



LEGISLATIVE OVERSIGHT COMMITTEE

Economic Development, Transportation, and Natural Resources Subcommittee

Study of the Rural Infrastructure Authority

October 16, 2019

FULL COMMITTEE OPTIONS STANDARD PRACTICE 12.4	FULL COMMITTEE ACTION(S)	DATE(S) OF FULL COMMITTEE ACTION(S)
(1) Refer the study and investigation back to the Subcommittee or an ad hoc committee for further evaluation; (2) Approve the Subcommittee's study; or (3) Further evaluate the agency as a full Committee, utilizing any of the available tools of legislative oversight.		

Legislative Oversight Committee



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AGENCY SNAPSHOT

Rural Infrastructure Authority

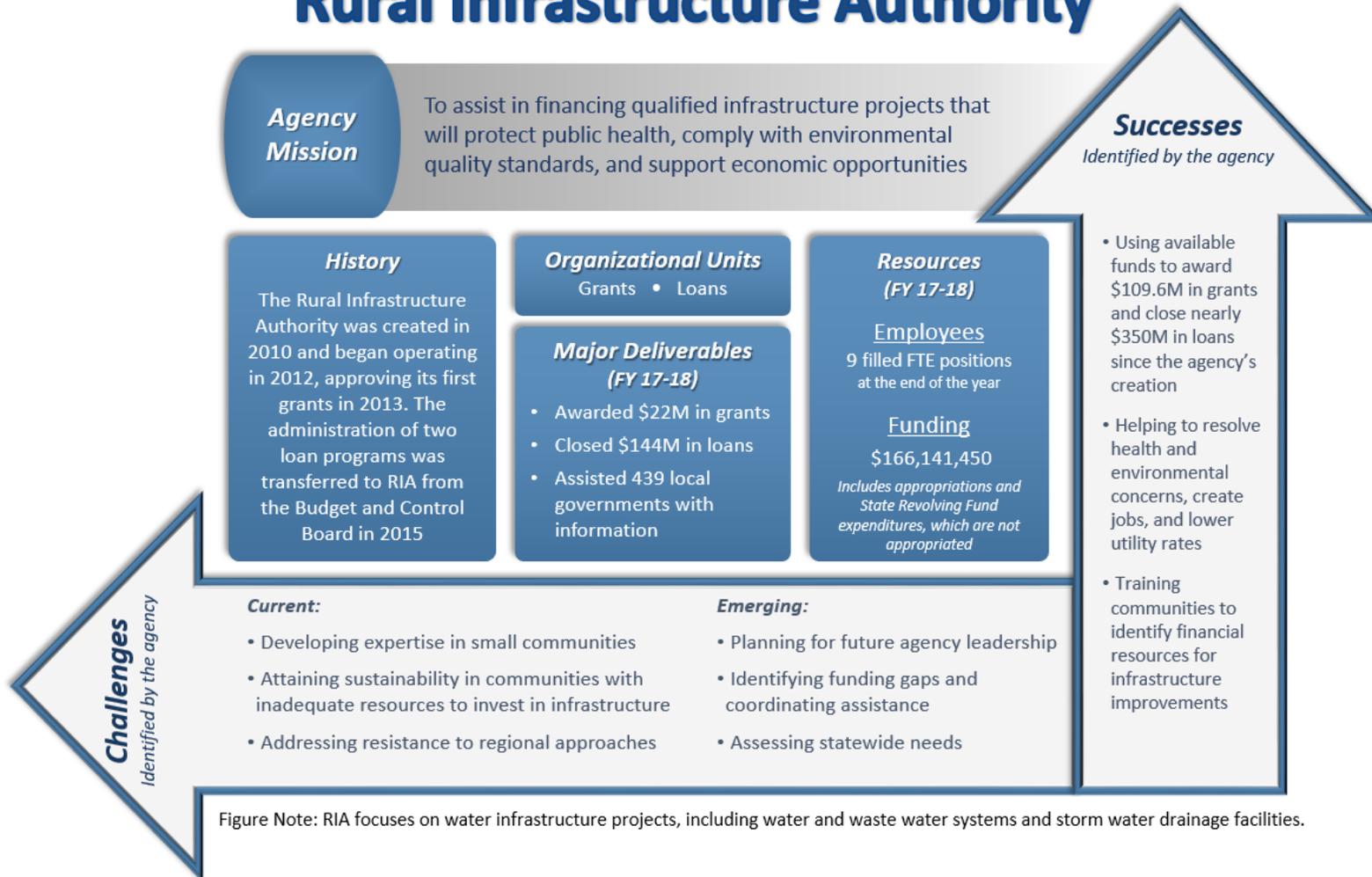


Figure 1. Snapshot of agency's mission, history, organizational units, major deliverables, Fiscal Year 2017-18 resources, successes, and challenges¹

LEGISLATIVE HISTORY

The Rural Infrastructure Authority (RIA) provides significant legislative events in the Program Evaluation Report (PER) it submits to the Committee.² A timeline of these events is included in Figure 2.

2010	The General Assembly creates the S.C. Rural Infrastructure Authority by Act 171 of 2010.
2012	Proviso 80A.32 of the FY 2012-13 Appropriations Act transfers all Rural Infrastructure Fund balances under the control of the Budget and Control Board's Division of Local Government to RIA. Cash balances total \$37.8 million. This funding allows the agency to begin operations.
2015	<p>The Division of Local Government (also known as the Office of Local Government or OLG) is transferred effective July 1, 2015, from the State Budget and Control Board to RIA in accordance with Act 121 of 2014. The OLG staffs the loan programs for the S.C. Water Quality Revolving Fund Authority (S.C. Code Chapter 5, Title 48) and the S.C. Infrastructure Facilities Authority (S.C. Code Chapter 40, Title 11). The members of the State Fiscal Accountability Authority serve as the S.C. Water Quality Revolving Fund Authority and the S.C. Infrastructure Facilities Authority. These programs offer low-cost loan financing for qualified infrastructure projects statewide.</p> <p>On July 1, 2015, Act 121 of 2014, government restructuring legislation, transfers the Division of Regional Development and membership on the Water Resources Coordinating Council from the State Budget and Control Board to RIA. Both of these entities are inactive at the time of transfer.</p>
2016	The General Assembly establishes the Statewide Water and Sewer Fund by Proviso 54.5 in the FY 2016-17 Appropriations Act. The fund assists qualified infrastructure projects that would not otherwise be eligible under RIA's Rural Infrastructure Fund programs.

