment of a Clearinghouse of information on Federal elections and to ensure a cost-effective contract, EAC recompeted its website and Clearinghouse contract. With the new contract, EAC will pursue its goal of becoming the "go to" place for trusted source information about Federal elections and election administration.

In 2010, EAC intends to connect its stakeholders to a new separately-identifiable Clearinghouse on the EAC website. The new Clearinghouse will better disseminate information, data, and reports from outside sources, as well as EAC published materials for easy access by Federal, State, and local election officials and voters.

Strategic Goal One FY 2009 Performance Measures			
Performance Indicator	Type of Indicator	Planned	Actual
Strategic Goal One: Communicate			
Strategic Objectives			
Operate the EAC clearinghouse effectively.			
Issue clearinghouse policy within 6 months [from March 2009].	Output	Final policy	Final will be in FY 2010
Post applicable information on the web-based clearinghouse within 24 hours of receipt.	Output	100% of data posted within 24 hours	100% of data posted within 24 hours
Distribute at least one email update per month to stakeholders about the web-based clearinghouse.	Output	12 updates distributed	51 newsletters; 6 updates; 5 public meeting reports
Respond to outside requests about the EAC timely and accurately.			
Issue policies and procedures to process requests from outside the agency by September 2009.	Output	Final policies and procedures	Final will be in FY 2010
Distribute media and Congressional inquiry and response log to EAC staff on a daily basis.	Output	Distribute inquiry and response data on a daily basis	Distributed on receipt
Respond to FOIA requests in accordance with requirements.	Output	Respond in 20 business days	Median processing time 12 days; average 25 days
Respond to 75 percent of non-FOIA requests within 72 hours.	Output	75% response rate in 72 hours	100% response rate in 72 hours
Convey the results of EAC operations and accomplishments.			
Provide weekly updates about EAC activities and election administration issues to EAC employees.	Output	52 updates/ 100%	50 updates/ 96%
Produce an annual FOIA report to chronicle requests and responses.	Output	Final report on 1/31/09	Final report submitted on time
Issue quarterly press releases summarizing EAC activities.	Output	4 press releases	26 press releases
Provide regular briefings regarding EAC activities to Congressional staffers.	Output	2 formal briefings	2 formal briefings; inquiries completed and chronicled.
Produce the annual report of EAC activities to Congress by January 31 of each year for the preceding year ending September 30.	Output	Report disseminated 1/31/09	Completed on time
Issue at least 12 EAC newsletters per year.	Output	12 newsletters	51 newsletters

Goal Two -- Fund and Oversee

Strategic Plan Goal 2 is to deliver and manage Federal funds effectively. The outcome of the goals is for States and other recipients to promptly and accurately receive Federal funds administered by EAC and use the funds appropriately to improve the administration of elections for Federal office.

	FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
Grants Management	$ 1,965,889	$ 1,914,069	$1,406,639
OIG	1,757,730	1,770,259	1,837,836
Total	$3,723,619	$ 3,684,328	$3,244,475

Goal 2's aim of delivering and managing Federal funds effectively is the responsibility of the Grants Management unit and the Office of the Inspector General (OIG). The goal will be achieved via three strategic objectives. The results of the measures associated with the Grants Management objectives appear in the next table of this report.

FY 2009 Accomplishments

In FY 2009, Public Law 111-8 included $100.0 million in FY 2009 to help States improve the administration of Federal elections. The funds are referred to as Requirements Payments and are authorized under Section 251 of HAVA. Requirements Payments are used to meet the requirements of Title III of HAVA, including voting system standards, voting information requirements, provisional voting, statewide voter registration lists, and identification requirements for voters who register by mail. States may also use Requirements Payments to improve the administration of Federal elections once they certify that the State has implemented the requirements of Title III or that the State will use only up to the minimum payment amount for the administration of Federal elections. EAC distributed $26.3 million of the $100.0 million appropriated by the end of September 2009.

Each year, EAC reports to Congress on how the States have spent HAVA funds. The report for FY 2008 appears as Appendix C of this document. Working with the States, EAC recently changed the reporting cycle for submission of the new Federal Financial Report. The new reporting calendar will allow EAC to present FY 2010 spending information with the FY 2010 Annual Performance Report.

