



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: James Reardon, Commissioner of Finance & Management  
From: Nathan Lavery, Fiscal Analyst  
Date: December 19, 2008  
Subject: JFO #2352, #2353, #2354, #2355, #2356, #2357, #2360, #2361, #2362,  
#2363, #2364, #2365, #2366

At the December 19, 2008 meeting of the Joint Fiscal Committee, the following grant requests were approved:

**JFO #2352** — \$807,500 grant from the U.S. Department of Health and Human Services to the Vermont Agency of Human Services - Department of Health.

**JFO #2353** — \$9,000 grant from the U.S. Environmental Protection Agency to the Agency of Natural Resource – Environmental Conservation.

**JFO #2354** — \$161,407 grant from the U.S. Department of Justice to the Department of Corrections.

**JFO #2355** — \$20,000 grant from the State Justice Institute to the Judiciary – Vermont Supreme Court.

**JFO #2356** — \$333,002 grant from the U.S. Department of Justice to the Judiciary – Court Administrator's Office.

**JFO #2357** — \$212,408 grant from the U.S. Department of Justice to the Judiciary – Court Administrator's Office.

**JFO #2360** — \$2,000,000 grant from Substance Abuse and Mental Health Services Administration to the Agency of Human Services – Department of Mental Health.

**JFO #2361** — \$21,000 grant from the State Justice Institute to the Judiciary.

**JFO #2362** — \$32,125 grant from the U.S. Department of Education to the Vermont Department of Education.

**JFO #2363** — \$166,160 grant from the Center for Applied and Special Technology to the Vermont Department of Education.

**JFO #2364** — \$12,000 grant from the National Governor's Association to the Agency of Human Services – Department of Children and Families. **This grant was approved with the understanding that expenditure of the \$9,885 in state funds, as originally proposed, was no longer considered necessary and would not occur.**

**JFO #2365** — \$19,140 donation from the Vermont Veterinary Medical Association (VVMA) to the Agency of Agriculture, Food and Markets.

**JFO #2366** — \$500,000 grant from the U.S. Department of Homeland Security to the Agency of Transportation – Department of Motor Vehicles.

In accordance with 32 V.S.A. §5, these grants were placed on the Joint Fiscal Committee agenda and subsequently approved by vote of the Committee. We ask that you inform the Secretary of Administration and your staff of this action.

cc: Robert Hofmann, Secretary  
Wendy Davis, Commissioner  
Michael Hartman, Commissioner  
Stephen Dale, Commissioner  
Andrew Pallito, Acting Commissioner  
Armando Vilaseca, Commissioner  
Lee Suskin, Court Administrator  
Roger Allbee, Secretary  
David Dill, Secretary  
Bonnie Rutledge, Commissioner  
George Crombie, Secretary  
Laura Pelosi, Commissioner



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee Members  
From: Nathan Lavery, Fiscal Analyst  
Date: December 17, 2008  
Subject: Grant Requests

Attached please find seven (7) requests which the Joint Fiscal Office recently received from the Administration:

**JFO #2360** — \$2,000,000 grant from Substance Abuse and Mental Health Services Administration (SAMHSA) to the Agency of Human Services – Department of Mental Health. These grant funds will be used to improve access to mental health services for transition-aged (16-21 years) youth. The goal of this project is for these youth to have adequate preparation and the necessary supports to be productively engaged in the community and free from incarceration.  
[JFO received 12/15/08]

**JFO #2361** — \$21,000 grant from the State Justice Institute (SJI) to the Judiciary. These grant funds will be used to contract for consultant services to develop an action plan for strengthening the state court system's foreign-language interpreter program, including meeting due process requirements and improving access to court-ordered programs and services.  
[JFO received 12/15/08]

**JFO #2362** — \$32,125 grant from the U.S. Department of Education to the Vermont Department of Education. These grant funds will be used to assist local operation agencies in implementing the interstate electronic exchange of migrant children's records through the Migrant Student Information Exchange (MSIX). Implementation of MSIX is federally required.  
[JFO received 12/15/08]

**JFO #2363** — \$166,160 grant from the Center for Applied and Special Technology to the Vermont Department of Education. These grant funds will be used to provide training and technical assistance for assistance technology services to students with disabilities.  
[JFO received 12/15/08]

**JFO #2364** — \$12,000 grant from the National Governor's Association to the Agency of Human Services – Department of Children and Families. These grant funds will be used to host the Governor's Summit on Poverty and Economic Opportunity. This grant provides support for technical assistance, planning, holding, and follow-up activities associated with the April 20, 2009 meeting.

*[JFO received 12/15/08]*

**JFO #2365** — \$19,140 donation from the Vermont Veterinary Medical Association (VVMA) to the Agency of Agriculture, Food and Markets. VVMA is donating a Companion Animal Medical Emergency Trailer (CAMET) and associated supplies to house 50 dogs and cats in case their owners are relocated during an emergency. The value of this item represents the cumulative value of the vehicle and supplies, as well as the cost of transporting the CAMET to Vermont.

*[JFO received 12/15/08]*

**JFO #2366** — \$500,000 grant from the U.S. Department of Homeland Security to the Agency of Transportation – Department of Motor Vehicles. These grant funds will be used to fund enhancements to offset costs associated with implementation of the Enhanced Driver's License / Identification Card, including meeting Real ID requirements.

*[JFO received 12/15/08]*

The Joint Fiscal Office has reviewed these submissions and determined that all appropriate forms bearing the necessary approvals are in order.

Because the current Joint Fiscal Committee may not meet again prior to the onset of the legislative session, the Committee may wish to consider action on these items prior to the exhaustion of the 30 day review period.

SFO 2366

STATE OF VERMONT  
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: FY 2008 Real ID Demonstration Grant Program

This is a request for approval of a grant from US Dept. of Homeland Security for \$500,000.00 to offset costs associated with implementation of the Vermont Enhanced Driver's License / Identification Card (EDL/ID). Grant is intended to be used towards securing our driver's license consistent with Real ID requirements and prioritizing achieving 15 of the 18 benchmarks outlined in the final Real ID rules. The Vermont EDL/ID is real ID compliant.

DATE: October 31, 2007

DEPARTMENT: DMV (AOT)

GRANT / DONATION: \$500,000.00

FEDERAL CATALOG No.: 97.089

GRANTOR / DONOR: US Dept. of Homeland Security

AMOUNT / VALUE: \$500,000.00

POSITIONS REQUESTED: None.

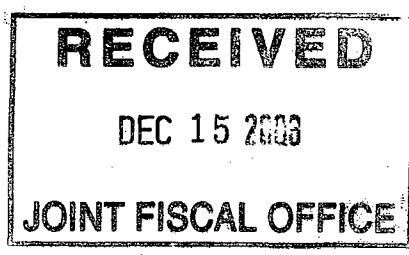
GRANT PERIOD: 6/1/2008 - 5/31/2011

COMMENTS: See attachments.

*SA* 12/15/08

DEPARTMENT OF FINANCE AND MANAGEMENT:  
SECRETARY OF ADMINISTRATION  
SENT TO JOINT FISCAL OFFICE:

(INITIAL) *SA* 12/15/08  
(INITIAL) *SA* 12/8/08  
DATE: 12/15/08



**STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE** (Form AA-1)

<b>BASIC GRANT INFORMATION</b>				
<b>1. Agency:</b>	Transportation			
<b>2. Department:</b>	Department of Motor Vehicles			
<b>3. Program:</b>	License			
<b>4. Legal Title of Grant:</b>	FY 2008 Real ID Demonstration Grant Program			
<b>5. Federal Catalog #:</b>	97.089			
<b>6. Grant/Donor Name and Address:</b>	Department of Homeland Security - FEMA 500 C Street, SW Washington DC 20472			
<b>7. Grant Period:</b>	<b>From:</b>	6/1/2008	<b>To:</b>	5/31/2011
<b>8. Purpose of Grant:</b>	Offset costs associated with implementation of the Vermont Enhanced Driver's License/Identification card (EDL/ID). Grant is intended to be used towards securing our driver's license consistent with Real ID requirements and prioritizing achieving 15 of the 18 benchmarks outlined in the final Real ID rules. The Vermont EDL/ID is Real ID compliant.			
<b>9. Impact on existing program if grant is not Accepted:</b>	Funds will need to come from another source.			
<b>10. BUDGET INFORMATION</b>				
	<b>SFY 1</b>	<b>SFY 2</b>	<b>SFY 3</b>	<b>Comments</b>
<b>Expenditures:</b>	<b>FY 2009</b>	<b>FY</b>	<b>FY</b>	
Personal Services	\$500,000	\$	\$	
Operating Expenses	\$	\$	\$	
Grants	\$	\$	\$	
<b>Total</b>	<b>\$500,000</b>	<b>\$</b>	<b>\$</b>	
<b>Revenues:</b>				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$	\$	\$	
(Direct Costs)	\$500,000	\$	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	
Grant (source )	\$	\$	\$	
<b>Total</b>	<b>\$500,000</b>	<b>\$</b>	<b>\$</b>	
<b>Appropriation No:</b>		<b>Amount:</b>	\$	
			\$	
			\$	
			\$	
			\$	

**REC'D NOV 26 2008**

**STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE** (Form AA-1)

		\$
		\$
	<b>Total</b>	\$

**PERSONAL SERVICE INFORMATION**

**11. Will monies from this grant be used to fund one or more Personal Service Contracts?**  Yes  No  
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: \_\_\_\_\_ Agreed by: BLW (initial)

12. Limited Service Position Information:	# Positions	Title
<b>Total Positions</b>		

**12a. Equipment and space for these positions:**  Is presently available.  Can be obtained with available funds.

**13. AUTHORIZATION AGENCY/DEPARTMENT**

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee Approval of this grant:	Signature: <u>Bonnie L. Rutledge</u>	Date: <u>11/19/08</u>
	Title: <u>Commissioner</u>	
	Signature: _____	Date: _____
	Title: _____	

**14. ACTION BY GOVERNOR**

<input checked="" type="checkbox"/> Check One Box: Accepted	<u>[Signature]</u> (Governor's signature)	<u>12/15/08</u> Date:
<input type="checkbox"/> Rejected		

**15. SECRETARY OF ADMINISTRATION**

<input type="checkbox"/> Check One Box: Request to JFO	<u>[Signature]</u> (Secretary's signature or designee)	<u>12/18/08</u> Date:
<input type="checkbox"/> Information to JFO		

