

|                     |                           |                 |     |
|---------------------|---------------------------|-----------------|-----|
| <b>AGENCY NAME:</b> | State Election Commission |                 |     |
| <b>AGENCY CODE:</b> | E28                       | <b>SECTION:</b> | 101 |



## Fiscal Year 2016-17 Agency Budget Plan

### FORM A – SUMMARY

|   |   |   |
|---|---|---|
| <b>RECURRING FUNDS<br/>(FORM B<br/>DECISION PACKAGES)</b> | My agency is submitting the following recurring decision packages (Form B): |   |
|   | 7926<br><b>7957</b>   |   |
|   | For FY 2016-17, my agency is (mark "X"):                                    |   |
|   | <input checked="" type="checkbox"/>   | Requesting a net increase in recurring General Fund appropriations.     |
|   | <input type="checkbox"/>  | Not requesting a net increase in recurring General Fund Appropriations. |

|   |  |  |
|---|--|--|
| <b>CAPITAL &amp;<br/>NON-RECURRING<br/>FUNDS<br/>(FORM C<br/>DECISION PACKAGES)</b> | My agency is submitting the following one-time decision packages (Form C): |  |
|   | 7941   |  |
|   | For FY 2016-17, my agency is (mark "X"):                                   |  |
|   | <input checked="" type="checkbox"/>  | Requesting capital and/or non-recurring funds.     |
|   | <input type="checkbox"/>   | Not requesting capital and/or non-recurring funds. |

|                 |  |   |
|-----------------|--|---|
| <b>PROVISOS</b> | For FY 2016-17, my agency is (mark "X"): |   |
|                 | <input type="checkbox"/>                 | Requesting a new proviso and/or substantive changes to existing provisos. |
|                 | <input type="checkbox"/>                 | Only requesting technical proviso changes (such as date references).      |
|                 | <input checked="" type="checkbox"/>      | Not requesting any proviso changes.                                       |

Please identify your agency's preferred contacts for this year's budget process.

|                           | <u>Name</u>    | <u>Phone</u>   | <u>Email</u>               |
|---------------------------|----------------|----------------|----------------------------|
| <b>PRIMARY CONTACT:</b>   | Janet Reynolds | (803) 734-9069 | jreynolds@elections.sc.gov |
| <b>SECONDARY CONTACT:</b> | Marci Andino   | (803) 734-9060 | marci@elections.sc.gov     |

I have reviewed and approved the enclosed FY 2016-17 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

|                         | <u>Agency Director</u>      | <u>Board or Commission Chair</u> |
|-------------------------|-----------------------------|----------------------------------|
| <b>SIGN/DATE:</b>       | <i>Marci Andino</i> 10/2/15 | <i>Billy Way, Jr.</i> 10/8/15    |
| <b>TYPE/PRINT NAME:</b> | Marci Andino                | Billy Way, Jr.                   |

*This form must be signed by the department head – not a delegate.*

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|---------------------|---------------------------|-----------------|-----|
| <b>AGENCY NAME:</b> | State Election Commission |                 |     |
| <b>AGENCY CODE:</b> | E28                       | <b>SECTION:</b> | 101 |

### FORM B – PROGRAM REVISION REQUEST

|                         |      |
|-------------------------|------|
| <b>DECISION PACKAGE</b> | 7926 |
|-------------------------|------|

*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

|              |   |
|--------------|---|
| <b>TITLE</b> | Supervise the Conduct of County Boards of Voter Registration and Elections and Conduct County Compliance Audits |
|--------------|---|

*Provide a brief, descriptive title for this request.*

|               |            |
|---------------|------------|
| <b>AMOUNT</b> | \$ 400,000 |
|---------------|------------|

*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

|                           |                       |
|---------------------------|-----------------------|
| <b>ENABLING AUTHORITY</b> | S.815/Act.196 of 2014 |
|---------------------------|-----------------------|

*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

|   |  |
|---|--|
| <b>FACTORS ASSOCIATED WITH THE REQUEST</b>  | <b>Mark “X” for all that apply:</b>  |
|   | <input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.                          |
|   | <input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.                     |
|   | <input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>    |
|   | <input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience. |
|   | <input type="checkbox"/> Change in case load / enrollment under existing program guidelines.                   |
|   | <input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.                 |
|   | <input type="checkbox"/> Non-mandated program change in service levels or areas.                               |
|   | <input checked="" type="checkbox"/> Proposed establishment of a new program or initiative.                     |
| <input type="checkbox"/> Loss of federal or other external financial support for existing program.  |  |
| <input checked="" type="checkbox"/> Exhaustion of fund balances previously used to support program. |  |

|                            |  |
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| <b>RECIPIENTS OF FUNDS</b> | The recurring funds would be used by the SEC to continue to implement a program to supervise County Boards of Registration and Elections and conduct a compliance audit program as mandated by S.815/A.196 passed in 2014. Recurring items are personal services, benefits, training, vehicle maintenance, travel, office space, and subscription to a legal reference/research service. |
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

