

STATE ELECTION COMMISSION
MEETING MINUTES
July 11, 2024
2:00 p.m.

1122 Lady Street, 5th Floor
Columbia, SC 29201

Present: Hon. Dennis Shedd, Chairman; Ms. JoAnne Day; Mr. Clifford Edler; Ms. Linda McCall; Mr. Scott Moseley. All commissioners present via teleconference.

Others Present: Howard Knapp, Executive Director; Jenny Wooten McGill, Director of Government Affairs and Policy; Thomas Nicholson, General Counsel; Madelyn Chavis, Senior Paralegal; Paige Salonich, Director of Training and County Support Services.

COMMISSIONERS

HON. DENNIS SHEDD
Chairman

JOANNE DAY

CLIFFORD J. EDLER

LINDA MCCALL

SCOTT MOSELEY

Chairman Shedd called the meeting to order. Director Knapp advised all notices of the meeting had been posted as required by the Freedom of Information Act.

New Business

Chairman Shedd opened the meeting to discuss the voting system upgrade proposal. The proposal before the commission was to utilize the South Carolina Master Lease Program to purchase \$25 Million in new election equipment, which mostly consists of upgraded scanners for the entire state.

Commissioner Edler asked questions related to the age of the current system and the useful life of the proposed upgraded equipment. Director Knapp outlined the history of the current voting system and explained the expected timeline of use for the proposed equipment.

Chairman Shedd asked about the competitive bid process. Director Knapp explained the current contract with the current vendor and how the new purchase would fall under the existing contract.

Commissioner Day asked for an explanation of risk limiting audits and asked about the funding priorities from the House of Representatives. Director Knapp explained the current contract between the SEC and the vendor and also explained risk limiting audits and hand count audits.

Chairman Shedd asked what percentage of improvement over the current system the state would get with the purchase of the new equipment. Director Knapp explained that the new equipment would provide an upgrade in post-election audits allowing for risk limiting audits, but that there would be no significant change or improvement in the way the votes are counted.

Chairman Shedd asked what happens if the commission enters into a financing agreement that the general assembly does not fund. Director Knapp explained the master lease program and that the

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agency would have to pay the vendor for the full amount regardless of whether or not state appropriations are allocated to cover the cost.

Chairman Shedd expressed surprise over the master lease program being an option to purchase equipment outside of the regular budget process and asked about the laws that authorize this kind of agreement. Director Knapp walked the commission through the statutes that authorize agencies to enter into lease agreements for purchasing equipment. Chairman Shedd further reiterated that the proposal is acceptable under state law. Chairman Shedd asked about what kind of purchases have historically been made through the master lease program. Director Knapp discussed the program and what agencies typically get funding through this type of agreement.

Chairman Shedd asked if the new equipment would be in place by the November General Election. Director Knapp assured the commission that it would be.

Chairman Shedd discussed his conversations with the Governor's Office and that their stance was for the commission to use its best judgment.

Chairman Shedd asked if there would be any risk to the voting system as a whole and if there would be any chance that votes could not be counted in November if the new system upgrade was to be put in place. Director Knapp expressed that there is always risk involved, but that he did not anticipate any risk of not being able to count votes or conduct the November election.

Chairman Shedd asked about a back up plan being in place and Director Knapp elaborated on the vendor returning the old equipment and terminating the contract, if needed.

Chairman Shedd asked Director Knapp if he feels comfortable that in November the people of South Carolina would not have anything to worry about related to the new system upgrade. Director Knapp stated that he has no concerns.

Commissioner Day asked about the training that would be required to implement the new scanners and asked about the current status of existing scanners and if they are requiring maintenance or additional work. Director Knapp stated that operationally the new scanners are the same as the scanners we have now and that no widespread maintenance has been done or needs to be done on the existing scanners outside of routine.

Chairman Shedd asked if Director Knapp is satisfied with the equipment we have now. Director Knapp stated that he believes we have the best voting equipment in the country.