**16. DOCUMENTATION REQUIRED**

**Required GRANT Documentation**

- |   |   |
|---|---|
| <input type="checkbox"/> Request Memo                           | <input type="checkbox"/> Request Memo                             |
| <input type="checkbox"/> Dept. project approval (if applicable) | <input type="checkbox"/> Dept. project approval (if applicable)   |
| <input type="checkbox"/> Notice of Award                        | <input type="checkbox"/> Notice of Donation (if any)              |
| <input type="checkbox"/> Grant Agreement                        | <input type="checkbox"/> Grant (Project) Timeline (if applicable) |
| <input type="checkbox"/> Grant Budget                           | <input type="checkbox"/> Request for Extension (if applicable)    |

End Form AA-1



Department of Homeland Security, FEMA  
Grant Programs Directorate

September 5, 2008

Washington, D.C. 20531

Mr. Michael Charter  
Vermont Department of Motor Vehicles  
120 State Street  
Montpelier, VT 05603

Dear Mr. Charter:

I am pleased to inform you that the Grant Programs Directorate has approved the application for funding under the Fiscal Year 2008 Real ID Demonstration Grant Program in the amount of \$500,000 for Vermont Department of Motor Vehicles. ✓

Enclosed you will find the Grant Award and Special Conditions documents. This award is subject to all administrative and financial requirements, including the timely submission of all financial and programmatic reports, resolution of all interim audit findings, and the maintenance of a minimum level of cash-on-hand. Should you not adhere to these requirements, you will be in violation of the terms of this agreement and the award will be subject to termination for cause or other administrative action as appropriate.

If you have questions regarding this award, please contact:

- Program Questions, Frank Lepage, Program Manager at (202) 786-9643;
- Financial and Payment Questions, Financial Accountability and Oversight Division (FAO) at (866) 927-5646, or send an email to ask-OGO@dhs.gov.

Congratulations, and we look forward to working with you.

Sincerely,

W. Ross Ashley, III  
Assistant Administrator, Grant Programs Directorate

Enclosures





Department of Homeland Security  
FEMA  
Grant Programs Directorate

**GRANT MANAGER'S MEMORANDUM, PT. I:  
PROJECT SUMMARY**

**Grant**

PROJECT NUMBER

2008-ID-T8-0049

PAGE 1 OF 1

This project is supported under Consolidated Appropriations Act, 2008, P.L. No. 110-161

**1. STAFF CONTACT (Name & telephone number)**

Frank Lepage  
(202) 786-9643

**2. PROJECT DIRECTOR (Name, address & telephone number)**

Michael Charter  
DMV Project Specialist  
120 State Street  
Montpelier, VT 05603  
(802) 828-0496

**3a. TITLE OF THE PROGRAM**

FY 2008 Real ID Demonstration Grant Program

**3b. POMS CODE (SEE INSTRUCTIONS  
ON REVERSE)**

**4. TITLE OF PROJECT**

FY 2008 Real ID Demonstration Grant Program

**5. NAME & ADDRESS OF GRANTEE**

Vermont Department of Motor Vehicles  
120 State Street  
Montpelier, VT 05603

**6. NAME & ADDRESS OF SUBGRANTEE**

**7. PROGRAM PERIOD**

FROM: 06/01/2008 TO: 05/31/2011

**8. BUDGET PERIOD**

FROM: 06/01/2008 TO: 05/31/2011

**9. AMOUNT OF AWARD**

\$ 500,000

**10. DATE OF AWARD**

09/05/2008

**11. SECOND YEAR'S BUDGET**

**12. SECOND YEAR'S BUDGET AMOUNT**

**13. THIRD YEAR'S BUDGET PERIOD**

**14. THIRD YEAR'S BUDGET AMOUNT**

**15. SUMMARY DESCRIPTION OF PROJECT (See instruction on reverse)**

Through this accord, the drivers' license issuing authority for the Vermont Department of Motor Vehicles will use grant funding in the amount of \$500,000 for REAL ID implementation. Funding will allow Vermont Department of Motor Vehicles to make improvements in the processes and IT systems it uses to verify an individual's personal identification information. These improvements are needed to strengthen the verification process and standardize the procedures States use for drivers' license and ID card issuance as required by the REAL ID Act of 2005.



Department of Homeland Security, FEMA

*Grant Programs Directorate*

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Washington, D.C. 20531

**Memorandum To:** Official Grant File

**From:** Jeffrey Hall, GPD NEPA Liaison

**Subject:** Incorporates NEPA Compliance in Further Developmental Stages for Vermont Department of Motor Vehicles

The U.S. Department of Homeland Security (DHS) the Federal Emergency Management Agency's (FEMA) Grant Programs Directorate (GPD) must consider the environmental impacts of a grant action under the National Environmental Policy Act (NEPA), 42 U.S.C. §§ 4321-4370d, and other laws and federal regulations require DHS to evaluate whether activities under the Fiscal Year (FY) 2008 Real ID Demonstration Grant Program (Real ID) have the potential to have an adverse impact on communities, public health, or the environment. NEPA requires that any federally funded grant activity be reviewed for potential to have an adverse impact on communities, public health, or the environment within the place of performance of the project. Recipients of the FY 2008 Real ID grants are subject to compliance with NEPA and projects that may have a significant adverse impact on communities, public health, or the environment are not eligible for funding under the FY 2008 Real ID grant program. DHS has identified several categories of actions that do not individually or cumulatively have a significant impact on the human environment and therefore do not require an Environmental Assessment (EA) or Environmental Impact Statement (EIS). These categorical exclusions allow awardees to avoid unnecessary analysis, process, and paperwork and concentrate their resources on those proposed actions having real potential for environmental concerns. For an action to be categorically excluded, awardees must satisfy the following conditions: 1. The entire action must clearly fit within one or more of the categories of excludable actions listed in DHS Management Directive 5100.1, Environmental Planning Program. 2. The scope of the action has not been segmented to be a small piece of a larger action in order to avoid the appearance of significance. 3. No extraordinary circumstances with potentially significant impacts relating to the proposed action exist. 4. Any project that may have a significant adverse impact on communities, public health, or the environment is not eligible for funding under the FY 2008 Real ID grant program. 5. Eligible FY 2008 Real ID purchases must be capable of functioning independently

to reduce their related vulnerabilities. FY 2008 Real ID purchases may not be dependent on the availability of other resources and the availability of other resources must not be dependent upon the availability of FY 2008 Real ID resources to fulfill their intended purposes. 6. Use of FY 2008 Real ID funds for construction or renovation projects is prohibited. In order to fulfill its requirements, DHS requires awardees and/or responsible jurisdiction sub-awardees, pursuant to the assurances related to this cooperative agreement, to complete and submit a NEPA Compliance Checklist indicating any effects the awardee's proposed expenditures might have. Based on the responses to the checklist, awardees may be required to provide additional detailed information on the activities to be conducted, locations, sites, possible expenditures, possible alternatives, and any environmental concerns that may exist. This review could result in an equipment purchase not being approved for funding. Any additional activities conducted using DHS grant funding that require specific documentation of NEPA compliance must be coordinated between the awardee and the FEMA Headquarters Program Analyst.



# Homeland Security

July 16, 2008

The Honorable James H. Douglas  
Governor of Vermont  
State Capitol  
Montpelier, Vermont 05609

Dear Governor Douglas:

Thank you for your February 19, 2008 letter, co-signed by Governor Christine Gregoire, concerning your State's Enhanced Driver's License (EDL) program and the use of the EDLs for official purposes pursuant to the *REAL ID Act of 2005*, P.L. 109-13.

I commend the State of Vermont for working with us in the effort to bolster security through secure identification. I truly appreciate the hard work that is being done by the State as it moves towards issuance of its first EDLs in the fall. Several other States have followed your lead.

You asked whether DHS considers an EDL to be REAL ID-compliant, and therefore acceptable for official purposes as outlined in the REAL ID Act of 2005. The answer to your question depends on the time period under consideration and whether Vermont meets the terms of its EDL business plan. All Vermont driver's licenses will continue to be accepted for official purposes until December 31, 2009, as Vermont was granted an extension beyond the May 11, 2008 compliance date. From January 1, 2010, through May 11, 2011, Vermont's EDLs will continue to meet REAL ID requirements since they already meet the applicable material compliance benchmarks outlined in the REAL ID final rule. After May 11, 2011, Vermont's EDLs will have to meet the full requirements of the REAL ID final rule that were outlined in the Vermont EDL business plan in order for Vermont EDLs to be considered REAL ID-compliant and therefore acceptable for official purposes.

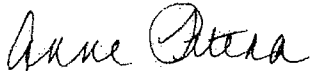
Vermont's EDL business plan was finalized shortly after the REAL ID Final Rule was published and includes all REAL ID requirements pertinent to EDL issuance. These requirements include: (1) information and security features that must be incorporated into each card; (2) specific application information to establish the identity and U.S. citizenship of an applicant before a card can be issued; (3) ability to verify source documents provided by an applicant with document issuing agencies; and (4) physical security standards for locations where licenses and applicable identification cards are issued.

Thus, Vermont EDLs should continue to be in compliance with REAL ID over time. Full implementation of REAL ID will bring capabilities that are not available today – otherwise they would have been required of the Vermont EDL from the beginning. For example, as part of REAL ID, DHS is supporting development of the Electronic Verification of Vital Events (EVVE) system. The EVVE system will enable Departments of Motor Vehicles and other government entities to

verify birth certificates with issuing agencies around the Nation. Meanwhile, without EVVE and certain other requirements in place, DHS and Vermont proceeded with the EDL, recognizing that such enhancements could come over time. Vermont's EDLs, issued as outlined in its business plan and evolving as capabilities become available, will be REAL ID compliant. At that point, they will be accepted for official purposes under the REAL ID Act.

Thank you for your continued support and partnership. If you have any additional questions, please have your staff contact Kathleen Kraninger, Deputy Assistant Secretary for Policy (Screening Coordination), at (202) 447-3871 or [kathleen.kraninger@dhs.gov](mailto:kathleen.kraninger@dhs.gov).

Sincerely,

A handwritten signature in cursive script, appearing to read "Anne Petera".


