2018 Help America Vote Act (HAVA)
Election Security Grant
State of Vermont – Budget Narrative

July 12, 2018
2018 Help America Vote Act (HAVA) Election Security Grant

State of Vermont – Budget Narrative

In March of 2018, the Consolidated Appropriations Act of 2018 was signed into law. Pursuant to this legislation, the Vermont Office of the Secretary of State has received $3.0 million dollars in grant funding from the Election Assistance Commission for the purpose of improving the administration of elections for Federal office, including enhancing technology and making certain election security improvements. The 2018 HAVA Election Security Fund, authorized under Title I Section 101 of the Help America Vote Act (HAVA) of 2002, marks the first new appropriations for HAVA grants since FY2010. This funding will provide Vermont with additional resources to secure and improve its election system.

Vermont’s grant amount was $3 million. Vermont’s matching commitment is $150,000. Vermont intends to spend its funds as follows over the course of the five year period ending in March of 2023:

- Implementation of a new accessible voting system (August 2018) – $1.3 million
- Implementation of a Two-Factor Authentication login process for user access to our election management system (July 2018) – $85,000
- Provision of cyber-security training for local election officials (May 2018 and annually thereafter) - $20,000/year (x) 5 years = $100,000
- Perform penetration testing of online elections management system – (May 2018 and annually thereafter) - $25,000/year (x) 5 years = $125,000
- Perform post-election audits of all Federal elections (November 2018, 2020, 2022) – $40,000 / election (x) 3 general elections = $120,000
- Acquisition of new voting machines (2019/2020) – 1.27 million*

*Acquisition cost of new voting machines may exceed this cost and Vermont has remaining funds from the initial HAVA appropriations which could cover any cost beyond available funding from 2018 grants.

1. **Implementation of New Accessible Voting System – $1.3 million**

In January of 2018, our office entered into a contract with a vendor to supply a state-of-art accessible voting system at every polling place in Vermont, beginning with the August 2018 Primary election. It is a tablet-based ballot marking device that uses an off-the-shelf printer to print the voter’s choices, made on the tablet, directly onto the appropriate ovals on the same pre-printed ballot that all other voters use.

The new system, replacing the previous Vote-by-Phone system which the state acquired following passage of the Help America Vote Act, will be a significant improvement. The system is designed to serve people with a much broader range of disabilities, is easier to use, and increases the privacy and independence of the voting experience for voters with disabilities. Significantly, the system also includes an online component which will allow voters with disabilities to mark their ballot using the accessible interface from home during the 45-day early voting period without assistance. All votes are printed on a paper ballot which is returned to the clerk by mail.
Our office has been granted pre-approval to apply the 2018 election security grant funding to the total cost of this project including expenses incurred and payments made prior to March 2018 but after October 1, 2017.

2. **Implementation of a Two-Factor Authentication login process for user access to our election management system (July 2018) – $85,000**

In accordance with the best practices identified by almost every independent and governmental entity that has assessed cyber security in elections following the 2016 election cycle, our office has requested that the vendor that maintains our election management system install a two-factor authentication process for user logins to that system.

The two-factor authentication process is currently in the process of being developed. Testing is taking place currently with a tentative rollout the week of July 23rd. In any event, two-factor authentication will be in place by the end of July, in advance of the August primary election. It will be applied to all users with access to the election management system, which include the 246 town and city clerks that administer elections in Vermont at the local level. Those clerks access the system for purposes of voter registration in the statewide checklist, candidate entry, election night reporting, and official result processing.

3. **Provision of cyber-security training for local election officials (June 2018 and annually/biannually thereafter) - $20,000/year (x) 5 years = $100,000**

In May of 2018, our office contracted with a vendor to supply the first round of cyber security training for the 246 town and city clerks that administer elections in Vermont. Like two-factor authentication, increased cyber security training for local election officials has been consistently identified by all entities studying election security as a best practice that can be easily implemented and produces a meaningful return on investment.

The trainings are provided by online webinar, making them easily accessible for our local clerks that are located in all corners of the state. The first round involved basic best practices like password management and identification of suspicious emails.

Our office intends to continue providing these trainings on an ongoing, annual or even biannual basis. The first round of trainings cost approximately $9,000. Assuming we provide two of these training opportunities per year going forward, we have budgeted $20,000/year for this activity. Ongoing cyber training will involve more advanced sessions for clerks looking to learn beyond the basics, and will also include repetition of the basic trainings as clerk turnover at the local level on a yearly basis can be significant.
4. Perform penetration testing of online elections management system – (May 2018 and annually thereafter) - $25,000/year (x) 5 years = $125,000

In May of 2018, our office contracted with an outside vendor to perform a round of penetration testing on our election management system (EMS). The vendor identified vulnerabilities that were then addressed by the programmers of our EMS.