Commissioner McCall asked about the total cost of the proposed new equipment and the appropriations given by the Senate during the regular budget process. Commissioner Moseley asked similar questions about the appropriations given to the SEC for this equipment. Director Knapp explained what funding the SEC received and did not receive and detailed that the SEC did not receive funding in its general budget request for the equipment upgrade, despite asking for it.

Chairman Shedd asked about the timeline to upgrade the existing equipment outside of this new equipment upgrade and clarified that the \$24 Million would have to be spent in some capacity within the next three years to replace equipment regardless of the commission's decision today. There was discussion that there may be a need for paying for new equipment to provide the highest level of

assurance to the voters and to assure the public that elections are run as efficiently and fairly as we know how to run them.

Chairman Shedd asked if Director Knapp is comfortable that the system can be put in place in time for the November General and that under any and all circumstances, the state will still have the current system to count votes and do audits with. Director Knapp said he is comfortable with this. Chairman Shedd expressed concern over the potential for hacking and asked if Director Knapp is comfortable that there are protections against hacking. Director Knapp said he is confident that there is no risk of hacking because the scanners are never connected to the internet.

Chairman Shedd asked about the audit number being placed on the ballot after or before the voter scans it. Director Knapp explained the placement of the audit number and how it gets printed on the ballot for additional auditing capabilities. Chairman Shedd asked about the secrecy of the ballot. Director Knapp explained that there would be no compromising of the secrecy of the ballot and further explained that the audit number could not be tied back to any single voter or their specific vote.

Chairman Shedd asked if there is any other discussion on the voting system upgrade. Chairman Shedd asked if Director Knapp has any additional comments. Director Knapp stated that he is neutral and here to explain the current system and the proposed system and the options on the table.

Chairman Shedd asked if the commission enters into the contract for the new equipment, the state would have the highest level of efficiency and accuracy in counting votes. Director Knapp stated yes. Chairman Shedd asked if there is any room for improvement with the current system in place. Director Knapp said that the new equipment purchase would not add any net gain or improvement to how the state counts ballots.

Chairman Shedd asked if it is worth spending \$25 million if we can now say the system is accurate, fair and correct. Chairman Shedd asked that if the new equipment doesn't improve much of anything, then is it a good use of taxpayers' money?

Commissioner McCall expressed similar concerns that if there is not going to change much, then is the price worth it?

Chairman Shedd expressed that he laid awake at night thinking about the price of the new equipment and if it doesn't show any increased accuracy, then how is it not a waste of money?

Further discussion about the budget process and the terms of the potential loan agreement.

Chairman Shedd asked if the new system doesn't add at all to the accuracy, then it does help speed up the auditing process?

Director Knapp said it may increase the assurance of the vote for the public, but that he has full faith in current practices.

Chairman Shedd asked does this \$25 million add at all to the accuracy of the vote count reported by the election commission? Director Knapp answered no.

Chairman Shedd asked if we can say to anyone that asks that we have complete confidence in our voting and counting system and we check it with an audit? Is that correct under the current system? Director Knapp responded yes.

Chairman Shedd asked Director Knapp to give a short explanation of why the commission should vote to purchase the new equipment. Director Knapp stated that if we were going to procure this equipment, then we can tell the public that we have the best and newest equipment possible and the best audits and we can now do risk limiting audits in South Carolina when we cannot currently do them. We want to assure the public that we have done everything as best as we can to get the best system ahead of November.

Chairman Shedd shared concerns that the public may be more concerned about who is voting on the front end and not so much with the count on the back end. This new purchase of equipment doesn't have anything to do with helping to assure voters on the front end.

Chairman Shedd asked if it would better to spend \$25 Million elsewhere than on new equipment that adds no value.

Director Knapp discussed the agency's funding priorities and why the equipment was not higher up on the agency's budget priority list.