Anne Petera  
Assistant Secretary  
Intergovernmental Programs



**FEMA**

MEMORANDUM

TO: FY 2008 REAL ID Demonstration Grant Program Grant Award Recipients

FROM: W. Ross Ashley, III   
Assistant Administrator  
Grant Programs Directorate (GPD)  
FEMA

DATE: October 6, 2008

SUBJECT: REAL ID Grant Adjustment Notice

All REAL ID grantees are advised of the following changes, effective immediately upon receipt of this notification:

1. The Grant Managers Memorandum, Part I, Project Summary, Item # 15 entitled, "Summary Description of Project is changed by replacing "Through this accord, the drivers' license issuing authority for [State] will use grant funding in the amount of [amount] for REAL ID implementation." with a new sentence that reads, "Through this accord, the driver's license issuing authority for [State] will use grant funding in the amount of [amount] towards securing their driver's licenses consistent with REAL ID requirements and prioritizing achieving 15 of the 18 benchmarks."
2. The following change replaces this sentence in special condition # 10, "In accordance with 6 CFR part 37, the following benchmarks for material compliance checklist will be used for the report and accompany the revised Program Narrative. The recipient agrees to meet 15 benchmarks (excluding benchmarks 11, 17 and 18) as outlined below by December 31, 2009.", with a new sentence that states, "The following benchmarks for material compliance checklist will be used for the report and accompany the revised Program Narrative. The recipient agrees to work towards 15 benchmarks (excluding benchmarks 11, 17 and 18) as outlined below by December 31, 2009."

Questions regarding this correspondence should be directed to Frank Lepage, REAL ID Grant Program Manager, FEMA/GPD, at 202-786 9643, or by e-mail at [frank.lepage@dhs.gov](mailto:frank.lepage@dhs.gov). Grantees may also contact the FEMA/GPD helpdesk at 1-800 368 6498, or by e-mail at [askcsid@dhs.gov](mailto:askcsid@dhs.gov). To discuss these changes with the REAL ID Program Office, please contact Darrell Williams, REAL ID Program Office Director, at 202-447 3836, or by e-mail at [darrell.williams1@dhs.gov](mailto:darrell.williams1@dhs.gov). Grantees may also send questions or comments to the DHS REAL ID inbox, at [REALID@dhs.gov](mailto:REALID@dhs.gov).

NOV 10 2008

OCT 29 2008

OFFICE OF COMMISSIONER  
DEPARTMENT OF MOTOR VEHICLES



U.S. Department of Homeland Security  
Grant Programs Directorate

GRANT ADJUSTMENT NOTICE

1. GRANTEE NAME AND ADDRESS (Including Zip Code) Vermont Department of Motor Vehicles 120 State Street Montpelier, VT 05603	3. GRANT NUMBER 2008-ID-T8-0049
	4. ADJUSTMENT NUMBER 1
1A. GRANTEE IRS/VENDOR NUMBER 036000275	5. DATE OCT 30 2008
2. PROJECT TITLE FY 2008 Real ID Demonstration Grant Program	6. GRANT MANAGER Frank Lepage

SECTION I. DEOBLIGATIONS & REOBLIGATIONS

7. ACCOUNTING CLASSIFICATION CODE  FISCAL YEAR:    FUND CODE:    BUD. ACT:    OFC:    DIV.REG:    SUB:    MBO	9. PREVIOUS GRANT AWARD AMOUNT    \$    500,000
	10. REOBLIGATION AMOUNT    \$
DOCUMENT CONTROL NUMBER	11. ADJUSTED AWARD AMOUNT    \$    500,000.00

SECTION II. CHANGES

12. CHANGE GRANT MANAGER	FROM: _____	TO: _____
13. CHANGE GRANT PERIOD	FROM: _____	TO: _____

SECTION III. OTHER ADJUSTMENTS & INFORMATION

14  
The signatory authority for this grant is changed as of this date. Please direct all mail, fax, electronic correspondence and telephone contacts to:  
  
Bonnie L Rutledge  
Commissioner  
Vermont Department of Motor Vehicles  
120 State St.  
Montpelier, VT 05603  
(802) 828-2011 - Office  
(802) 828-2170 - Fax  
Bonnie.Rutledge@state.vt.us

15. TYPED NAME AND TITLE OF AUTHORIZED OFFICIAL Jim Marks, Acting Director, Grant Development and Administration	16. SIGNATURE OF AUTHORIZED OFFICIAL 
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Department of Homeland Security FEMA  
Grant Programs Directorate

Grant

PAGE 1 OF 6

1. RECIPIENT NAME AND ADDRESS (Including Zip Code) Vermont Department of Motor Vehicles 120 State Street Montpelier, VT 05603		4. AWARD NUMBER: 2008-ID-T8-0049	
		5. PROJECT PERIOD: FROM 06/01/2008 TO 05/31/2011 BUDGET PERIOD: FROM 06/01/2008 TO 05/31/2011	
1A. GRANTEE IRS/VENDOR NO. 036000275		6. AWARD DATE 09/05/2008	7. ACTION Initial
		8. SUPPLEMENT NUMBER 00	
		9. PREVIOUS AWARD AMOUNT \$ 0	
3. PROJECT TITLE FY 2008 Real ID Demonstration Grant Program		10. AMOUNT OF THIS AWARD \$ 500,000	
		11. TOTAL AWARD \$ 500,000	
12. SPECIAL CONDITIONS THE ABOVE GRANT PROJECT IS APPROVED SUBJECT TO SUCH CONDITIONS OR LIMITATIONS AS ARE SET FORTH ON THE ATTACHED PAGE(S).			
13. STATUTORY AUTHORITY FOR GRANT This project is supported under Consolidated Appropriations Act, 2008, P.L. No. 110-161			
15. METHOD OF PAYMENT PAPRS			
AGENCY APPROVAL		GRANTEE ACCEPTANCE	
16. TYPED NAME AND TITLE OF APPROVING DHS OFFICIAL W. Ross Ashley, III Assistant Administrator, Grant Programs Directorate		18. TYPED NAME AND TITLE OF AUTHORIZED GRANTEE OFFICIAL Michael Charter DMV Project Specialist	
17. SIGNATURE OF APPROVING DHS OFFICIAL 		19. SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL 	19A. DATE 11/19/08
AGENCY USE ONLY			
20. ACCOUNTING CLASSIFICATION CODES FISCAL FUND BUD. DIV. YEAR CODE ACT. OFC. REG. SUB. POMS AMOUNT 8 T ID 25 00 00 500000		21. ID08V40020	

OJP FORM 4000/2 (REV. 5-87) PREVIOUS EDITIONS ARE OBSOLETE.

OJP FORM 4000/2 (REV. 4-88)



## Real ID Grant

The Department of Homeland Security (DHS) has offered grants to assist the states in becoming compliant with the Real ID Act. Vermont DMV has signed a Memorandum of Understanding with DHS to begin issuing Enhanced Driver Licenses (EDL) in early 2009. DMV has been assured in writing that the VT EDL will be Real ID Compliant as long as we meet the 18 benchmarks they have outlined. This \$500,000 grant will allow us to use federal funds to reach this goal. The grant will cover the cost of designing and implementing the EDL process in our current system and in the new VT Drives system when it is implemented later in 2009. Without the grant the EDL cost will have to be covered by state funds that could well be used elsewhere.

## Budget Breakdown

Digimarc Development costs \$454,775

*(Digimarc is the provider of all DMV photo ID services. DMV is contracting with Digimarc to develop the enhanced license and the new process associated with their issuance.)*

Saber Interface to VT Drives 45,225

*(Saver Interface is the consultant that will develop the new motor vehicle software system.)*

SFO 2366

STATE OF VERMONT  
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: FY 2008 Real ID Demonstration Grant Program  
  
This is a request for approval of a grant from US Dept. of Homeland Security for \$500,000.00 to offset costs associated with implementation of the Vermont Enhanced Driver's License / Identification Card (EDL/ID). Grant is intended to be used towards securing our driver's license consistent with Real ID requirements and prioritizing achieving 15 of the 18 benchmarks outlined in the final Real ID rules. The Vermont EDL/ID is real ID compliant.

DATE: October 31, 2007

DEPARTMENT: DMV (AOT)

GRANT / DONATION: \$500,000.00

FEDERAL CATALOG No.: 97.089

GRANTOR / DONOR: US Dept. of Homeland Security

AMOUNT / VALUE: \$500,000.00

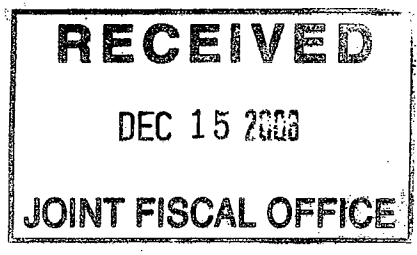
POSITIONS REQUESTED: None.

GRANT PERIOD: 6/1/2008 - 5/31/2011

COMMENTS: See attachments.

*A* 12/15/08 DEPARTMENT OF FINANCE AND MANAGEMENT:  
SECRETARY OF ADMINISTRATION  
SENT TO JOINT FISCAL OFFICE:

(INITIAL) *[Signature]* 12/15/08  
(INITIAL) *[Signature]* 12/18/08  
DATE: 12/15/08



# STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE

(Form AA-1)

BASIC GRANT INFORMATION				
<b>1. Agency:</b>	Transportation			
<b>2. Department:</b>	Department of Motor Vehicles			
<b>3. Program:</b>	License			
<b>4. Legal Title of Grant:</b>	FY 2008 Real ID Demonstration Grant Program			
<b>5. Federal Catalog #:</b>	97.089			
<b>6. Grant/Donor Name and Address:</b>	Department of Homeland Security - FEMA 500 C Street, SW Washington DC 20472			
<b>7. Grant Period:</b>	<b>From:</b>	6/1/2008	<b>To:</b>	5/31/2011
<b>8. Purpose of Grant:</b>	Offset costs associated with implementation of the Vermont Enhanced Driver's License/Identification card (EDL/ID). Grant is intended to be used towards securing our driver's license consistent with Real ID requirements and prioritizing achieving 15 of the 18 benchmarks outlined in the final Real ID rules. The Vermont EDL/ID is Real ID compliant.			
<b>9. Impact on existing program if grant is not Accepted:</b>	Funds will need to come from another source.			
10. BUDGET INFORMATION				
	<b>SFY 1</b>	<b>SFY 2</b>	<b>SFY 3</b>	<b>Comments</b>
<b>Expenditures:</b>	<b>FY 2009</b>	<b>FY</b>	<b>FY</b>	
Personal Services	\$500,000	\$	\$	
Operating Expenses	\$	\$	\$	
Grants	\$	\$	\$	
<b>Total</b>	<b>\$500,000</b>	<b>\$</b>	<b>\$</b>	
<b>Revenues:</b>				
State Funds:				
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:				
(Direct Costs)	\$500,000	\$	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:				
Grant (source )	\$	\$	\$	
<b>Total</b>	<b>\$500,000</b>	<b>\$</b>	<b>\$</b>	
<b>Appropriation No:</b>		<b>Amount:</b>	\$	
			\$	
			\$	
			\$	
			\$	

