

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB237

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Lingamfelter

3. Committee: Privileges and Elections

4. Title: Absentee voting by electronic means; overseas military voters.

5. Summary: Provides that a person qualified to vote by absentee ballot because of his status as a member of a uniformed service on active duty may choose to receive and return his absentee ballot by electronic means. The bill requires the State Board of Elections to develop standards for the secure transmission and return, storage, and processing of these ballots, including methods for authentication and the encryption of ballots. The bill has a delayed effective date of January 1, 2017.

6. Budget Amendment Necessary: Yes – Item 86 (Electoral Services).

7. Fiscal Impact Estimates: Preliminary – see Item 8.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2016	\$0	0.00	-
2017	\$2,214,744	2.00	GF
2018	\$814,744	2.00	GF
2019	\$814,744	2.00	GF
2020	\$814,744	2.00	GF
2021	\$814,744	2.00	GF
2022	\$814,744	2.00	GF

8. Fiscal Implications: Chapter 604 of the Acts of Assembly of 2014 directed the State Board of Elections to convene a working group to examine the development of the initial instructions, procedures, services, security assessment, and security measures for the secure return by electronic means of voted absentee military-overseas ballots from uniformed-service voters outside the United States. This fiscal impact statement details the working group's findings and recommendations included in the report issued November of 2015.

The proposed legislation would require the Department of Elections to build one single solution to deliver ballots and enable voters to submit ballots electronically. The annual cost, beginning in fiscal year 2017, includes funding for hardware, staff, solution licensing and support, and Commonwealth Authentication Service expenditures. The estimated hardware costs are \$269,978, which is based on the Virginia Information Technologies Agency (VITA) fiscal year 2016 information technology rates. The hardware costs include funding to

support four production servers with disaster recovery, three user acceptance testing services, and two integration development servers. Due to the size and complexity of the solution, the Department would need to hire two full-time employees: one security engineer (\$92,000 base salary) and one business analyst (\$100,000 base salary) at an annual cost of \$274,766. Finally, the Department would incur annual licensing and support expenses at a cost of \$150,000 and \$120,000 for the Commonwealth Authentication Service.

The solution would also require annual security audit and vulnerability testing. These services could be provided by VITA through its shared security center. Item 476, J. of SB30, 2016 Session, provides general fund support for information technology security audits pursuant to Item 435 of SB30. If funding for the shared security center is not approved, the agency would incur an additional \$60,000 for annual third-party security audits and vulnerability testing.

The one-time development cost in fiscal year 2017 includes \$1.4 million for development and deployment of the ballot delivery solution. The estimate is based on the cost of the online ballot delivery portal for military voters funded through the Department of Defense's Federal Voting Assistance Program. The cost assumes the solution is turned over to the Department and that no further licensing or support costs are required.

The Department's solution should not have a material fiscal impact for localities; however, some localities may require additional staffing due to the projected increase in the number of absentee ballots.

9. Specific Agency or Political Subdivisions Affected: Department of Elections, electoral boards, general registrars, and localities.

10. Technical Amendment Necessary: No.

11. Other Comments: SB490 (DeSteph) provides that any active duty member of a uniformed service who has been called to duty for deployment to a combat zone shall be permitted to use his digital signature associated with his Common Access Card issued by the U.S. Department of Defense to sign his application for a military-overseas ballot, the statement of voter accompanying his cast military-overseas ballot, and any other related documents. The bill also requires the system through which a covered voter may apply for and receive voter registration materials, military-overseas ballots, and other information to be capable of accepting the submission of voted military-overseas ballots cast by active duty member of a uniformed service who has been called to duty for deployment to a combat zone.