



Taxpayers' Budget Office



Issue Brief

MARCH 6, 2019

BY: DEMIAN BRADY

Filling in Scoring Gaps on H.R. 1

Introduction

The House of Representatives is beginning debate on H.R. 1, the “For the People Act of 2019,” a controversial campaign finance overhaul containing several new spending programs and unfunded mandates. The Congressional Budget Office (CBO) published its cost estimate last Friday. It found that the bill, as reported by the House Administration Committee, would increase outlays by \$2.4 billion over the next five years. But CBO’s score misses several important elements. When taken together, these oversights would add billions more to the price tag of the bill.

Unfortunately, Congress failed to give CBO sufficient time to provide a complete estimate. It also provided the agency with a different version of the legislation to analyze than the one that Members of Congress will actually vote on this week. In addition, although CBO did provide a cost estimate for a provision in the bill establishing taxpayer-funded

Key Facts:



The CBO estimated that H.R. 1, as reported by the Committee on House Administration would increase outlays by \$2.4 billion over the next five years.



Unfortunately, Congress failed to give CBO sufficient time to provide a complete estimate, CBO did not include the cost of taxpayer-funded Congressional elections in its score, and there are additional spending provisions that were not presented to CBO for its review.



All told, these and other irregularities are hiding more than \$3.1 billion in additional costs associated with the bill.

Congressional elections – a figure which is on the low end of expectations – it did not include the figure in its official score of the bill due to a technicality. All told, these and other irregularities are hiding more than \$3.1 billion in additional costs associated with the bill.

CBO’s Score of H.R. 1

H.R. 1 would implement a sweeping federal overhaul of the election system that has raised concerns about the protection of free speech rights and donor privacy. The bill also includes several new and expanded grant programs. H.R. 1 was [marked up and approved](#) by a vote of 6 - 3 on February 26 by the Committee on House Administration. This was the version of the bill that CBO analyzed to determine the proposal’s net impact on spending. Table 1, below, lists the spending estimate provide by CBO for several sections of the bill.

Table 1: Outlays for H.R. 1 as Reported by CBO (in millions)							
	2019	2020	2021	2022	2023	2024	2019-2024
Section 1017 Election Assistance Grants	\$10	\$200	\$200	\$240	\$50	\$50	\$750
Section 1102 Health and Human Services: Expansion and Reauthorization of a Grant Program to Assure Voting Access for Individuals with Disabilities	\$0	\$50	\$25	\$25	\$25	\$25	\$150
Section 1911 Election Assistance Commission Reauthorization	\$0	\$10	\$10	\$10	\$10	\$10	\$50
Section 3001 & 3011 Voting System Grants	\$345	\$603	\$199	\$89	\$106	\$78	\$1,420
Section 3402 Cybersecurity Bounty Program	\$0	\$11	\$11	\$11	\$11	\$11	\$55
Other DHS Provisions	\$2	\$3	\$1	\$3	\$1	\$3	\$13
Total Changes	\$357	\$877	\$446	\$378	\$203	\$177	\$2,438

NTUF’s Calculations for Programs Not Accounted for in the CBO Estimate

Table 2 includes fiscal information on additional sections of the bill where possible to determine a potential cost, and research notes on the source of the estimate. The costs for two sections are unknown, while the other eight would add \$3.149 billion to CBO’s estimate.