RECD NOV 26 2008

**STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE** (Form AA-1)

		\$
		\$
	<b>Total</b>	\$

**PERSONAL SERVICE INFORMATION**

**11. Will monies from this grant be used to fund one or more Personal Service Contracts?**  Yes  No  
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: \_\_\_\_\_ Agreed by: BLK (initial)

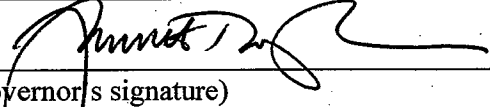
12. Limited Service Position Information:	# Positions	Title
<b>Total Positions</b>		

**12a. Equipment and space for these positions:**  Is presently available.  Can be obtained with available funds.

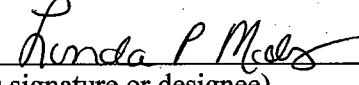
**13. AUTHORIZATION AGENCY/DEPARTMENT**

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee Approval of this grant:	Signature: <u>Bonnie L. Rutledge</u>	Date: <u>11/19/08</u>
	Title: <u>Commissioner</u>	
	Signature: _____	Date: _____
	Title: _____	

**14. ACTION BY GOVERNOR**

<input checked="" type="checkbox"/>	Check One Box: Accepted	 (Governor's signature)	Date: <u>12/15/08</u>
<input type="checkbox"/>	Rejected		Date: _____

**15. SECRETARY OF ADMINISTRATION**

<input type="checkbox"/>	Check One Box: Request to JFO	 (Secretary's signature or designee)	Date: <u>12/18/08</u>
<input type="checkbox"/>	Information to JFO		Date: _____

**16. DOCUMENTATION REQUIRED**

**Required GRANT Documentation**

- |   |   |
|---|---|
| <input type="checkbox"/> Request Memo<br><input type="checkbox"/> Dept. project approval (if applicable)<br><input type="checkbox"/> Notice of Award<br><input type="checkbox"/> Grant Agreement<br><input type="checkbox"/> Grant Budget | <input type="checkbox"/> Request Memo<br><input type="checkbox"/> Dept. project approval (if applicable)<br><input type="checkbox"/> Notice of Donation (if any)<br><input type="checkbox"/> Grant (Project) Timeline (if applicable)<br><input type="checkbox"/> Request for Extension (if applicable) |
|---|---|

End Form AA-1



Department of Homeland Security, FEMA  
Grant Programs Directorate

September 5, 2008

Washington, D.C. 20531

Mr. Michael Charter  
Vermont Department of Motor Vehicles  
120 State Street  
Montpelier, VT 05603

Dear Mr. Charter:

I am pleased to inform you that the Grant Programs Directorate has approved the application for funding under the Fiscal Year 2008 Real ID Demonstration Grant Program in the amount of \$500,000 for Vermont Department of Motor Vehicles. ✓

Enclosed you will find the Grant Award and Special Conditions documents. This award is subject to all administrative and financial requirements, including the timely submission of all financial and programmatic reports, resolution of all interim audit findings, and the maintenance of a minimum level of cash-on-hand. Should you not adhere to these requirements, you will be in violation of the terms of this agreement and the award will be subject to termination for cause or other administrative action as appropriate.

If you have questions regarding this award, please contact:

- Program Questions, Frank Lepage, Program Manager at (202) 786-9643;
- Financial and Payment Questions, Financial Accountability and Oversight Division (FAO) at (866) 927-5646, or send an email to [ask-OGO@dhs.gov](mailto:ask-OGO@dhs.gov).

Congratulations, and we look forward to working with you.

Sincerely,

W. Ross Ashley, III  
Assistant Administrator, Grant Programs Directorate

Enclosures



Department of Homeland Security  
FEMA  
Grant Programs Directorate

**GRANT MANAGER'S MEMORANDUM, PT. I:  
PROJECT SUMMARY**

**Grant**

PROJECT NUMBER

2008-ID-T8-0049

PAGE 1 OF 1

This project is supported under Consolidated Appropriations Act, 2008, P.L. No. 110-161

1. STAFF CONTACT (Name & telephone number)

Frank Lepage  
(202) 786-9643

2. PROJECT DIRECTOR (Name, address & telephone number)

Michael Charter  
DMV Project Specialist  
120 State Street  
Montpelier, VT 05603  
(802) 828-0496

3a. TITLE OF THE PROGRAM

FY 2008 Real ID Demonstration Grant Program

3b. POMS CODE (SEE INSTRUCTIONS  
ON REVERSE)

4. TITLE OF PROJECT

FY 2008 Real ID Demonstration Grant Program

5. NAME & ADDRESS OF GRANTEE

Vermont Department of Motor Vehicles  
120 State Street  
Montpelier, VT 05603

6. NAME & ADDRESS OF SUBGRANTEE

7. PROGRAM PERIOD

FROM: 06/01/2008 TO: 05/31/2011

8. BUDGET PERIOD

FROM: 06/01/2008 TO: 05/31/2011

9. AMOUNT OF AWARD

\$ 500,000

10. DATE OF AWARD

09/05/2008

11. SECOND YEAR'S BUDGET

12. SECOND YEAR'S BUDGET AMOUNT

13. THIRD YEAR'S BUDGET PERIOD

14. THIRD YEAR'S BUDGET AMOUNT

15. SUMMARY DESCRIPTION OF PROJECT (See instruction on reverse)

Through this accord, the drivers' license issuing authority for the Vermont Department of Motor Vehicles will use grant funding in the amount of \$500,000 for REAL ID implementation. Funding will allow Vermont Department of Motor Vehicles to make improvements in the processes and IT systems it uses to verify an individual's personal identification information. These improvements are needed to strengthen the verification process and standardize the procedures States use for drivers' license and ID card issuance as required by the REAL ID Act of 2005.



Department of Homeland Security, FEMA

Grant Programs Directorate

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Washington, D.C. 20531

**Memorandum To:** Official Grant File

**From:** Jeffrey Hall, GPD NEPA Liaison

**Subject:** Incorporates NEPA Compliance in Further Developmental Stages for Vermont Department of Motor Vehicles

The U.S. Department of Homeland Security (DHS) the Federal Emergency Management Agency's (FEMA) Grant Programs Directorate (GPD) must consider the environmental impacts of a grant action under the National Environmental Policy Act (NEPA), 42 U.S.C. §§ 4321-4370d, and other laws and federal regulations require DHS to evaluate whether activities under the Fiscal Year (FY) 2008 Real ID Demonstration Grant Program (Real ID) have the potential to have an adverse impact on communities, public health, or the environment. NEPA requires that any federally funded grant activity be reviewed for potential to have an adverse impact on communities, public health, or the environment within the place of performance of the project. Recipients of the FY 2008 Real ID grants are subject to compliance with NEPA and projects that may have a significant adverse impact on communities, public health, or the environment are not eligible for funding under the FY 2008 Real ID grant program. DHS has identified several categories of actions that do not individually or cumulatively have a significant impact on the human environment and therefore do not require an Environmental Assessment (EA) or Environmental Impact Statement (EIS). These categorical exclusions allow awardees to avoid unnecessary analysis, process, and paperwork and concentrate their resources on those proposed actions having real potential for environmental concerns. For an action to be categorically excluded, awardees must satisfy the following conditions: 1. The entire action must clearly fit within one or more of the categories of excludable actions listed in DHS Management Directive 5100.1, Environmental Planning Program. 2. The scope of the action has not been segmented to be a small piece of a larger action in order to avoid the appearance of significance. 3. No extraordinary circumstances with potentially significant impacts relating to the proposed action exist. 4. Any project that may have a significant adverse impact on communities, public health, or the environment is not eligible for funding under the FY 2008 Real ID grant program. 5. Eligible FY 2008 Real ID purchases must be capable of functioning independently

to reduce their related vulnerabilities. FY 2008 Real ID purchases may not be dependent on the availability of other resources and the availability of other resources must not be dependent upon the availability of FY 2008 Real ID resources to fulfill their intended purposes. 6. Use of FY 2008 Real ID funds for construction or renovation projects is prohibited. In order to fulfill its requirements, DHS requires awardees and/or responsible jurisdiction sub-awardees, pursuant to the assurances related to this cooperative agreement, to complete and submit a NEPA Compliance Checklist indicating any effects the awardee's proposed expenditures might have. Based on the responses to the checklist, awardees may be required to provide additional detailed information on the activities to be conducted, locations, sites, possible expenditures, possible alternatives, and any environmental concerns that may exist. This review could result in an equipment purchase not being approved for funding. Any additional activities conducted using DHS grant funding that require specific documentation of NEPA compliance must be coordinated between the awardee and the FEMA Headquarters Program Analyst.





# Homeland Security

July 16, 2008

The Honorable James H. Douglas  
Governor of Vermont  
State Capitol  
Montpelier, Vermont 05609

Dear Governor Douglas:

Thank you for your February 19, 2008 letter, co-signed by Governor Christine Gregoire, concerning your State's Enhanced Driver's License (EDL) program and the use of the EDLs for official purposes pursuant to the *REAL ID Act of 2005*, P.L. 109-13.

I commend the State of Vermont for working with us in the effort to bolster security through secure identification. I truly appreciate the hard work that is being done by the State as it moves towards issuance of its first EDLs in the fall. Several other States have followed your lead.

You asked whether DHS considers an EDL to be REAL ID-compliant, and therefore acceptable for official purposes as outlined in the REAL ID Act of 2005. The answer to your question depends on the time period under consideration and whether Vermont meets the terms of its EDL business plan. All Vermont driver's licenses will continue to be accepted for official purposes until December 31, 2009, as Vermont was granted an extension beyond the May 11, 2008 compliance date. From January 1, 2010, through May 11, 2011, Vermont's EDLs will continue to meet REAL ID requirements since they already meet the applicable material compliance benchmarks outlined in the REAL ID final rule. After May 11, 2011, Vermont's EDLs will have to meet the full requirements of the REAL ID final rule that were outlined in the Vermont EDL business plan in order for Vermont EDLs to be considered REAL ID-compliant and therefore acceptable for official purposes.


