2020 Help America Vote Act (HAVA)
Election Security Grant
State of Vermont – Budget Narrative

April 27, 2020
In December of 2019, the Consolidated Appropriations Act, 2020 (Public Law 116-93), 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 (EAC) for the purpose of improving the administration of elections for Federal office, including enhancing technology and making certain election security improvements. Congress and the EAC have subsequently authorized use of the grant funds for payment of additional costs incurred by states in response to the COVID-19 pandemic.

The 2020 HAVA Election Security Fund, authorized under Title I Section 101 of the Help America Vote Act (HAVA) of 2002, marks the second appropriations for HAVA grants since FY2010. This funding will provide Vermont with the necessary additional resources to secure and improve its election system and administration and to respond to the COVID-19 pandemic. Vermont’s grant amount was $3 million. Vermont’s matching commitment is $600,000. Vermont intends to spend its funds as follows over the course of the five-year period ending December 20th, 2024:

- Acquisition and implementation of new voting machines (January 2021) – $1.2 million*
- COVID-19 response expenses (April – November 2020) – $950,000
- Implementation of Splunk monitoring on elections systems (July 2020) – $800,000
- Upgrade of Two-Factor Authentication login process for user access to our election management system (July 2020) – $50,000

*Acquisition cost of new voting machines was identified in the State of Vermont’s 2018 HAVA Grants Budget Narrative, accounting for the remaining $1.27 million of that grant award after other costs. The $1.2 million identified here represents the remainder of the anticipated approximately $2.5 million cost of the acquisition and implementation of new voting machines in Vermont.

1. **Acquisition of new voting machines (2021) – 1.2 million**

   Our office intends to begin the replacement of our current vote tabulators following the 2020 elections. Our goal is to have them in place for the 2022 elections. All towns and cities in Vermont using tabulators use the same vote tabulators. The tabulators are procured, paid for, and delivered to those 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 that use vote tabulators.

   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. Vermont state law, 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.

2. COVID-19 response expenses (April – November 2020) – $950,000

Our office anticipates a significant investment of funds in order to ensure our elections are conducted in as safe a manner as possible during the COVID-19 pandemic. We have already identified approximately $2.5 million in known additional expenses this year to respond to the outbreak. Depending on the severity of the outbreak during our August and November elections, we foresee the possibility of spending a total of at least $4 million on these response efforts before the end of 2020.

The first $3 million of these costs will be paid for using the $3 million that the State of Vermont received under the recently passed CARES Act. Any remaining costs for COVID-19 response above that $3 million would be paid for from these 2020 Election Security Grant funds, as recently authorized by Congress and the EAC.

The expenses we have already identified include: providing sufficient personal protective equipment to our pollworkers; purchasing additional vote tabulators to assist in the processing of early ballots; additional printing cost for ballots and absentee ballot envelopes; printing of voter information/absentee ballot request post cards; postage costs for the mailing and return of all early/absentee ballots and absentee ballot request postcards; payment to mailing house to perform statewide mailings; deployment of a statewide voter education campaign about early/absentee mailing through all available channels of outreach.

Depending on the continuing severity of the outbreak and the measures that we put in place to ensure the safety of our voters, additional expenses may include: purchase of secure drop boxes in a sufficient number to serve the voters of each town and city; payment of additional polling workers; procurement of automated technology to process a high volume of absentee ballots, either centrally or individually by each town and city; procurement of high speed/large capacity tabulators capable of tabulating results centrally.

Due to the ongoing and variable nature of this outbreak, it is very difficult to anticipate the measures that may have to be put in place to respond, and the costs that will be incurred. We have committed to plan and prepare for the worst. Our focus is on protecting the health and safety of Vermonters while at the same time ensuring their fundamental right to cast a ballot. We may end up needing to use more than the $950,000 identified here from this grant, or we may use less. Currently this is our best estimate of the amount of funds that may be necessary from this 2020 Election Security grant.
3. **Implementation of Splunk monitoring on elections systems (July 2020) – $800,000**

We intend to install Splunk monitoring software around all web-based election systems starting in July of 2020. The Splunk Monitoring service is used to capture all firewall, server, application and database logs onto one security monitoring dashboard. The logs ingested from the Election environment will increase the cybersecurity posture, by allowing technicians to swiftly identify abnormal and/or potentially malicious activity, and quickly initiating mitigation measures to minimize and/or stop a cybersecurity breach.

The software has an annual fee of approximately $200,000. Payment of that annual fee for the fiscal years 2021, 2022, 2023, and 2024 amounts to $800,000 over the course of the grant.

4. **Upgrade of Two-Factor Authentication login process for user access to our election management system (July 2020) – $50,000**

In July of 2018, our office implemented a two-factor authentication process for login by our town and city clerks to the statewide election management system. 2018 HAVA Grant funds were used toward that implementation.

We are committed to continually reassessing the cyber-security defenses we have placed around our election systems and processes, and to improve those practices wherever necessary and possible.

Our current two-factor authentication process relies on a text message or email being sent to the user that contains a six-digit one-time code to access the system. We are aware that there are more secure two-factor authentication processes that have been developed that we intend to take advantage of. We are exploring the options but intend to use a system that involves a “key” or physical component of some kind that is unique to the user, in addition to a one-time code, for access to the system. Our system programmers have estimated a cost of $50,000 to upgrade our two-factor authentication process in this manner.