Chairman Shedd stated that he is inclined to vote against the purchase but is still slightly neutral and asked other commissioners to chime in.

Commissioner McCall stated that she agrees with Chairman Shedd and that she believes there are better ways to spend \$25 Million like for more training. Commissioner McCall stated that she is leaning towards not voting for the purchase.

Chairman Edler asked when the existing equipment would need to be replaced outside of the current proposal being discussed today. Director Knapp stated that it would have to be replaced within 3-5 years.

Chairman Shedd asked if the counties currently need new or more equipment right now. Director Knapp discussed that Beaufort County has included a request for additional new equipment for their new precincts. There was further discussion about Beaufort's request and what options they have available for funding their request.

Chairman Shedd brought up the growth rates in South Carolina and asked if other counties need more equipment due to the growth rates and increased population.

Director Knapp further discussed Beaufort might need more voting equipment, but that as far as we know the Beaufort Voter Registration and Elections Office did not advocate for this equipment outside of what they told their delegation, but as far as we know there was not any additional funding for Beaufort's equipment request in the state's regular budget process.

Chairman Shedd expressed concern that without funding this equipment that Beaufort would not have any option to get the equipment.

Chairman Shedd shared his concerns that voting could be improved by lessening long lines with more equipment and better trained staff. Chairman Shedd further stated that people don't like to stand in long lines to vote, and he asked if we would have issues with lines in November. Director Knapp shared that we could see longer lines in Beaufort because participation will be historically large in November.

Chairman Shedd asked who decides what county gets what equipment with the purchase of the new equipment. Director Knapp said that we have a breakdown of what the counties would receive and that it would add additional equipment, on top of what they currently have, to Beaufort because they said they needed it.

Chairman Shedd asked what other counties would it help? Director Knapp stated that Beaufort is the only county that approached the SEC to say they needed more equipment above and beyond what they already have. Director Knapp shared that under the proposal, Beaufort would be getting an additional 125 scanners.

Chairman Shedd asked if there is any way Beaufort would get the additional 125 scanners without the \$25 Million purchase. Director Knapp stated that without the delegation or county council making financial arrangements for Beaufort's portion of the purchase, then no. The SEC wouldn't be able to help them, but they might be able to get the money from somewhere else.

Chairman Shedd stated that if we voted no on this proposal today, then we could tell the public that the commission did not go with the lease program option to purchase the new equipment for the entire state, and we'd have to tell Beaufort they would need to go elsewhere to find the money for their additional equipment needs. Director Knapp stated that he has been telling Beaufort for months that they need a backup plan for funding their new equipment.

Chairman Shedd asked how much of the \$25 million would be included for Beaufort in the proposal before them today. Director Knapp stated that it would be a couple hundred thousand dollars for Beaufort County and shared that Beaufort County is the only county that asked for additional equipment instead of swapping out their existing equipment.

Chairman Shedd confirmed that no other county would benefit with new, additional equipment and that it would only be Beaufort County receiving additional equipment above and beyond what they currently have? Chairman Shedd asked if that sounds like someone dropped the ball in the county? Director Knapp stated that yes, the SEC has repeatedly told Beaufort they need to be looking for other funding options.

Chairman Shedd asked if the commissioners wanted to make any motions.

Commissioner Moseley made a motion for the commission to take no action on the proposal to pursue financing for the new equipment. Commissioner McCall seconded the motion. The motion passed unanimously.

Chairman Shedd reminded the Commissioners the next meeting would be Wednesday, July 17, 2024, at 10:00 a.m.

Chairman Shedd informed the commissioners of the Agency Head Salary Commission and discussed that there is a pay raise for the SEC Executive Director under consideration equivalent to a cost-of-living raise.

Chairman Shedd brought up that at the next SEC meeting the commission would discuss the potential to have regional meetings and having one before the November meeting.

Chairman Shedd adjourned the meeting at 3:30 p.m.