Vermont's EDL business plan was finalized shortly after the REAL ID Final Rule was published and includes all REAL ID requirements pertinent to EDL issuance. These requirements include: (1) information and security features that must be incorporated into each card; (2) specific application information to establish the identity and U.S. citizenship of an applicant before a card can be issued; (3) ability to verify source documents provided by an applicant with document issuing agencies; and (4) physical security standards for locations where licenses and applicable identification cards are issued.

Thus, Vermont EDLs should continue to be in compliance with REAL ID over time. Full implementation of REAL ID will bring capabilities that are not available today – otherwise they would have been required of the Vermont EDL from the beginning. For example, as part of REAL ID, DHS is supporting development of the Electronic Verification of Vital Events (EVVE) system. The EVVE system will enable Departments of Motor Vehicles and other government entities to

verify birth certificates with issuing agencies around the Nation. Meanwhile, without EVVE and certain other requirements in place, DHS and Vermont proceeded with the EDL, recognizing that such enhancements could come over time. Vermont's EDLs, issued as outlined in its business plan and evolving as capabilities become available, will be REAL ID compliant. At that point, they will be accepted for official purposes under the REAL ID Act.

Thank you for your continued support and partnership. If you have any additional questions, please have your staff contact Kathleen Kraninger, Deputy Assistant Secretary for Policy (Screening Coordination), at (202) 447-3871 or [kathleen.kraninger@dhs.gov](mailto:kathleen.kraninger@dhs.gov).

Sincerely,

A handwritten signature in cursive script that reads "Anne Petera".


Anne Petera  
Assistant Secretary  
Intergovernmental Programs



**FEMA**

MEMORANDUM

TO: FY 2008 REAL ID Demonstration Grant Program Grant Award Recipients

FROM: W. Ross Ashley, III   
Assistant Administrator  
Grant Programs Directorate (GPD)  
FEMA

DATE: October 6, 2008

SUBJECT: REAL ID Grant Adjustment Notice

All REAL ID grantees are advised of the following changes, effective immediately upon receipt of this notification:

1. The Grant Managers Memorandum, Part I, Project Summary, Item # 15 entitled, "Summary Description of Project is changed by replacing "Through this accord, the drivers' license issuing authority for [State] will use grant funding in the amount of [amount] for REAL ID implementation." with a new sentence that reads, "Through this accord, the driver's license issuing authority for [State] will use grant funding in the amount of [amount] towards securing their driver's licenses consistent with REAL ID requirements and prioritizing achieving 15 of the 18 benchmarks."
2. The following change replaces this sentence in special condition # 10, "In accordance with 6 CFR part 37, the following benchmarks for material compliance checklist will be used for the report and accompany the revised Program Narrative. The recipient agrees to meet 15 benchmarks (excluding benchmarks 11, 17 and 18) as outlined below by December 31, 2009.", with a new sentence that states, "The following benchmarks for material compliance checklist will be used for the report and accompany the revised Program Narrative. The recipient agrees to work towards 15 benchmarks (excluding benchmarks 11, 17 and 18) as outlined below by December 31, 2009."

Questions regarding this correspondence should be directed to Frank Lepage, REAL ID Grant Program Manager, FEMA/GPD, at 202-786 9643, or by e-mail at [frank.lepage@dhs.gov](mailto:frank.lepage@dhs.gov). Grantees may also contact the FEMA/GPD helpdesk at 1-800 368 6498, or by e-mail at [askcsid@dhs.gov](mailto:askcsid@dhs.gov). To discuss these changes with the REAL ID Program Office, please contact Darrell Williams, REAL ID Program Office Director, at 202-447 3836, or by e-mail at [darrell.williams1@dhs.gov](mailto:darrell.williams1@dhs.gov). Grantees may also send questions or comments to the DHS REAL ID inbox, at [REALID@dhs.gov](mailto:REALID@dhs.gov).

NOV 10 2008

*Handwritten:* OCT 29 2008

OFFICE OF COMMISSIONER  
DEPARTMENT OF MOTOR VEHICLES



U.S. Department of Homeland Security  
Grant Programs Directorate

**GRANT ADJUSTMENT NOTICE**

1. GRANTEE NAME AND ADDRESS (Including Zip Code) Vermont Department of Motor Vehicles 120 State Street Montpelier, VT 05603	3. GRANT NUMBER 2008-ID-T8-0049
	4. ADJUSTMENT NUMBER <b>1</b>
1A. GRANTEE IRS/VENDOR NUMBER 036000275	5. DATE <b>OCT 30 2008</b>
2. PROJECT TITLE FY 2008 Real-ID Demonstration Grant Program	6. GRANT MANAGER Frank Lepage

**SECTION I. DEOBLIGATIONS & REOBLIGATIONS**

7. ACCOUNTING CLASSIFICATION CODE  FISCAL YEAR:    FUND CODE:    BUD. ACT:    OFC:    DIV. REG.    SUB.    MBO	9. PREVIOUS GRANT AWARD AMOUNT    \$    500,000
	10. REOBLIGATION AMOUNT    \$
DOCUMENT CONTROL NUMBER	11. ADJUSTED AWARD AMOUNT    \$    500,000.00

**SECTION II. CHANGES**

12. CHANGE GRANT MANAGER	FROM: _____	TO: _____
13. CHANGE GRANT PERIOD	FROM: _____	TO: _____

**SECTION III. OTHER ADJUSTMENTS & INFORMATION**

14  
The signatory authority for this grant is changed as of this date. Please direct all mail, fax, electronic correspondence and telephone contacts to:  
  
Bonnie L Rutledge  
Commissioner  
Vermont Department of Motor Vehicles  
120 State St.  
Montpelier, VT 05603  
(802) 828-2011 - Office  
(802) 828-2170 - Fax  
Bonnie.Rutledge@state.vt.us

15. TYPED NAME AND TITLE OF AUTHORIZED OFFICIAL Jim Marks, Acting Director, Grant Development and Administration	16. SIGNATURE OF AUTHORIZED OFFICIAL <i>Jim T. Marks</i>
---	---



Department of Homeland Security FEMA  
Grant Programs Directorate

Grant

PAGE 1 OF 6

1. RECIPIENT NAME AND ADDRESS (Including Zip Code) Vermont Department of Motor Vehicles 120 State Street Montpelier, VT 05603		4. AWARD NUMBER: 2008-ID-T8-0049	
		5. PROJECT PERIOD: FROM 06/01/2008 TO 05/31/2011 BUDGET PERIOD: FROM 06/01/2008 TO 05/31/2011	
1A. GRANTEE IRS/VENDOR NO. 036000275		6. AWARD DATE 09/05/2008	7. ACTION Initial
		8. SUPPLEMENT NUMBER 00	
		9. PREVIOUS AWARD AMOUNT \$ 0	
3. PROJECT TITLE FY 2008 Real ID Demonstration Grant Program		10. AMOUNT OF THIS AWARD \$ 500,000	
		11. TOTAL AWARD \$ 500,000	
12. SPECIAL CONDITIONS THE ABOVE GRANT PROJECT IS APPROVED SUBJECT TO SUCH CONDITIONS OR LIMITATIONS AS ARE SET FORTH ON THE ATTACHED PAGE(S).			
13. STATUTORY AUTHORITY FOR GRANT This project is supported under Consolidated Appropriations Act, 2008, P.L. No. 110-161			
15. METHOD OF PAYMENT PAPRS			
AGENCY APPROVAL		GRANTEE ACCEPTANCE	
16. TYPED NAME AND TITLE OF APPROVING DHS OFFICIAL W. Ross Ashley, III Assistant Administrator, Grant Programs Directorate		18. TYPED NAME AND TITLE OF AUTHORIZED GRANTEE OFFICIAL Michael Charter DMV Project Specialist	
17. SIGNATURE OF APPROVING DHS OFFICIAL 		19. SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL 	19A. DATE 11/19/08
AGENCY USE ONLY			
20. ACCOUNTING CLASSIFICATION CODES FISCAL YEAR 8 FUND CODE T BUD. ACT. ID OFC. 25 DIV. REG. 00 SUB. 00 POMS AMOUNT 500000		21. ID08V40020	

OJP FORM 4000/2 (REV. 5-87) PREVIOUS EDITIONS ARE OBSOLETE.

OJP FORM 4000/2 (REV. 4-88)

## Real ID Grant

The Department of Homeland Security (DHS) has offered grants to assist the states in becoming compliant with the Real ID Act. Vermont DMV has signed a Memorandum of Understanding with DHS to begin issuing Enhanced Driver Licenses (EDL) in early 2009. DMV has been assured in writing that the VT EDL will be Real ID Compliant as long as we meet the 18 benchmarks they have outlined. This \$500,000 grant will allow us to use federal funds to reach this goal. The grant will cover the cost of designing and implementing the EDL process in our current system and in the new VT Drives system when it is implemented later in 2009. Without the grant the EDL cost will have to be covered by state funds that could well be used elsewhere.

## Budget Breakdown

Digimarc Development costs \$454,775

*(Digimarc is the provider of all DMV photo ID services. DMV is contracting with Digimarc to develop the enhanced license and the new process associated with their issuance.)*

Saber Interface to VT Drives 45,225

*(Saver Interface is the consultant that will develop the new motor vehicle software system.)*

SFO 2366

STATE OF VERMONT  
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: FY 2008 Real ID Demonstration Grant Program

This is a request for approval of a grant from US Dept. of Homeland Security for \$500,000.00 to offset costs associated with implementation of the Vermont Enhanced Driver's License / Identification Card (EDL/ID). Grant is intended to be used towards securing our driver's license consistent with Real ID requirements and prioritizing achieving 15 of the 18 benchmarks outlined in the final Real ID rules. The Vermont EDL/ID is real ID compliant.

DATE: October 31, 2007

DEPARTMENT: DMV (AOT)

GRANT / DONATION: \$500,000.00

FEDERAL CATALOG No.: 97.089

GRANTOR / DONOR: US Dept. of Homeland Security

AMOUNT / VALUE: \$500,000.00

POSITIONS REQUESTED: None.