Figure 2. RIA timeline of significant legislative events

FINDING

The Subcommittee has one finding, which is **it supports legislative action to provide resources to support statewide access to broadband services, including in rural communities.** The Subcommittee adopts this finding on September 9, 2019, with all members present voting in favor.³ Throughout the study, members express concern about rural communities' need for increased access to broadband internet.⁴

During the study, RIA Director Bonnie Ammons notes that RIA's current statutory mandates focus on water and sewer infrastructure projects, and that the agency would need to hire additional staff if it is tasked with addressing broadband access. Further, she notes RIA currently provides funding only to governmental entities, and special considerations may be needed when providing grants to private companies such as broadband service providers. She also testifies the resources currently available for water and sewer infrastructure are insufficient to address statewide needs and expresses concern that diverting resources from those needs could dilute RIA's impact in that area.⁵

Also, the Subcommittee recognizes the existence of H.3780, which proposes a program to facilitate the deployment of broadband to unserved areas of the state. The proposed program would establish a fund from which RIA would make grants to broadband service providers to provide broadband service in economically-distressed counties to homes, businesses, and community anchor points not currently served. On April 4, 2019, the legislation was approved by the House of Representatives by a vote of 112 to 0, and as of the date of issuance of this study, the legislation is pending in the Senate Judiciary Committee.⁶

RECOMMENDATIONS

The following **recommendations continue, curtail, and/or eliminate agency programs**, and include areas for **potential improvement**. The Subcommittee recognizes **these recommendations will not satisfy everyone nor address every issue or potential area of improvement at the agency**. These recommendations are based on the agency's self-analysis requested by the Committee, discussions with the agency during multiple meetings, and analysis of the information obtained by the Subcommittee. This information, including, but not limited to, the Program Evaluation Report, Accountability Report, Restructuring Report and videos of meetings with the agency, is available on the Committee's [webpage](#).