> ***South Dakota received a $500,000 requirements payment in FY 2009.
> The funds will be used by the State's 66 counties for maintenance of the
> touch screen voting machines required by HAVA for individuals with
> visual or other disabilities, insurance and programming.***

In FY 2009, EAC awarded grants in two discretionary programs funded by Salaries and
Expenses funds: College Poll Worker recruitment and training, and High School Mock
Elections. Thirteen grants were awarded to colleges, universities, and nonprofit organizations
totaling $750,000 for College Poll Worker grants. One award winning grantee is Salish Kootenai
College in Montana. The College is partnering with Flathead Valley Community College, and
the Lake and Flathead County elections offices to recruit student workers to assist voters who
speak the Salish and Kootenai languages and voters with hearing impairments. The program
received a $66,008 grant to recruit and train 200 students using an innovative multi-media
recruitment program developed by students.

> *"This grant program will help us recruit the next generation of poll
> workers by focusing on recruiting and educating a new generation of
> Americans about the importance of civic participation on Election Day."*
> *Paula Robinson, Flathead County Clerk & Recorder*

EAC awarded seven Federal Student Mock Election Grants to State and local election offices,
and regional and national nonprofit organizations, totaling $300,000. The grants will support
efforts to allow students to participate in a simulated election, often using actual voting
equipment and realistic ballots. For example, the Miami Dade County Elections department will
sponsor mock elections reaching over 100,000 students, with 40 targeted high schools serving as
precincts and students working as poll workers.

In FY 2009, EAC resolved audit reports covering State use of HAVA funds in Illinois, New
Jersey, Ohio, and South Carolina. EAC's OIG Semi-Annual Report to Congress for the period
April 1, 2009 through September 30, 2009 identified five audit reports with unresolved
corrective actions for Illinois, South Carolina, Wyoming, New Mexico, and North Carolina. In
FY 2010, EAC plans on contracting for assistance with grant audit resolution activities to
achieve the goal of implementing 90 percent of agreed-upon OIG audit recommendations within
agency timeframes.

Strategic Goal Two FY 2009 Performance Measures			
Performance Indicator	Type of Indicator	Planned	Actual
Strategic Goal Two: Fund and Ovesee			
Strategic Objectives			
Accurately and timely disburse Federal financial assistance administered by EAC.			
Publish program handbook in Fiscal Year 2009.	Output	Final handbook	Completed 9/30/2009
Award grants within established timeframes.	Output	100%	100%
Submit state plans for publication in the *Federal Register* within 30 days of receipt of the plan.	Output	100%	100%
Submit payment requests to GSA within 10 days of receipt of acceptable requests/certifications.	Output	100%	98%
Effectively monitor Federal financial assistance administered by EAC.			
Review financial and performance reports and notify recipients of reporting anomalies or failure to file within 30 days of knowledge of such conditions, in writing in all cases and by telephone as time permits, to offer assistance and answer questions.	Output	State reports were due 12/31/09	EAC is on schedule to meet goal by deadline
Resolve 100 percent of audit findings within established time frames.	Output	100% audit resolution	TBD % resolution
Conduct site visits to at least three high priority grantees each year.	Output	3 site visits	1 site visit during Strategic Plan period
Negotiate indirect cost rates within 30 days of receipt of acceptable indirect cost proposals.	Output	Negotiations on hold pending MOU w/HHS	N/A
Issue the annual report to Congress on the expenditure of HAVA funds by July 15 of each year.	Output	Report issued 7/15/09	Format revised, attached as Appendix C
Provide technical assistance and guidance on the management of Federal financial assistance administered by EAC to reduce the risk of inappropriate use of funds and accounting errors.			
Submit to the Commissioners all recommended policy and guidance concerning the administration of Federal financial assistance administered by EAC within established time frames.	Output	100%	Count will begin in FY 2010
Offer at least one workshop per year.	Output	1 workshop	2 webinars
Respond to all inquiries by recipients about the use and administration of funds in accordance with EAC requirements in a timely manner.	Output	24 hour turn-around for phone &email response time	To be measured beginning in FY 2010

Goal Three -- Study, Guide and Assist

Strategic Plan Goal 3 is to identify and develop information on areas of pressing concern regarding the administration of elections for Federal office, issue recommended improvements, guidance, translations, and best practices as required by HAVA, and carry out responsibilities under the National Voter Registration Act (NVRA). The outcome of the goal is for the election community and other key stakeholders to improve the administration of elections for Federal office on the basis of pertinent, impartial, timely, and high-quality information, recommendations, guides, and other tools on election and voting issues. In addition, eligible citizens use the national mail voter registration application to register to vote, register with a political party, or report a change of name, address, or other information.

FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
$1,191,890	$1,544,817	$1,523,184

Goal 4 is administered by the Research, Policy and Programs unit. The goal will be achieved through the use of four strategic objectives. The results of the measures associated with the objectives appear in the next table of this report.

FY 2009 Accomplishments

In FY 2009, the Research, Policy and Programs Division developed a listing of potential research projects with timelines to guide staff work through 2012. Progress has been made toward the completion of several projects noted in the research schedule, many of which are mandated by HAVA and/or authorized by Congress. The list will continue to be revised in accordance with EAC and/or congressional priorities. EAC receives input on scheduling of mandated studies from its Standards Board and from the Research Subcommittee of its Board of Advisors.

In FY 2009, consistent with the list of potential research noted above, the Research Division administered its biennial election survey for the 2008 Federal elections, and produced and disseminated two Congressionally-mandated reports by their statutory deadlines--the Impact of the National Voter Registration Act and the $10.0 million Election Data Collection Grant Program. A Statutory Overview report on State election laws was developed as well.

The Research Division also initiated in FY 2009 an evaluation project to assist with developing a baseline for measuring stakeholder use of EAC educational products to improve the administration of elections for Federal office. Research efforts continue on the HAVA-mandated Vote Count/Recount study, and work on two others was initiated at the end of FY 2009, on Election Administration in Urban and Rural Settings and the Cost of Elections.

The Research office continues to identify and collect required and useful data on election administration while making recommendations for improving the quality of data collection. A conference call was held in FY 2009 with State and local election officials to discuss the 2008

Election Day Survey and garner their input on ways to make future versions of the survey more conducive to their data collection and submission needs. A draft of the 2010 Election Administration and Voting Survey was released for public comment in FY 2009.

The Research Division's Election Management Guidelines program released four Quick Start Management Guides in October 2008 on Serving Voters in Long-Term Care Facilities, Provisional Ballots, Recounts, and Canvassing and Certifying an Election. During the year, staff worked on five Election Management Guidelines chapters. In September 2009, staff conducted three working groups for new chapters and Quick Starts on Technology in Elections, Election Office Management, and Accessibility.

The Research Division's Language Accessibility Program has been working to meet its strategic goal of assisting election officials in meeting the needs of language minority proficiency voters. In FY 2009, the Spanish Glossary of Key Election Terminology was redesigned. The new glossary is in line with the design of the five Asian language glossaries. In October 2008, EAC developed "A Voter's Guide to Federal Elections" in English, Spanish, Chinese, Japanese, Korean, Vietnamese, and Tagalog.

EAC's Strategic Plan includes a performance measure of beginning National Voter Registration Act (NVRA) of 1993 rulemaking. A Federal Register Notice transferring the NVRA Regulations from the Federal Election Commission to EAC was published on July 29, 2009. The transfer became effective August 28, 2009. An expedited Paperwork Reduction Act clearance request was submitted to the Office of Management and Budget (OMB) on August 28, 2009 for NVRA Regulations for the Voter Registration Application and NVRA Regulations for Data Collection. Both submissions were approved, and OMB Control Numbers were assigned on September 3, 2009.

Strategic Goal Three FY 2009 Performance Measures			
Performance Indicator	Type of Indicator	Planned	Actual
Strategic Goal Three: Study, Guide, Assist			
Strategic Objectives Complete research on relevant issues that improve the administration of elections for Federal office and expeditiously report on critical election administration subjects and data.			
Start 100 percent of planned and funded projects each year.	Output	100%	100%
Meet milestones for the completion of research projects in accordance with schedules and deliverables each year.	Output	100%	67%
Disseminate all completed research project reports to stakeholders.	Output	100%	100%
Identify and collect required and useful data on election administration practices, voting methods, and demographics; and make recommendations for improving the quality of practices, methods, and data.			
Establish a baseline in Fiscal Year 2009 on the accuracy and completeness of data reported by states in response to EAC surveys. Increase the accuracy and completeness of reported data in each of the succeeding years.	Output	Baseline 93% EDS 2004	100% response rate to Election Day Survey 2008
Include recommendations to improve election data collection and data provided to Congress in the biennial report on the Election Day Survey.	Output	2008 election recom-menda-tions	Report submitted 6/09
Issue required reports to Congress by statutory deadlines.	Output	2	2
Issue guidance and administer programs that provide timely and useful information to election officials and voters.			
Complete the "Voters Guide to Federal Elections" in languages currently covered under the minority language provisions of the Voting Rights Act by September 2009.	Output	Complete transla-tions	Completed 10/2008
Enact regulations governing the national mail voter registration application, collection of voter registration and related data, and reporting to the Congress as required by NVRA.			
Issue the biennial report on the impact of NVRA by June 30 of each odd-numbered year.	Output	Final by 6/30/09	Completed on time 6/30/09