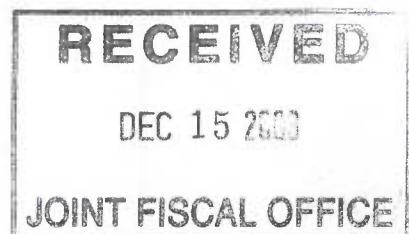
GRANT PERIOD: 6/1/2008 – 5/31/2011

COMMENTS: See attachments.

*12/15/08*

DEPARTMENT OF FINANCE AND MANAGEMENT:  
SECRETARY OF ADMINISTRATION  
SENT TO JOINT FISCAL OFFICE:

(INITIAL) *[Signature]* *12/8/08*  
(INITIAL) *[Signature]* *12/8/08*  
DATE: *12/15/08*



**STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE** (Form AA-1)

**BASIC GRANT INFORMATION**

<b>1. Agency:</b>	Transportation		
<b>2. Department:</b>	Department of Motor Vehicles		
<b>3. Program:</b>	License		
<b>4. Legal Title of Grant:</b>	FY 2008 Real ID Demonstration Grant Program		
<b>5. Federal Catalog #:</b>	97.089		
<b>6. Grant/Donor Name and Address:</b>	Department of Homeland Security - FEMA 500 C Street, SW Washington DC 20472		
<b>7. Grant Period:</b>	<b>From:</b>	6/1/2008	<b>To:</b> 5/31/2011
<b>8. Purpose of Grant:</b>	Offset costs associated with implementation of the Vermont Enhanced Driver's License/Identification card (EDL/ID). Grant is intended to be used towards securing our driver's license consistent with Real ID requirements and prioritizing achieving 15 of the 18 benchmarks outlined in the final Real ID rules. The Vermont EDL/ID is Real ID compliant.		
<b>9. Impact on existing program if grant is not Accepted:</b>	Funds will need to come from another source.		

**10. BUDGET INFORMATION**

	SFY 1	SFY 2	SFY 3	Comments
	FY 2009	FY	FY	
<b>Expenditures:</b>				
Personal Services	\$500,000	\$	\$	
Operating Expenses	\$	\$	\$	
Grants	\$	\$	\$	
<b>Total</b>	\$500,000	\$	\$	
<b>Revenues:</b>				
State Funds:				
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:				
(Direct Costs)	\$500,000	\$	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:				
Grant (source )	\$	\$	\$	
<b>Total</b>	\$500,000	\$	\$	

<b>Appropriation No:</b>		<b>Amount:</b>	\$
			\$
			\$
			\$
			\$

REC'D NOV 26 2008



**STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE** (Form AA-1)

		\$
		\$
	<b>Total</b>	\$

**PERSONAL SERVICE INFORMATION**

**11. Will monies from this grant be used to fund one or more Personal Service Contracts?**  Yes  No  
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: \_\_\_\_\_ Agreed by: BLK (initial)

12. Limited Service Position Information:	# Positions	Title
<b>Total Positions</b>		

**12a. Equipment and space for these positions:**  Is presently available.  Can be obtained with available funds.

**13. AUTHORIZATION AGENCY/DEPARTMENT**

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee Approval of this grant:	Signature: <u>Bonnie L. Rutledge</u>	Date: <u>11/19/08</u>
	Title: <u>Commissioner</u>	
	Signature: _____	Date: _____
	Title: _____	

**14. ACTION BY GOVERNOR**

<input checked="" type="checkbox"/> Check One Box: Accepted	<u>[Signature]</u> (Governor's signature)	<u>12/15/08</u> Date:
<input type="checkbox"/> Rejected		

**15. SECRETARY OF ADMINISTRATION**

<input type="checkbox"/> Check One Box: Request to JFO	<u>Linda P. Miles</u> (Secretary's signature or designee)	<u>12/18/08</u> Date:
<input type="checkbox"/> Information to JFO		

**16. DOCUMENTATION REQUIRED**

**Required GRANT Documentation**

<input type="checkbox"/> Request Memo	<input type="checkbox"/> Request Memo
<input type="checkbox"/> Dept. project approval (if applicable)	<input type="checkbox"/> Dept. project approval (if applicable)
<input type="checkbox"/> Notice of Award	<input type="checkbox"/> Notice of Donation (if any)
<input type="checkbox"/> Grant Agreement	<input type="checkbox"/> Grant (Project) Timeline (if applicable)
<input type="checkbox"/> Grant Budget	<input type="checkbox"/> Request for Extension (if applicable)

**End Form AA-1**



Department of Homeland Security, FEMA  
Grant Programs Directorate

September 5, 2008

Washington, D.C. 20531

Mr. Michael Charter  
Vermont Department of Motor Vehicles  
120 State Street  
Montpelier, VT 05603

Dear Mr. Charter:

I am pleased to inform you that the Grant Programs Directorate has approved the application for funding under the Fiscal Year 2008 Real ID Demonstration Grant Program in the amount of \$500,000 for Vermont Department of Motor Vehicles. ✓

Enclosed you will find the Grant Award and Special Conditions documents. This award is subject to all administrative and financial requirements, including the timely submission of all financial and programmatic reports, resolution of all interim audit findings, and the maintenance of a minimum level of cash-on-hand. Should you not adhere to these requirements, you will be in violation of the terms of this agreement and the award will be subject to termination for cause or other administrative action as appropriate.

If you have questions regarding this award, please contact:

- Program Questions, Frank Lepage, Program Manager at (202) 786-9643;
- Financial and Payment Questions, Financial Accountability and Oversight Division (FAO) at (866) 927-5646, or send an email to [ask-OGO@dhs.gov](mailto:ask-OGO@dhs.gov).

Congratulations, and we look forward to working with you.

Sincerely,

W. Ross Ashley, III  
Assistant Administrator, Grant Programs Directorate

Enclosures



Department of Homeland Security  
FEMA  
Grant Programs Directorate

**GRANT MANAGER'S MEMORANDUM, PT. I:  
PROJECT SUMMARY**

**Grant**

PROJECT NUMBER  
2008-ID-T8-0049

PAGE 1 OF 1

This project is supported under Consolidated Appropriations Act, 2008, P.L. No. 110-161

1. STAFF CONTACT (Name & telephone number)

Frank Lepage  
(202) 786-9643

2. PROJECT DIRECTOR (Name, address & telephone number)

Michael Charter  
DMV Project Specialist  
120 State Street  
Montpelier, VT 05603  
(802) 828-0496

3a. TITLE OF THE PROGRAM

FY 2008 Real ID Demonstration Grant Program

3b. POMS CODE (SEE INSTRUCTIONS  
ON REVERSE)

4. TITLE OF PROJECT

FY 2008 Real ID Demonstration Grant Program

5. NAME & ADDRESS OF GRANTEE

Vermont Department of Motor Vehicles  
120 State Street  
Montpelier, VT 05603

6. NAME & ADDRESS OF SUBGRANTEE

7. PROGRAM PERIOD

FROM: 06/01/2008 TO: 05/31/2011

8. BUDGET PERIOD

FROM: 06/01/2008 TO: 05/31/2011

9. AMOUNT OF AWARD

\$ 500,000

10. DATE OF AWARD

09/05/2008

11. SECOND YEAR'S BUDGET

12. SECOND YEAR'S BUDGET AMOUNT

13. THIRD YEAR'S BUDGET PERIOD

14. THIRD YEAR'S BUDGET AMOUNT

15. SUMMARY DESCRIPTION OF PROJECT (See instruction on reverse)

Through this accord, the drivers' license issuing authority for the Vermont Department of Motor Vehicles will use grant funding in the amount of \$500,000 for REAL ID implementation. Funding will allow Vermont Department of Motor Vehicles to make improvements in the processes and IT systems it uses to verify an individual's personal identification information. These improvements are needed to strengthen the verification process and standardize the procedures States use for drivers' license and ID card issuance as required by the REAL ID Act of 2005.



**Department of Homeland Security, FEMA**

*Grant Programs Directorate*

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Washington, D.C. 20531

**Memorandum To:** Official Grant File

**From:** Jeffrey Hall, GPD NEPA Liaison

**Subject:** Incorporates NEPA Compliance in Further Developmental Stages for Vermont Department of Motor Vehicles

The U.S. Department of Homeland Security (DHS) the Federal Emergency Management Agency's (FEMA) Grant Programs Directorate (GPD) must consider the environmental impacts of a grant action under the National Environmental Policy Act (NEPA), 42 U.S.C. §§ 4321-4370d, and other laws and federal regulations require DHS to evaluate whether activities under the Fiscal Year (FY) 2008 Real ID Demonstration Grant Program (Real ID) have the potential to have an adverse impact on communities, public health, or the environment. NEPA requires that any federally funded grant activity be reviewed for potential to have an adverse impact on communities, public health, or the environment within the place of performance of the project. Recipients of the FY 2008 Real ID grants are subject to compliance with NEPA and projects that may have a significant adverse impact on communities, public health, or the environment are not eligible for funding under the FY 2008 Real ID grant program. DHS has identified several categories of actions that do not individually or cumulatively have a significant impact on the human environment and therefore do not require an Environmental Assessment (EA) or Environmental Impact Statement (EIS). These categorical exclusions allow awardees to avoid unnecessary analysis, process, and paperwork and concentrate their resources on those proposed actions having real potential for environmental concerns. For an action to be categorically excluded, awardees must satisfy the following conditions: 1. The entire action must clearly fit within one or more of the categories of excludable actions listed in DHS Management Directive 5100.1, Environmental Planning Program. 2. The scope of the action has not been segmented to be a small piece of a larger action in order to avoid the appearance of significance. 3. No extraordinary circumstances with potentially significant impacts relating to the proposed action exist. 4. Any project that may have a significant adverse impact on communities, public health, or the environment is not eligible for funding under the FY 2008 Real ID grant program. 5. Eligible FY 2008 Real ID purchases must be capable of functioning independently

to reduce their related vulnerabilities. FY 2008 Real ID purchases may not be dependent on the availability of other resources and the availability of other resources must not be dependent upon the availability of FY 2008 Real ID resources to fulfill their intended purposes. 6. Use of FY 2008 Real ID funds for construction or renovation projects is prohibited. In order to fulfill its requirements, DHS requires awardees and/or responsible jurisdiction sub-awardees, pursuant to the assurances related to this cooperative agreement, to complete and submit a NEPA Compliance Checklist indicating any effects the awardee's proposed expenditures might have. Based on the responses to the checklist, awardees may be required to provide additional detailed information on the activities to be conducted, locations, sites, possible expenditures, possible alternatives, and any environmental concerns that may exist. This review could result in an equipment purchase not being approved for funding. Any additional activities conducted using DHS grant funding that require specific documentation of NEPA compliance must be coordinated between the awardee and the FEMA Headquarters Program Analyst.



