

OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

April 15, 2008 (House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 5036 - Emergency Assistance for Secure Elections Act of 2008

(Rep. Holt (D) New Jersey and 92 cosponsors)

The Administration strongly opposes House passage of H.R. 5036 as reported because it would create a new program that is largely redundant with existing law, and therefore unnecessary, to reimburse States for the costs of making last-minute changes to their voting systems by Election Day 2008.

America's electoral system depends on the fairness and accuracy of its elections. And while administration of elections is primarily a State and local responsibility, the Administration agrees that the Federal government has a role to play in helping State and local officials conduct elections that have the confidence of all Americans. That is why the President signed the landmark 2002 election reform law, the Help America Vote Act (HAVA). Among other reforms, HAVA set minimum requirements for voting systems used in Federal elections, created a new Federal agency to assist in the administration of Federal elections, and authorized billions of dollars in election-related grants to States.

However, the Administration strongly opposes H.R. 5036. First, the Administration opposes the bill's authorization of excessive spending for reimbursement to States for the costs of obtaining paper ballot voting systems and conducting audits or hand counting of election results. Approximately \$3 billion in Federal grants have already been provided to States to upgrade their voting systems since 2002, including \$115 million in 2008. More than \$1 billion in unspent funds remains available and, in addition, States can retain interest earned on their unspent federal grants. This unusual authority has provided over \$150 million in interest earnings that States may use for election-related expenditures—including expenditures for changes to voter-verified paper ballots that this bill would reimburse.

The bill also requires that the Election Assistance Commission determine the "reasonable cost" of paper ballot voting systems. It will be impossible to establish these standards and for States to implement new activities in accordance with the standards before the November election. If States go ahead and spend their own funds in anticipation of reimbursement, and before the standards have yet to be finalized by the EAC, this opens the possibility of States misinterpreting the bill and expending their own funds without eventual reimbursement.

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