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|---------------------|----------------------------------|-----------------|------------|
| <b>AGENCY NAME:</b> | <b>State Election Commission</b> |                 |            |
| <b>AGENCY CODE:</b> | <b>E28</b>                       | <b>SECTION:</b> | <b>101</b> |

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|---------------------------|------|
| <b>RELATED REQUEST(S)</b> | None |
|---------------------------|------|

*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

|                       |  |
|-----------------------|--|
| <b>MATCHING FUNDS</b> | There are no matching funds available. |
|-----------------------|--|

*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

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| <b>FUNDING ALTERNATIVES</b> | The SEC has reviewed all other resources and does not have any other funding sources which can be used to implement this program. |
|-----------------------------|---|

*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

|                                  |  |  |
|----------------------------------|--|--|
| <b>SUMMARY</b>                   | <p>S.815/A.196 was passed in 2014 giving the SEC supervisory authority over all elections. Supervisory authority is a significant change for the SEC and county boards of voter registration and elections. The SEC is also required to perform audits and other post-election analysis to determine if county boards are compliant with state and federal laws, as well as, SEC policies and procedures. The agency is also tasked with preparing audit reports, making recommendations for improvement and overseeing corrective actions. If the county is found to be noncompliant or is unable to certify the results of an election, the SEC can step in and assist a county with certification or with day-to-day operations if necessary.</p> <p>The long-term effect of these legislative changes will be increased accountability, transparency, increased voter confidence and better run elections. However, adequate funding is imperative in order to fully implement an audit and post analysis program.</p> |  |
| Information Technology /Security | Y/N<br>N   | <p>In the 2015-16 budget request, the SEC requested funding to hire five regional representatives and one staff attorney. The regional representatives will provide ongoing support and training to county boards of registration and elections in an attempt to identify any weaknesses or deficiencies at the county level prior to the election. The representatives will also be responsible for performing county compliance field audits as defined in the audit guidelines. The staff attorney will provide assistance with the legal issues that will be encountered as a result of the supervisory process. Previously, the SEC has relied upon the Attorney General's Office for legal representation; however, the additional duties mandated by S.815/A.196 will</p> |
| Consulted DTO during development | Y/N<br>N/A   |  |

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|---------------------|----------------------------------|-----------------|------------|
| <b>AGENCY NAME:</b> | <b>State Election Commission</b> |                 |            |
| <b>AGENCY CODE:</b> | <b>E28</b>                       | <b>SECTION:</b> | <b>101</b> |

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|  |  | <p>require ongoing legal support as current policies and procedures are reviewed and new policies and procedures are developed.</p> <p>The SEC received three of the requested positions and part of the funding to implement the initiative in the 2015-16 budget.</p> |
|--|--|---|

*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

|                              |  |
|------------------------------|--|
| <b>METHOD OF CALCULATION</b> | <p>The salaries were calculated based on the anticipated salary and benefits required for the positions. The regional representatives will provide ongoing field support, field compliance audits and training for all aspects of the voter registration and election processes. The operating funds would be used to pay for additional office space for the additional employees, training, travel, and vehicle maintenance/fuel. A breakdown of the necessary funding is outlined below:</p> <ul style="list-style-type: none"> <li>• FTE salaries 179,000</li> <li>• FTE benefits 75,000</li> <li>• Training 30,000</li> <li>• Travel 40,000</li> <li>• Office space 50,000</li> <li>• Vehicle maintenance/fuel 20,000</li> <li>• Legal reference material <u>6,000</u></li> </ul> <p>Total recurring request \$400,000</p> <p>The SEC will make every effort to implement the program within the budget provided.</p> |
|------------------------------|--|

*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

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|---------------------|----------------------------------|-----------------|------------|
| <b>AGENCY NAME:</b> | <b>State Election Commission</b> |                 |            |
| <b>AGENCY CODE:</b> | <b>E28</b>                       | <b>SECTION:</b> | <b>101</b> |

|                      |  |
|----------------------|--|
| <b>FUTURE IMPACT</b> | <p>Full funding is necessary in order to have adequate staff and operating funds to continue to implement S.815/A.196. Without these resources, the SEC will not be able to provide the required level of ongoing support to counties and conduct audits to identify deficiencies.</p> <p>The impact on future operating budgets if this request is not granted is the SEC could be faced with running a deficit in operating funds.</p> |
|----------------------|--|