# Homeland Security

July 16, 2008

The Honorable James H. Douglas  
Governor of Vermont  
State Capitol  
Montpelier, Vermont 05609

Dear Governor Douglas:

Thank you for your February 19, 2008 letter, co-signed by Governor Christine Gregoire, concerning your State's Enhanced Driver's License (EDL) program and the use of the EDLs for official purposes pursuant to the *REAL ID Act of 2005*, P.L. 109-13.

I commend the State of Vermont for working with us in the effort to bolster security through secure identification. I truly appreciate the hard work that is being done by the State as it moves towards issuance of its first EDLs in the fall. Several other States have followed your lead.

You asked whether DHS considers an EDL to be REAL ID-compliant, and therefore acceptable for official purposes as outlined in the REAL ID Act of 2005. The answer to your question depends on the time period under consideration and whether Vermont meets the terms of its EDL business plan. All Vermont driver's licenses will continue to be accepted for official purposes until December 31, 2009, as Vermont was granted an extension beyond the May 11, 2008 compliance date. From January 1, 2010, through May 11, 2011, Vermont's EDLs will continue to meet REAL ID requirements since they already meet the applicable material compliance benchmarks outlined in the REAL ID final rule. After May 11, 2011, Vermont's EDLs will have to meet the full requirements of the REAL ID final rule that were outlined in the Vermont EDL business plan in order for Vermont EDLs to be considered REAL ID-compliant and therefore acceptable for official purposes.

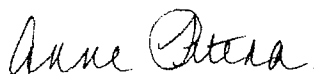
Vermont's EDL business plan was finalized shortly after the REAL ID Final Rule was published and includes all REAL ID requirements pertinent to EDL issuance. These requirements include: (1) information and security features that must be incorporated into each card; (2) specific application information to establish the identity and U.S. citizenship of an applicant before a card can be issued; (3) ability to verify source documents provided by an applicant with document issuing agencies; and (4) physical security standards for locations where licenses and applicable identification cards are issued.

Thus, Vermont EDLs should continue to be in compliance with REAL ID over time. Full implementation of REAL ID will bring capabilities that are not available today – otherwise they would have been required of the Vermont EDL from the beginning. For example, as part of REAL ID, DHS is supporting development of the Electronic Verification of Vital Events (EVVE) system. The EVVE system will enable Departments of Motor Vehicles and other government entities to

verify birth certificates with issuing agencies around the Nation. Meanwhile, without EVVE and certain other requirements in place, DHS and Vermont proceeded with the EDL, recognizing that such enhancements could come over time. Vermont's EDLs, issued as outlined in its business plan and evolving as capabilities become available, will be REAL ID compliant. At that point, they will be accepted for official purposes under the REAL ID Act.

Thank you for your continued support and partnership. If you have any additional questions, please have your staff contact Kathleen Kraninger, Deputy Assistant Secretary for Policy (Screening Coordination), at (202) 447-3871 or [kathleen.kraninger@dhs.gov](mailto:kathleen.kraninger@dhs.gov).

Sincerely,

A handwritten signature in cursive script, appearing to read "Anne Petera".


Anne Petera  
Assistant Secretary  
Intergovernmental Programs



FEMA

MEMORANDUM

TO: FY 2008 REAL ID Demonstration Grant Program Grant Award Recipients

FROM: W. Ross Ashley, III   
Assistant Administrator  
Grant Programs Directorate (GPD)  
FEMA

DATE: October 6, 2008

SUBJECT: REAL ID Grant Adjustment Notice

All REAL ID grantees are advised of the following changes, effective immediately upon receipt of this notification:

1. The Grant Managers Memorandum, Part I, Project Summary, Item # 15 entitled, "Summary Description of Project is changed by replacing "Through this accord, the drivers' license issuing authority for [State] will use grant funding in the amount of [amount] for REAL ID implementation." with a new sentence that reads, "Through this accord, the driver's license issuing authority for [State] will use grant funding in the amount of [amount] towards securing their driver's licenses consistent with REAL ID requirements and prioritizing achieving 15 of the 18 benchmarks."
2. The following change replaces this sentence in special condition # 10, "In accordance with 6 CFR part 37, the following benchmarks for material compliance checklist will be used for the report and accompany the revised Program Narrative. The recipient agrees to meet 15 benchmarks (excluding benchmarks 11, 17 and 18) as outlined below by December 31, 2009.", with a new sentence that states, "The following benchmarks for material compliance checklist will be used for the report and accompany the revised Program Narrative. The recipient agrees to work towards 15 benchmarks (excluding benchmarks 11, 17 and 18) as outlined below by December 31, 2009."

Questions regarding this correspondence should be directed to Frank Lepage, REAL ID Grant Program Manager, FEMA/GPD, at 202-786 9643, or by e-mail at [frank.lepage@dhs.gov](mailto:frank.lepage@dhs.gov). Grantees may also contact the FEMA/GPD helpdesk at 1-800 368 6498, or by e-mail at [askcsid@dhs.gov](mailto:askcsid@dhs.gov). To discuss these changes with the REAL ID Program Office, please contact Darrell Williams, REAL ID Program Office Director, at 202-447 3836, or by e-mail at [darrell.williams1@dhs.gov](mailto:darrell.williams1@dhs.gov). Grantees may also send questions or comments to the DHS REAL ID inbox, at [REALID@dhs.gov](mailto:REALID@dhs.gov).



NOV 10 2008

*Handwritten signature*  
OCT 29 2008

OFFICE OF COMMISSIONER  
DEPARTMENT OF MOTOR VEHICLES



U.S. Department of Homeland Security  
Grant Programs Directorate

### GRANT ADJUSTMENT NOTICE

1. GRANTEE NAME AND ADDRESS (Including Zip Code) Vermont Department of Motor Vehicles 120 State Street Montpelier, VT 05603	3. GRANT NUMBER 2008-ID-T8-0049
	4. ADJUSTMENT NUMBER <b>1</b>
1A. GRANTEE IRS/VENDOR NUMBER 036000275	5. DATE <b>OCT 30 2008</b>
2. PROJECT TITLE FY 2008 Real ID Demonstration Grant Program	6. GRANT MANAGER Frank Lepage

#### SECTION I. DEOBLIGATIONS & REOBLIGATIONS

7. ACCOUNTING CLASSIFICATION CODE  FISCAL YEAR    FUND CODE    BUD. ACT.    OFC.    DIV. REG.    SUB.    MBO	9. PREVIOUS GRANT AWARD AMOUNT    \$    500,000
	10. REOBLIGATION AMOUNT    \$
DOCUMENT CONTROL NUMBER	11. ADJUSTED AWARD AMOUNT    \$    500,000.00

#### SECTION II. CHANGES

12. CHANGE GRANT MANAGER	FROM: _____	TO: _____
13. CHANGE GRANT PERIOD	FROM: _____	TO: _____

#### SECTION III. OTHER ADJUSTMENTS & INFORMATION

14  
The signatory authority for this grant is changed as of this date. Please direct all mail, fax, electronic correspondence and telephone contacts to:  
  
Bonnie L. Rutledge  
Commissioner  
Vermont Department of Motor Vehicles  
120 State St.  
Montpelier, VT 05603  
(802) 828-2011 - Office  
(802) 828-2170 - Fax  
Bonnie.Rutledge@state.vt.us

15. TYPED NAME AND TITLE OF AUTHORIZED OFFICIAL Jim Marks, Acting Director, Grant Development and Administration	16. SIGNATURE OF AUTHORIZED OFFICIAL <i>Jim T. Marks</i>
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Department of Homeland Security FEMA  
Grant Programs Directorate

Grant

PAGE 1 OF 6

1. RECIPIENT NAME AND ADDRESS (Including Zip Code) Vermont Department of Motor Vehicles 120 State Street Montpelier, VT 05603		4. AWARD NUMBER: 2008-ID-T8-0049	
		5. PROJECT PERIOD: FROM 06/01/2008 TO 05/31/2011 BUDGET PERIOD: FROM 06/01/2008 TO 05/31/2011	
		6. AWARD DATE 09/05/2008	7. ACTION Initial
1A. GRANTEE IRS/VENDOR NO. 036000275		8. SUPPLEMENT NUMBER 00	
		9. PREVIOUS AWARD AMOUNT \$ 0	
3. PROJECT TITLE FY 2008 Real ID Demonstration Grant Program		10. AMOUNT OF THIS AWARD \$ 500,000	
		11. TOTAL AWARD \$ 500,000	
12. SPECIAL CONDITIONS THE ABOVE GRANT PROJECT IS APPROVED SUBJECT TO SUCH CONDITIONS OR LIMITATIONS AS ARE SET FORTH ON THE ATTACHED PAGE(S).			
13. STATUTORY AUTHORITY FOR GRANT This project is supported under Consolidated Appropriations Act, 2008, P.L. No. 110-161			
15. METHOD OF PAYMENT PAPRS			
AGENCY APPROVAL		GRANTEE ACCEPTANCE	
16. TYPED NAME AND TITLE OF APPROVING DHS OFFICIAL W. Ross Ashley, III Assistant Administrator, Grant Programs Directorate		18. TYPED NAME AND TITLE OF AUTHORIZED GRANTEE OFFICIAL Michael Charter DMV Project Specialist	
17. SIGNATURE OF APPROVING DHS OFFICIAL 		19. SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL 	19A. DATE 11/19/08
AGENCY USE ONLY			
20. ACCOUNTING CLASSIFICATION CODES FISCAL YEAR    FUND CODE    BUD. ACT.    OFC.    DIV. REG.    SUB.    POMS    AMOUNT 8            T            ID            25            00            00                       500000		21. ID08V40020	

OJP FORM 4000/2 (REV. 5-87) PREVIOUS EDITIONS ARE OBSOLETE.