Our EMS underwent rigorous penetration testing during its development, before it was put into use for the first time in the fall of 2015. However, and again in line with identified best practices, we recognize that the cyber security threat spectrum is constantly evolving, and that systems must be consistently tested, weaknesses identified, and new protections put in place.

The initial round of testing came at a cost of approximately $25,000. We intend to perform similar testing on an annual basis, resulting in a budget of $25,000/year for this activity.

5. Perform post-election audits of all Federal elections (November 2018, 2020, 2022) – $40,000 / election (x) 3 general elections = $120,000

In December of 2017, our office contracted with a vendor to perform post-election audits of each General election for the years 2018, 2020, and 2022. Since 2006, Vermont has performed an audit of every General election held every two years in November. In 2014, our office supported legislation making these audits mandatory. As with the other proposed expenditures we have presented, post-election audits have been uniformly identified as a critical best practice for election security and a federal mandate for all states to conduct post-election audits is currently being considered by Congress.

Our audits are performed using high-speed scanners which re-read all ballots from a given town and re-tabulate the results of all races on those ballots. We currently audit the results in at least 6 randomly selected towns and cities, but are considering increasing the number of towns audited in coming years. The audit technology captures a digital image of each ballot and allows the individuals adjudicating ballots to view the “least confident” markings in a given race.

We have used the same vendor and technology that we are using in the ongoing contract for the last two election cycles, with great success. The audits are performed substantially faster than they were when done by hand, with fewer errors, and with a greater number of votes audited. At a cost of approximately $40,000 per election we have budgeted $120,000 for this activity.

Our office has been granted pre-approval to apply the 2018 election security grant funding to the total cost of this project including expenses incurred prior to March 2018 but after 10/1/17.

6. Acquisition of new voting machines (2019/2020) – 1.27 million

Our office intends to begin the replacement of our current vote tabulators following the 2018 elections. Our current goal is to have them in place for the 2020 elections, but in no event later than the 2022 elections. All towns and cities in Vermont use the same vote tabulators. The
tabulators are procured, paid for, and delivered to the towns and cities by the state. A single contract for supply of these machines will be entered into with a single vendor for provision of a uniform system to all towns and cities.

Selection of a vendor for the tabulators will be through a competitive bid process governed by the strict procurement process rules in place in Vermont. While we cannot say with any certainty the exact make and model of the system we will choose, we can say without question that the new machines will use a paper ballot marked by the voter which is then tabulated and the marked ballot is maintained. A recently adopted state law in Vermont, supported by our office, mandates the use of paper ballots for all ballots cast in the state. We strongly support the use of paper ballots as a best practice that should be implemented in all 50 states.
**SECTION A - BUDGET SUMMARY**

**FEDERAL & NON-FEDERAL FUNDS (Match)**

(Consolidated Budget for total project term--up to 5 years as defined by grantee)

<table>
<thead>
<tr>
<th>BUDGET CATEGORIES</th>
<th>(a) Voting Equipment</th>
<th>(b) Election Auditing</th>
<th>(c) Voter Registration Systems</th>
<th>(d) Cyber Security</th>
<th>(e) Communications</th>
<th>(f) Other</th>
<th>(g) Other</th>
<th>TOTALS</th>
<th>% Fed Total</th>
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<tbody>
<tr>
<td>1. PERSONNEL (including fringe)</td>
<td>$2,570,000.00</td>
<td>$120,000.00</td>
<td>$310,000.00</td>
<td>$120,000.00</td>
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<td>-</td>
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<td>-</td>
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<td>5. All OTHER COSTS</td>
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<td>8. Total Federal Budget</td>
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<td>12. Total Program Budget</td>
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<td>-</td>
<td>-</td>
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**Program Categories**

- **2018 HAVA ELECTION SECURITY GRANT**

- **A. Do you have an Indirect Cost Rate Agreement approved by the Federal government or some other non-federal entity?**
  - **If yes, please provide the following information:**
- **B. Period Covered by the Indirect Cost Rate Agreement {mm/dd/yyyy-mm/dd/yyyy}**: 
  - **C. Approving Federal agency:**
  - **D. If other than Federal agency, please specify:**
  - **E. The Indirect Cost Rate is:**

**Proposed State Match**

- **5.0%**

**Project End Date:**

- **3/23/2023**