*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

|                       |  |
|-----------------------|--|
| <b>PRIORITIZATION</b> | <p>The program has been mandated with the passage of S.815/A.196. The SEC has the responsibility to ensure that counties are in compliance with the law. No other funds are available.</p> |
|-----------------------|--|

*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

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|---------------------|----------------------------------|-----------------|------------|
| <b>AGENCY NAME:</b> | <b>State Election Commission</b> |                 |            |
| <b>AGENCY CODE:</b> | <b>E28</b>                       | <b>SECTION:</b> | <b>101</b> |

|                        |   |
|------------------------|---|
| <b>INTENDED IMPACT</b> | <p>Full funding is necessary in order to meet the requirements of S.815/A.196. The responsibilities for complying with the Act will be ongoing.</p> |
|------------------------|---|

*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

|                           |   |
|---------------------------|---|
| <b>PROGRAM EVALUATION</b> | <p>Regional representatives will work with county boards of registration and elections on an ongoing basis to identify deficiencies and provide necessary training.</p> <p>Following each statewide election the SEC will review, audit and perform other post-election analysis. A report containing the findings and recommendations will be issued to the county boards and the General Assembly.</p> <p>The long-term impact of this Act will be greater transparency and accountability and will result in increased voter confidence in the election process and better elections for the citizens of South Carolina.</p> |
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*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

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|---------------------|---------------------------|-----------------|-----|
| <b>AGENCY NAME:</b> | State Election Commission |                 |     |
| <b>AGENCY CODE:</b> | E28                       | <b>SECTION:</b> | 101 |

**FORM B – PROGRAM REVISION REQUEST**

|                         |      |
|-------------------------|------|
| <b>DECISION PACKAGE</b> | 7957 |
|-------------------------|------|

*Provide the decision package number issued by the PBF system (“Governor’s Request”).*

|              |                              |
|--------------|------------------------------|
| <b>TITLE</b> | Health Insurance Allocations |
|--------------|------------------------------|

*Provide a brief, descriptive title for this request.*

|               |         |
|---------------|---------|
| <b>AMOUNT</b> | \$4,477 |
|---------------|---------|

*What is the net change in requested appropriations for FY 2015-16? This amount should correspond to the decision package’s total in PBF across all funding sources.*

|                           |  |
|---------------------------|--|
| <b>ENABLING AUTHORITY</b> |  |
|---------------------------|--|

*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

|  |   |
|--|---|
| <b>FACTORS ASSOCIATED WITH THE REQUEST</b>   | <b>Mark “X” for all that apply:</b>   |
|  | <input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.            |
|  | <input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.                  |
|  | <input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i> |
|  | <input type="checkbox"/> Change in cost of providing current services to existing program audience.         |
|  | <input type="checkbox"/> Change in case load / enrollment under existing program guidelines.                |
|  | <input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.              |
|  | <input type="checkbox"/> Non-mandated program change in service levels or areas.                            |
|  | <input type="checkbox"/> Proposed establishment of a new program or initiative.                             |
|  | <input type="checkbox"/> Loss of federal or other external financial support for existing program.          |
| <input type="checkbox"/> Exhaustion of fund balances previously used to support program. |   |

|                            |     |
|----------------------------|-----|
| <b>RECIPIENTS OF FUNDS</b> | SEC |
|----------------------------|-----|

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

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|---------------------|----------------------------------|-----------------|------------|
| <b>AGENCY NAME:</b> | <b>State Election Commission</b> |                 |            |
| <b>AGENCY CODE:</b> | <b>E28</b>                       | <b>SECTION:</b> | <b>101</b> |

|                           |      |
|---------------------------|------|
| <b>RELATED REQUEST(S)</b> | None |
|---------------------------|------|

*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

|                       |  |
|-----------------------|--|
| <b>MATCHING FUNDS</b> |  |
|-----------------------|--|

*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

|                             |  |
|-----------------------------|--|
| <b>FUNDING ALTERNATIVES</b> |  |
|-----------------------------|--|

*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

|                                  |     |     |
|----------------------------------|-----|-----|
| <b>SUMMARY</b>                   |     |     |
| Information Technology /Security | Y/N | N   |
| Consulted DTO during development | Y/N | N/A |