OJP FORM 4000/2 (REV. 4-88)

## Real ID Grant

The Department of Homeland Security (DHS) has offered grants to assist the states in becoming compliant with the Real ID Act. Vermont DMV has signed a Memorandum of Understanding with DHS to begin issuing Enhanced Driver Licenses (EDL) in early 2009. DMV has been assured in writing that the VT EDL will be Real ID Compliant as long as we meet the 18 benchmarks they have outlined. This \$500,000 grant will allow us to use federal funds to reach this goal. The grant will cover the cost of designing and implementing the EDL process in our current system and in the new VT Drives system when it is implemented later in 2009. Without the grant the EDL cost will have to be covered by state funds that could well be used elsewhere.

## Budget Breakdown

Digimarc Development costs \$454,775

*(Digimarc is the provider of all DMV photo ID services. DMV is contracting with Digimarc to develop the enhanced license and the new process associated with their issuance.)*

Saber Interface to VT Drives 45,225

*(Saver Interface is the consultant that will develop the new motor vehicle software system.)*



Department of Homeland Security  
FEMA  
Grant Programs Directorate

**AWARD CONTINUATION  
SHEET**  
**Grant**

PAGE 2 OF 6

PROJECT NUMBER 2008-ID-T8-0049

AWARD DATE 09/05/2008

*SPECIAL CONDITIONS*

1. The grantee and any subgrantee shall comply with all applicable laws, regulations and program guidance. A non-exclusive list of regulations commonly applicable to DHS grants are listed below, including the guidance:
  - A. Administrative Requirements
    - 1) OMB Circular A-102, State and Local Governments (10/07/94, amended 08/29/07) (44CFR Part 13)
    - 2) OMB Circular A-110, Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (11/19/93, amended 09/30/99) (2 CFR Part 215)
  - B. Cost Principles
    - 1) OMB Circular A-87, State and Local Governments (05/10/04)
    - 2) OMB Circular A-21, Educational Institutions (5/10/04)
    - 3) OMB Circular A-122, Non-Profit Organizations (5/10/04)
  - C. Audit Requirements
    - 1) OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (6/24/97, includes revisions published in the Federal Register 6/27/03)
2. Recipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government, without the express prior written approval of GPD.
3. The grantee and subgrantee must comply with FEMA's codified regulation 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
4. The grantee and subgrantee must comply with the most recent version of the Administration Requirements, Cost Principles, and Audit requirements.
5. The recipient agrees to comply with the organizational audit requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
6. The recipient agrees that federal funds under this award will be used to supplement but not supplant state or local funds.
7. The recipient acknowledges that the Department of Homeland Security reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: (1) the copyright in any work developed under an award or sub-award; and (2) any rights of copyright to which a recipient or sub-recipient purchases ownership with Federal support.
8. The grantee is prohibited from obligating, expending or drawing down funds provided through this award pending review and approval of the grant applicant's Budget Detail Worksheet and Budget Narrative by FEMA's Financial Accountability and Oversight Division (FAO). A Grant Adjustment Notice (GAN) will be issued removing this special condition after final approval of the budget.



Department of Homeland Security  
FEMA  
Grant Programs Directorate

**AWARD CONTINUATION  
SHEET**  
**Grant**

PAGE 3 OF 6

PROJECT NUMBER 2008-ID-T8-0049

AWARD DATE 09/05/2008

*SPECIAL CONDITIONS*

9. The grantee is prohibited from obligating, expending or drawing down funds provided through this award until a revised Program Narrative is provided to and approved by the program office and a Grant Adjustment Notice (GAN) removing this special condition is issued prior to any work beginning on the project.
  
10. Reporting Requirements: The recipient must submit a revised Program Narrative that will include a REAL ID Material Compliance Checklist pursuant to 6 CFR (Combined Federal Regulation) part 37 (see below) indicating benchmarks the jurisdiction has already met and the individual benchmarks that have yet to be completed. The recipient agrees to meet 15 benchmarks (excluding benchmarks 11, 17 and 18) as outlined below by December 31, 2009. Benchmarks not yet completed but imminent or in progress must have estimated date(s) for completion. In instances where grantees cannot estimate dates of completion, the grantee should state why the benchmark(s) cannot be achieved, whether due to lack of funding, or other constraints such as State laws and regulations. The Program Narrative will also identify how grant funding will be applied to meeting individual benchmarks.

Grantees that have already met 15 of the benchmarks (excluding Benchmarks 11, 17 and 18) must document the outstanding requirements of the final rule for which grant funding will be used to meet the estimated milestones and completion dates for these benchmarks.



Department of Homeland Security  
FEMA  
Grant Programs Directorate

**AWARD CONTINUATION  
SHEET  
Grant**

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PROJECT NUMBER 2008-ID-T8-0049

AWARD DATE 09/05/2008

*SPECIAL CONDITIONS*

11. In accordance with 6 CFR part 37, the 18 following benchmarks for material compliance checklist will be used for the report and accompany the revised Program Narrative.
  1. § 37.11(a) Subject each applicant to a mandatory facial image capture and retain such image even if a driver license (DL) or identification card (ID) is not issued
  2. § 37.11(b) Have each applicant sign a declaration under penalty of perjury that the information presented is true and correct, and retain this declaration pursuant to § 37.31.
  3. § 37.11(c) (1) Require an individual to present at least one of the source documents listed in subsections (i) through (x) when establishing identity
  4. § 37.11(d)-(g) Require documentation of:
    - Date of birth
    - Social Security Number
    - Address of principal residence
    - Evidence of lawful status
  5. § 37.11(h) Have a documented exceptions process that meets the requirements established in 37.11(h)(1)-(3) (if States choose to have such a process)
  6. § 37.13(a) Make reasonable efforts to ensure that the applicant does not have more than one DL or ID already issued by that State under a different identity
  7. § 37.13(b)(1) Verify lawful status through SAVE or another method approved by DHS
  8. § 37.13(b)(2) Verify Social Security account numbers with the Social Security Administration or another method approved by DHS
  9. § 37.15(b) Issue DL and IDs that contain Level 1, 2 and 3 integrated security features
  10. § 37.17(a)-(l) Surface (front and back) of cards include the following printed information in Latin alpha-numeric characters:
    - Full legal name
    - Date of birth
    - Gender
    - Unique DL/ID number
    - Full facial digital photograph
    - Address of principal residence [with exceptions]
    - Signature [with exceptions]
    - Date of transaction
    - Expiration date
    - State or territory of issuance
  11. § 37.17 (n) Commit to mark materially compliant DL and IDs with a DHS-approved security marking
  12. § 37.21 Issue temporary or limited-term licenses to all individuals with temporary lawful status and tie license validity to the end of lawful status
  13. § 37.41 Have a documented security plan for DMV operations in accordance with the requirements set forth in § 37.41
  14. § 37.41(b)(2) Have protections in place to ensure the security of personally identifiable information



Department of Homeland Security  
FEMA  
Grant Programs Directorate

**AWARD CONTINUATION  
SHEET**  
**Grant**

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PROJECT NUMBER 2008-ID-T8-0049

AWARD DATE 09/05/2008

*SPECIAL CONDITIONS*

15. § 37.41(b)(5) (i)-(ii) Require all employees handling source documents or issuing DLs or IDs to attend and complete the AAMVA approved (or equivalent) fraudulent document recognition training and security awareness training
  16. § 37.45 Conduct name-based and fingerprint-based criminal history and employment eligibility checks on all employees in covered positions or an alternative procedure approved by DHS
  17. § 37.51 (b)(1) Commit to be in material compliance with Subparts A through D no later than January 1, 2010 or within 90 days of submission of this document, whichever date is earlier
  18. § 37.71 (b)(1) Clearly state on the face of non-compliant DLs or IDs that the card is not acceptable for official purposes, except for licenses renewed or reissued under § 37.27
12. The recipient agrees that all allocations and use of funds under this grant award will be in accordance with the Fiscal Year 2008 REAL ID Demonstration Grant Program Guidelines and Application Kit.
13. The recipient will submit semiannual progress reports beginning in December, 2008, through FEMA/GPD's Grants Reporting Tool (GRT). These reports must include documentation of the progress achieved in meeting the Material Compliance benchmarks using grant funding and updated Material Compliance checklist. Semi-annual progress reports will be submitted within 30 days after the end of the reporting periods, which are June 30 and December 31, for the life of the award. Before December, 2008, States may be asked by the REAL ID Program Office at DHS HQ's to submit an interim status report on use of grant funds to implement the 18 benchmarks. The interim report with the checklist will be submitted in an original and one copy. Mail the reports and checklist to:
- DHS  
Real ID Program Office  
Department of Homeland Security  
Washington, DC 20528
- and
- FEMA/GPD  
500 C St., SW  
Techworld (5th Floor, Rm 5141)  
Washington, DC 20472
14. The recipient agrees to submit a final report at the end of this award documenting all relevant project activities during the entire period of support under this award. This report will include detailed information about the project(s) funded, including, but not limited to, information about how the funds were actually used for each purpose area, data to support statements of progress, and data concerning individual results and outcomes of funded projects reflecting project successes and impacts. The final report is due 30 days following the close of this award period or the expiration of any extension periods. Recipient shall submit an original and one copy of the report.
  15. The recipient agrees to submit quarterly financial reports on Standard Form SF 269A. These reports will be submitted within 30 days after the end of the calendar quarter, with a final report due 90 days following the end of the award period. The report shall be submitted in the Payment and Reporting System (PARS).
- In accordance with Treasury regulations at 31 CFR Part 205, the Grantee shall maintain procedures to minimize the time elapsing between the transfer of funds and the disbursement of said funds. (See 44 CFR, Part 13.21(i) regarding payment of interest earned on advances.



Department of Homeland Security  
FEMA  
Grant Programs Directorate

**AWARD CONTINUATION  
SHEET**  
**Grant**

PAGE 6 OF 6

PROJECT NUMBER 2008-ID-T8-0049

AWARD DATE 09/05/2008

*SPECIAL CONDITIONS*

16. When implementing FEMA/GPD funded activities, the recipient must comply with all federal civil rights laws, to include Title VI of the Civil Rights Act, as amended.
17. The recipient agrees that all publications created with funding under this grant shall prominently contain the following statement: "This Document was prepared under a grant from the Federal Emergency Management Agency's (FEMA) Grant Programs Directorate (GPD) United States Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position of policies of FEMA/GPD or the U.S. Department of Homeland Security."
18. The recipient agrees that, when practicable, any equipment purchased with grant funding shall be prominently marked as follows: "Purchased with funds provided by the U.S. Department of Homeland Security."
19. The recipient agrees to cooperate with any assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this project.