Goal 4 -- Test and Certify

Strategic Plan Goal 4 is to build public confidence in elections by testing and certifying voting systems to improve system security, operation, and accessibility. The outcome of the goal is to help ensure that voting equipment operates more reliably and securely and is more accessible to voters with disabilities. States use the EAC Testing and Certification Program to ensure voting systems meet standards.

FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
$1,672,406	$1,861,008	$1,825,642

Goal 4 is administered by the Testing and Certification unit. The goal will be achieved through the use of two strategic objectives. The results of the measures associated with the objectives appear in the next table of this report.

FY 2009 Accomplishments

In addition to the ongoing work of the Communications Division to make EAC stakeholders aware of Certification Division activities, the Certification Division began issuing its own monthly email newsletters specifically focusing on the Certification Division in 2009. The newsletter is distributed to approximately 400 State and local election officials, advocacy groups, Voting System Test Laboratories (VSTLs), voting system manufacturers and Congressional staff.

The Certification Division, working with the National Institute of Standards and Technology (NIST), drafted and updated the current version of the 2005 Voluntary Voting System Guidelines (VVSG), now entitled 2005 VVSG Version 1.1, in 2009. The draft was published for a 120 day public comment period beginning June 1, 2009 and ending September 28, 2009. Staff is currently reviewing over 300 comments received from the public.

In 2009, EAC timely re-accredited SysTest Laboratories and iBeta Quality Assurance. In addition to the semi-annual re-accreditation process, both labs underwent a required EAC Policy, Procedures and Practices Review pursuant to the EAC Laboratory Accreditation Program Manual. Wyle Laboratories and Ciber, Inc. will undergo re-accreditation review and the required on-site Policy, Procedures and Practices Review during 2010.

The Certification Division drafted internal Standard Operating Procedures generated by the requirements of the Testing and Certification Program Manual. In addition to certifying three voting systems, EAC approved five test plans for voting systems in 2009. Manufacturing facility reviews will be conducted in early FY 2010, following late FY 2009 receipt of the voting system certifications. Field Reviews will be conducted in FY 2010 for EAC-certified voting systems that experience election related anomalies.

Strategic Goal Four FY 2009 Performance Measures			
Performance Indicator	Type of Indicator	Planned	Actual
Strategic Goal Four: Test and Certify			
Strategic Objectives			
Provide for the accreditation and revocation of accreditation of independent, non-federal laboratories qualified to test voting systems to Federal standards.			
Complete accreditation reviews for all laboratories recommended to EAC by NIST and for all emergency actions within 90 days.	Output	100% complete in 90 days	66% complete in 90 days
Test and document the results of the review of compliance with procedures by 100 percent of accredited laboratories every 2 years.	Output	100%	100%
Administer the testing, certification, decertification, and recertification of voting system hardware and software by accredited laboratories.			
Test 100 percent of systems qualifying for testing each year.	Output	100% of systems submitted for testing are tested according to program standards	Completed testing according to standards for 60% of systems submitted (3 out of 5 systems)
Respond to requests for interpretations of voting system standards within 45 days (Measures may be modified after EAC determines average number of requests).	Output	45 days	52.4 days (40% on target)

Goal 5 Manage

Strategic Plan Goal 5 is to achieve organizational and management excellence. The outcome is that EAC Commissioners and staff carry out EAC's strategic objectives.