*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

|                     |                                  |                 |            |
|---------------------|----------------------------------|-----------------|------------|
| <b>AGENCY NAME:</b> | <b>State Election Commission</b> |                 |            |
| <b>AGENCY CODE:</b> | <b>E28</b>                       | <b>SECTION:</b> | <b>101</b> |

|                              |  |
|------------------------------|--|
| <b>METHOD OF CALCULATION</b> |  |
|------------------------------|--|

*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

|                      |  |
|----------------------|--|
| <b>FUTURE IMPACT</b> |  |
|----------------------|--|

*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

|                       |  |
|-----------------------|--|
| <b>PRIORITIZATION</b> |  |
|-----------------------|--|

*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2015-16?*

|                     |                                  |                 |            |
|---------------------|----------------------------------|-----------------|------------|
| <b>AGENCY NAME:</b> | <b>State Election Commission</b> |                 |            |
| <b>AGENCY CODE:</b> | <b>E28</b>                       | <b>SECTION:</b> | <b>101</b> |

**FORM C – CAPITAL OR NON-RECURRING APPROPRIATION REQUEST**

|                         |      |
|-------------------------|------|
| <b>DECISION PACKAGE</b> | 7941 |
|-------------------------|------|

*Provide the decision package number issued by the PBF system ("Governor's Request").*

|              |                             |
|--------------|-----------------------------|
| <b>TITLE</b> | New Statewide Voting System |
|--------------|-----------------------------|

*Provide a brief, descriptive title for this request.*

|               |              |
|---------------|--------------|
| <b>AMOUNT</b> | \$41,500,000 |
|---------------|--------------|

|                       |      |
|-----------------------|------|
| <b>BUDGET PROGRAM</b> | None |
|-----------------------|------|

*Identify the associated budget program(s) by name and budget section.*

|                |  |
|----------------|--|
| <b>SUMMARY</b> | <p>The purpose of this request is for funding to replace the statewide voting system in FY2016-17.</p> <p>The State uses an electronic voting system in all counties. The current system is approximately 13 years old with a life expectancy of 12-15 years. The system includes more than 12,000 touch screen voting machines, more than 2,000 touch screen voting machines with audio ballot capabilities for the visually impaired, optical ballot scanners for absentee by mail ballots, and other peripheral equipment.</p> <p>The SEC conducted RFP requirements workshops with state and county subject matter experts and is in the process of developing a Request for Proposals (RFP) to be issued by State Procurement Information Technology Management Office (ITMO). The Agency anticipates issuing the RFP in late 2015 and making an award in 2016. The new system will be implemented in 2017.</p> <p>In addition to purchasing a statewide voting system, funds will be necessary in order for the SEC to provide voter education/outreach and training on the new voting system. The cost for the new statewide voting system and voter education/outreach and training is anticipated to be approximately \$42,500,000.</p> |
|----------------|--|

*Provide a summary of the project and explain why it is necessary. If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

|                     |                                  |                 |            |
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| <b>AGENCY NAME:</b> | <b>State Election Commission</b> |                 |            |
| <b>AGENCY CODE:</b> | <b>E28</b>                       | <b>SECTION:</b> | <b>101</b> |

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| <b>CLASSIFICATION OF FUNDS</b> | Non-recurring funds. This is the SEC's only non-recurring request. |
|--------------------------------|--|

*Is this request in support of a capital project or is it in support of other non-recurring expenditures? If this request is for a capital project, is it included in the agency's CPIP (please include CPIP year and priority)? How does this project rank in priority to all other nonrecurring agency requests?*

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|---------------------|----------------------------------|-----------------|------------|
| <b>AGENCY NAME:</b> | <b>State Election Commission</b> |                 |            |
| <b>AGENCY CODE:</b> | <b>E28</b>                       | <b>SECTION:</b> | <b>101</b> |

**RELATED REQUEST(S)** This is the only non-recurring request for the SEC for FY2016-17.

*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

**MATCHING FUNDS** No matching funds or other resources are available.

*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source and amount.*

**FUNDING ALTERNATIVES** There are no other funding sources available for the purchase of new voting system.

*What other possible funding sources were considered?*

**LONG-TERM PLANNING AND SUSTAINABILITY** \$1,000,000 was provided in the FY2014-15 budget. The funds were placed into an account with the Budget and Control Board. No funds were provided in FY2015-16.  
No other funding sources are available for the purchase of a new statewide voting system.

*What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured?*

**OTHER APPROVALS**

*What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, BCB, etc.)*