Table 2: Spending Programs in H.R. 1 Excluded from CBO’s Score (in millions)

	2019	2020	2021	2022	2023	2024	2019 - 2024	Notes
Section 1503 Accessibility and Ballot Verification for Individuals with Disabilities: Study and Report on Accessible Paper Ballot Verification Mechanisms		\$5					\$5	CBO noted that it did not have sufficient time to estimate the cost of this section. The text authorizes \$5 million to remain available until expended.
Section 1901 Grants to Institutions Demonstrating Excellence in Student Voter Registration		*	*	*	*	*	N.A.	CBO noted that it did not have sufficient time to estimate the cost of this section.
Section 1903. Making Election Day a Federal Holiday		\$818		\$818		\$818	\$2,454	This section was not included in the text of the bill reported by the House Administration Committee. NTUF estimated the cost from data from the Office of Personnel and Management.
Section 1906 Reimbursement for Costs Incurred by States Establishing Program to Track and Confirm Receipt of Absentee Ballot.		\$4	\$4	\$4	\$4	\$4	\$20	CBO noted that it did not have sufficient time to estimate the cost of this section. CBO scored a related bill in 2009, the Absentee Ballot Track, Receive and Confirm Act.
Section 1907 Voter Information Responses Systems and Hotline.	*	*	*	*	*	*	N.A.	CBO noted that it did not have sufficient time to estimate the cost of this section.
Section 2431 Payments to States for Carrying Out Redistricting		\$64					\$64	This section was not included in the text of the bill reported by the House Administration Committee. The text posted by the Rules Committee authorizes \$150,000 per district, excluding states with only one Representative.
Section 3021 Election Infrastructure Innovation Grant Program	\$6	\$6	\$6	\$6	\$6	\$6	\$36	This section was not included in the text of the bill reported by the House Administration Committee. The text posted by the Rules Committee authorizes \$6.25 million per year from FY 2019 through FY 2027.
Section 4001. et al. DISCLOSE Act		\$2	\$2	\$2	\$2	\$2	\$10	Not included in CBO’s cost estimate. CBO scored a stand-alone version of the DISCLOSE Act in 2010.
Section 5111 Public Financing of Congressional and Presidential Elections		\$100	\$100	\$100	\$100	\$100	\$500	CBO did not include this in its formal score for H.R. 1. Moreover, it is likely that CBO’s estimate is low.
Section 7101 Establishment of FARA Investigation and Enforcement Unit within Department of Justice	\$10	\$10	\$10	\$10	\$10	\$10	\$60	This section was not included in the text of the bill reported by the House Administration Committee. The text posted by the Rules Committee authorizes \$10 million for FY 2019 and each succeeding year.
Total	\$16	\$1,009	\$122	\$940	\$122	\$940	\$3,149	

Other Scoring Oversight

CBO reported it did not have sufficient time to determine a cost estimate for four provisions.

- Section 1503 would establish a grant program to study and report on accessible vote ballots and the text of the bill set a specific authorization, reflecting the amount the sponsors believe would be necessary to support the provision.
- Section 1906 would provide grants to the states to track and confirm absentee ballots. CBO has previously provided a cost estimate for a very similar bill in the 111th Congress, H.R. 2510, at a cost of \$20 million over five years.
- CBO also did not have time to determine cost estimates for a grant to educational institutions “demonstrating excellence in student voter registration,” and for section 1907 to have the Department of Justice establish a voter information response system and hotline. The text authorizes “such sums” as may be necessary for each section. At this time there is insufficient information to determine a cost estimate for these proposals.

The reported version of H.R. 1 also includes a previous stand-alone bill, the DISCLOSE Act, which would mandate the increase of reporting requirements. Although information on the costs were not included in the CBO estimate, the agency had reported an estimate for the DISCLOSE Act of 2010, introduced as H.R. 5175 in the 111th Congress, determining that it would increase outlays by \$10 million over five years.

CBO’s score of the bill does include budgetary information on a provision for public financing of congressional and presidential elections. In general, the bill would have taxpayers subsidize candidates \$6 for each \$1 raised through small dollar donors. It also establishes a new “refundable” tax credit for low-income earners who donate to candidates. CBO determined that the three programs would cost approximately \$100 million per year.

