



September 7, 2007

Honorable Vernon J. Ehlers
Ranking Member
Committee on House Administration
U.S. House of Representatives
Washington, DC 20515

Dear Congressman:

As you requested, the Congressional Budget Office has reviewed H.R. 811, the Voter Confidence and Increased Accessibility Act of 2007, to assess whether the funds authorized by the bill would be sufficient to cover the costs to state and local governments of complying with the bill's requirements. At the request of your staff, we reviewed the proposed manager's amendment to H.R. 811, dated July 27, 2007. Our assessment is enclosed.

CBO concludes that the bill's authorizations of appropriations would be sufficient to cover the costs to state and local governments for complying with requirements to produce and provide for voter-verified paper ballots, pre-printed ballots, a secure chain of custody for ballots, and manual audits of election results. CBO cannot determine the costs to state and local governments of complying with requirements to ensure access by the disabled, and the durability and readability of ballots, and the bill would not authorize a specific sum for those purposes (but would authorize the appropriation of such sums as may be necessary in 2009).

If you wish further details on this analysis, we would be pleased to provide them. The CBO staff contact is Elizabeth Cove.

Sincerely,

for Robert A. Orszag

Peter R. Orszag

cc: Honorable Robert A. Brady
Chairman

Identical letter sent to the Honorable Dennis Moore.

ANALYSIS OF THE EFFECTS ON STATE AND LOCAL GOVERNMENTS
OF H.R. 811, THE VOTER CONFIDENCE AND INCREASED ACCESSIBILITY ACT
OF 2007 (MANAGER'S AMENDMENT DATED JULY 27, 2007)

Summary

H.R. 811 would require voting systems used in federal elections, by specified dates, to:

- Produce an individual, voter-verified paper ballot;
- Make available to each eligible voter, if requested, a pre-printed paper ballot that may be marked by hand;
- Document the chain of custody for all voting equipment;
- Implement regular manual audits; and
- Permit voters, including disabled voters, to privately and independently verify their paper ballot.

This report presents the Congressional Budget Office's (CBO's) assessment of whether H.R. 811 authorizes sufficient funding for state and local governments to meet those requirements. CBO's analysis is based on a review of the existing literature on election procedures and on discussions with officials at both the state and local levels and with industry representatives.

CBO concludes that the bill's authorizations of appropriations would be sufficient to cover the costs to state and local governments for complying with requirements to produce and provide for voter-verified paper ballots, pre-printed ballots, a secure chain of custody for ballots, and manual audits of election results. CBO cannot determine the costs to state and local governments of complying with requirements to ensure access by the disabled, and the durability and readability of ballots, and the bill would not authorize a specific sum for those purposes (but would authorize the appropriation of such sums as may be necessary in 2009).

Estimated Costs

H.R. 811 would authorize the appropriation of \$1 billion in fiscal year 2008 to reimburse state and local governments for the costs of providing voter-verified paper ballots and pre-printed ballots, and ensuring a secure chain of custody. Although CBO does not have sufficient information about the chain of custody requirements to precisely determine their cost, we expect that the \$1 billion authorization would be significantly greater than the costs to state and local governments of complying with these provisions. In addition, the bill would authorize \$100 million in fiscal year 2008, and each fiscal year thereafter, for payments to states to conduct audits; CBO estimates that this amount would be sufficient to cover the costs of such audits to state and local governments.

Individual, voter-verified paper ballot. The bill would require voting technology to use or produce an “individual voter-verified paper ballot” in 2008, and would allow polling places to use reel-to-reel printers until 2012 to comply with this requirement. CBO estimates that printers would have to be purchased for approximately 30,000 polling places in states that do not require the use of a voter-verified paper ballot and that use direct recording electronic (DRE) voting machines. (DREs allow voters to make their selections using a touchscreen or buttons, and those selections are then recorded in the computer's memory). At a cost of approximately \$1,000 per unit (excluding software costs), CBO estimates adding printers to the DREs in those polling places would cost about \$200 million. Based on information provided by state elections officials, CBO estimates that the cost of stocking, configuring, and maintaining those printers would total about \$100 per printer for each Presidential primary, federal Congressional primary, or general election; in total those tasks would cost about \$60 million in Presidential election years (such as 2008).

Pre-printed ballots. The bill would require polling places to offer and, if requested, provide all eligible voters with pre-printed ballots that would be marked by hand beginning in 2010. Such ballots also would have to be provided in the 2008 federal election in the event that the voting system fails. The costs of complying with this requirement would fall on polling places that use DREs. One method of complying would be to pre-print ballots for a certain percentage of the number of voters in the previous federal election; alternatively, polling places could be equipped with printers that could print ballots on demand or if a voting system failed. Elections officials indicate that the range of costs associated with those two approaches would not differ significantly; state and local governments would either pay to have ballots printed or to purchase, configure, and maintain printers. CBO estimates that the cost of making pre-printed ballots available in polling places that use DREs would range from \$20 million to \$60 million per election.

Secure chain of custody. The bill would require elections officials to document the chain of custody for all voting equipment, and would direct the Election Assistance Commission (EAC) to establish best practices for this documentation. Until those practices are developed, CBO cannot precisely estimate the costs to state and local governments of complying with this provision. Some state elections officials suggest that the costs to state and local governments would total about \$10 million per year (for software and staff costs). Actual costs could fall above or below this amount, however, depending on the practices established by the EAC.

Manual audits. H.R. 811 would require states to conduct manual audits and to comply with certain reporting protocols. The manual audits would take place where the ballots are stored, and therefore, states might need to add staff to oversee and manage the audit process. States might need to add personnel, including accountants, managers, and statisticians, at both the jurisdiction and state levels to reconcile audit results, complete the reports, and certify election results within constitutional time limits. The bill also would authorize appropriations of \$100 million in fiscal year 2008 and each fiscal year thereafter for payments to states to conduct those audits. CBO estimates that this amount would be sufficient to cover the costs of such audits to state and local governments.

Costs Not Estimated

The bill also would:

- Require each polling place to have a scanner or other device that allows disabled voters to independently verify their paper ballots;
- Prohibit voting technology that requires voters to handle the paper ballots; and
- Require that ballots remain readable for 22 months and be printed on paper that is durable.

The bill would authorize the appropriation of such sums as may be necessary in fiscal year 2009 for state and local governments to meet these requirements. CBO cannot estimate those costs at this time because, according to industry sources, voting technology or procedures that would meet those requirements have not yet been developed.