Goal 5 is administered by the Commissioners, the Standards Board, the Board of Advisors, the Technical Guidelines Development Committee, Executive Director, Chief Operating Officer and Chief Financial Officer with support from the Offices of the General Counsel and Administration. In order to achieve the goal, EAC will focus on continuing to achieve a clean audit opinion, providing accurate timely information, and improving integration of budget and performance as prescribed by the President's Management Agenda.

	FY 2009 Enacted	FY 2010 Enacted	FY 2011 President's Budget
Commissioners	$1,149,402	$1,186,525	$1,354,238
Board of Advisors, Standards Board	454,333	293,299	274,786
Executive Director & Public Meetings	708,765	627,182	717,138
Chief Operating Officer	746,922	1,164,033	639,007
Administrative Services	2,160,741	1,862,250	1,822,466
Chief Financial Officer	470,790	704,511	602,339
Office of the General Counsel	695,115	670,677	706,559
Total	**$6,386,068**	**$6,508,477**	**$6,116,533**

Goal 5 Accomplishments

During FY 2009, EAC:

- Reorganized, to both align organizational structure and metrics with the Strategic Plan 2009-2014 adopted in March;
- Established its first Office of the Chief Financial Officer consisting of experienced grants, budget, accounting (including a CPA) and procurement staff;
- Finalized financial management policies and procedures;
- Addressed performance against the Strategic Plan in the Agency Financial Report for FY 2009;
- Resolved all outstanding accounting issues, identified as a material weakness in the FY 2009 financial statement audit, including potential Anti-Deficiency Act and Purpose Statute violations;
- Produced financial statements in conformance with generally-accepted accounting principles;
- Established and followed a schedule of reconciliations;
- Implemented funds control measures;

- Assessed risks in financial management;
- Submitted a FY 2010 Congressional Budget Justification and FY 2011 OMB Budget Justification in a performance-based format;
- Made tremendous progress in closing out many outstanding recommendations from operational audits and the FY 2008 financial statement audit; and
- Committed resources and time to move from a disclaimer opinion on our FY 2008 financial statements to an unqualified (clean) opinion in the second half of FY 2009.

During FY 2009, a great deal of progress was made to ensure the reliability of financial reporting. The CFO department completed a recode of all Salaries and Expenses obligations from the previously-used single organization code into specific office and program locations. A verification of the accuracy of the recode is underway with each of the unit directors. A report that accounts for the lag time between when the agency signs off on financial documents such as travel authorizations and contract award documentation and when GSA enters the documents into Pegasys was developed.

FY 2009 Financial Statement Preparation Guidance was developed to ensure compliance with the financial reporting requirements of OMB Circular A-136 *Financial Reporting Requirements*. The guide was submitted to the financial statement auditor and financial policy review contractor.

The Accounting Director created a financial statement template containing automated links between Treasury's crosswalks, EAC's Trial Balance, and all EAC financial statements. On a monthly basis, financial statement preparation is completed with a single update of the General Ledger balances in the template. The template automatically links to Treasury tie points so any discrepancies are easily identified. Discrepancies are resolved via conversations with GSA accountants. A control list of periodic reconciliations appears in the EAC Accounting Manual.

Actions taken during FY 2009 -- accounting for all expenses by office and program, accounting for the lag between creation of financial documents and recording in Pegasys, reconciliation of documents submitted versus recorded by GSA using sequential tracking numbers, monthly financial statements, following capitalization policy, and tying budgets to information in the financial statements -- give reasonable assurance that revenues and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over assets.

EAC continues to improve it programs and operations, strengthening internal controls, financial management, and information technology across the agency. Some work remains to be done, such as a program of continuous internal control assessment and improvement as required by the Federal Managers' Financial Integrity Act. In FY 2010, EAC plans on implementing internal control procedures including sending the division managers an assessable unit risk assessment questionnaire and individual letters of assurance for signature per EAC Internal Control Procedures. The directors' letters of assurance will be rolled into the CFO's annual statement of assurance.

In FY 2010, we look forward to improving the agency's information technology infrastructure with the pending hire of its first Chief Information Officer, analyzing results of user feedback on the quality and usability of our research and training materials, and continuing to provide materials to election officials to assist with the administration of Federal elections.

Challenges for FY 2010 include: 1) finalizing effective written policies and procedures in the areas of property, personnel, travel, information technology, research, and communications; 2) implementing a robust internal control program; and 3) providing monthly status of funds reports to directors.