However, CBO excluded that cost from its formal calculation of the bill’s score. The subsidies would be financed through a new “Freedom from Influence Fund” but the bill does not provide a source of money for the Fund. CBO argued that additional legislation would need to be enacted that would provide the funding, and that because of the way H.R. 1 is drafted, “without funding, those programs would not be implemented and thus those provisions would have no cost.” Essentially, as currently written, the bill would establish an unfunded federal mandate to spend. *Any lawmaker considering the fiscal impact of H.R. 1 would need to take into account the large new spending programs established in the bill.*

There is also good reason to believe that CBO’s \$100 million estimate is low. Unfortunately, CBO provided very little analytical information regarding its cost determination. The public finance provisions had been previously introduced as a stand-alone bill, and its sponsor estimated that it would be five times more successful in encouraging small dollar contributions to generate federal matches for candidates. In the 115th Congress, Representative John Sarbanes (D-MD) introduced H.R. 20, the Government by the People Act, which included the same public financing scheme. When asked by the [Capital Gazette](#) how much it would cost, he responded, “we anticipate about \$500 million on average over a 10 year period.”

It must also be noted that H.R. 1, as currently drafted, does not apply to races for the Senate. Applying this provision to Senate elections would significantly increase the cost of public financing. Supporters of an alternative proposal, the Fair Elections Now Act, which would include Senate candidates, estimated that it would cost “[between \\$700 and \\$850 million per year.](#)”

There are additional sections of the bill on the House floor that CBO did not review, though not at all due to oversight on its part. CBO analyzed the text of the bill as marked up by the Committee on House Administration. In its reported version, it did not include sections of the bill that were outside of its jurisdiction, as such sections are marked as “reserved” in the Committee [report](#) on the bill. While CBO did not analyze them, these “reserved” sections are now complete and [available](#) on the House Rules Committee’s website. They include:

- Section 1903 making the date of federal elections a federal holiday. The Office of Personnel and Management (OPM) did not respond to a request for its latest cost estimate for establishing a new federal holiday (nor did CBO), but OPM had previously told NTUF that the cost of a federal holiday is equal to the total executive branch civilian non-Post Office annual payroll ([\\$198.5 billion](#) in FY 2019) divided by 260, the number of working days, plus a premium pay that is approximately 7.2 percent of base holiday pay. Based on this formula, NTUF estimates that this would cost \$818 million in every other year.
- Section 2431 to provide grants to states for carrying out redistricting, with a formula providing \$150,000 per district per state, excluding states with only one Representative. Based on the current distribution of House districts, this would cost \$64 million.
- Section 3021 to provide \$6.25 million per year for a new Election Infrastructure Innovation Grant Program.
- Section 7101 to establish a new unit in the Department of Justice to investigate and enforce the Foreign Agents Registration Act. An official cost estimate is unavailable but the text of the bill does authorize \$10 million per year.

In addition, the bill as posted by the Rules Committee would provide for an extension of authorizations for the Office of Government Ethics, NTUF assumes that the program’s funding would continue at the current level of approximately [\\$16 million](#) per year. Section 1801 establishes a new Election Assistance Commission grant program for poll worker recruitment and training but does not include an authorization of appropriations. It is unclear whether this would be funded under the authorization included in the voting system grants in section 3001 of the bill. Previous legislation, [H.R. 6339](#) in the 110th Congress, included a related \$75 million grant program over five years recruiting and training poll workers.

Conclusion

There’s been a lot of concern – much of it completely justified – about whether CBO is employing rational assumptions in its cost estimates and taking full account of the risks to taxpayers from new spending programs. That concern is alive and well in H.R. 1 regarding CBO’s score (or non-score) of a new program to provide for taxpayer subsidized elections. But the case of H.R. 1 also shows that it is incumbent upon Members of Congress to ensure that CBO has adequate time to review all the potential fiscal ramifications of legislation before votes are taken, and to ensure that CBO has the opportunity to review the complete bill, not just the parts cherry-picked by a congressional committee.



2019 National Taxpayers Union Foundation
122 C Street NW, Suite 650, Washington, DC 20001
ntuf@ntu.org