Management is working to foster a culture of accountability among staff. The agency is seeking to improve staff satisfaction ratings and achieve management excellence through improved internal controls and human resource initiatives.

Information Technology

In the area of Information Technology accomplishments, during FY 2009, EAC conducted an inventory of systems and applications, received Certification and Accreditation of general support systems from the General Services Administration, and monitored the EAC website and GSA-provided IT services as part of the annual Federal Information Security Management Act (FISMA) audit. The lack of an internally developed agency-wide information security program and of an adequate security management structure will be resolved with implementation of policies and procedures currently under review and the hiring of a Chief Information Officer (CIO).

The FY 2009 FISMA evaluation report found that EAC has taken actions to address many of the serious problems noted in the FY 2008 FISMA evaluation report. The FY 2009 report found that weaknesses in four areas had been resolved, weaknesses in two areas had been partially resolved, and one weakness had not yet been addressed. Since EAC is not in substantial compliance in every FISMA control area, the FY 2009 financial audit reported FISMA compliance as a significant deficiency.

The one issue remaining to be addressed is development of a Continuity of Operations Plan (COOP)/Disaster Recovery Plan (DRP)/Business Impact Analysis (BIA). Without the plans, EAC's ability to respond to a disruption in business operations as a result of a disaster or other long-term emergency could be affected. EAC will develop a COOP and DRP in order to ensure that if unexpected events occur, critical operations can continue or be promptly resumed without significant interruption. Per EAC's FY 2009 Plan of Action and Milestones (POA&M), the agency will develop and test a COOP in FY 2010 based on cost-effective strategies identified in the final FY 2009 FISMA risk assessment.

The FY 2009 FISMA evaluation report includes specific recommendations for ensuring substantial compliance in different control areas. These recommendations and other key information security tasks are included in EAC's high-level FY 2009 FISMA POA&M. Once

the items in the POA&M are implemented in FY 2010, EAC will be substantially compliant in every FISMA control area.

In the area of financial system integration, EAC took the recommendation made in the FY 2008 internal control report of the financial statement audit seriously. The recommendation was to "either interface its standalone financial systems with the service provider's system or utilize the service provider's subsystems, if available." During FY 2009, EAC contracted for an independent assessment of and recommendations to remediate the finding as regards to a grants interface. Essentially, the recommendation was to use the U.S. Department of Health and Human Services Payment Management System (PMS).

Since GSA is unwilling and would not be expected to support the interface between PMS and the GSA core financial system (Pegasys) for a single client agency, EAC remediates the finding using information provided by recipients of HAVA funds on Standard Form (SF) 425 *Federal Financial Report* and advance accounting methodology. Based on the information reported on the SF-425, EAC periodically adjusts the advance accounts and records grant expenditures by submitting adjusting entries to GSA for entry into Pegasys. The result is a record of actual grant activity and balances at the grantee level and information for periodic monitoring of grantee financial activity.

Additionally, at the end of FY 2009, GSA made a capital asset module available to client agencies, which EAC is using.

Audit Follow-Up

EAC's Office of Inspector General (OIG) conducts audits and reviews of the agency's operations. The Office of the Chief Financial Officer (OCFO) works closely with EAC management and the OIG to complete actions necessary to respond to audit findings. OCFO tracks the completion of the audit recommendations in a Monthly Audit Recommendation Tracking Report. The report is carefully reviewed by EAC and is submitted each month to Congressional Oversight staff.

> *Of 82 open operational audit recommendations, EAC closed 50, consolidated 13 as being repetitive, and has 19 open findings to resolve. This represents a 77 percent improvement during FY 2009.*

EAC made improvements in all Agency management challenges. Financial internal control has substantially improved through the remediation of audit recommendations made by the independent auditor in the annual financial statement audit. EAC also considers and responds to recommendations from audits and reviews conducted by the Government Accountability Office.

Strategic Goal Five FY 2009 Performance Measures			
Performance Indicator	Type of Indicator	Planned	Actual
Strategic Goal Five: Manage			
Strategic Objective Implement a high performance organization			
Unqualified financial statement audit opinion by FY 2010	Outcome	No	Unqualified opinion received for FY 2009
Implement 90 percent of the OIG audit recommendations within agreed upon timeframes.	Outcome	90%	77% of outstanding operational recommendations were resolved in FY 2009