The **Subcommittee has five recommendations**. All the Subcommittee recommendations are adopted at its September 9, 2019, meeting; all members present at the meeting vote to approve the recommendations.⁷ All five recommendations are to the General Assembly and relate to modernization of laws. An overview of these recommendations is provided in the Executive Summary.

Recommendation 1: Consider clarifying the role and responsibilities of RIA's Local Government Division by repealing S.C. Code of Laws § 1-11-25 and amending § 11-50-30.

The Local Government Division was established in 1978 under the now defunct State Budget and Control Board. The duties outlined in S.C. Code of Laws § 1-11-25 include administration of a grant program for local governments and make no mention of a loan program. By the time this division was transferred to RIA almost four decades later in 2015, it was no longer involved in grant activities. Rather, it was responsible for administering the loan programs of the S.C. Infrastructure Facilities Authority and the S.C. Water Quality Revolving Fund Authority.⁸ Repealing § 1-11-25 removes the duties this division is no longer responsible for, and amending § 11-50-30 as noted below reflects the current duties of this division.

Table 1. Recommendation 1 - recommended amendments to the S.C. Code of Laws

§ 1-11-25. Local Government Division

~~There is hereby established a Local Government Division within the Rural Infrastructure Authority to act as a liaison for financial grants from the funds available to the authority. The division shall be under the supervision of a director who shall be appointed by and who shall serve at the pleasure of the Director of the Rural Infrastructure Authority. He may employ such staff as may be approved by the Director of the Rural Infrastructure Authority. The division shall be responsible for certifying grants to local governments from both federal and state funds. The term "local government" shall mean any political entity below the state level. Notwithstanding the fact that the Local Government Division is now a part of the Rural Infrastructure Authority, where certain grants of the division depending upon their funding source require additional approvals other than the division and the authority before they may be made, those additional approvals also must be secured.~~

~~The division shall establish guidelines and procedures which public entities shall follow in applying for grants. The director shall make known to these entities the availability of all grants available through the authority and shall make periodic reports to the General~~

~~Assembly and the Office of the Governor. The reports shall contain information concerning the amount of funds available from both federal and state sources, requests for grants and the status of such requests and such other information as the director may deem appropriate. The director shall maintain such records as may be necessary for the efficient operation of the office.~~

HISTORY: 1978 Act No. 632, Part II, Section 6; 2014 Act No. 121 (S.22), Pt VI, Section 16.A, eff July 1, 2015.

§ 11-50-30. South Carolina Rural Infrastructure Authority; creation; governance; purpose; fund.

(A) There is created a body corporate and politic and an instrumentality of the State to be known as the South Carolina Rural Infrastructure Authority.

(B) The authority is governed by a board of directors as provided in this chapter.

(C) The corporate purpose of the authority is to select and assist in financing qualified rural infrastructure by providing loans and other financial assistance to municipalities, counties, special purpose and public service districts, and public works commissions for constructing and improving rural infrastructure facilities. The exercise by the authority of a power conferred in this chapter is an essential public function.

(D) The authority shall establish and maintain the South Carolina Rural Infrastructure Fund into which monies for the purposes of the authority must be deposited.

(E) The authority's Division of Local Government shall provide staff support and assistance for the SC Infrastructure Facilities Authority as established in Chapter 40, Title 11 and the SC Water Quality Revolving Fund Authority as established in Chapter 5, Title 48.

HISTORY: 2010 Act No. 171, Section 1, eff May 26, 2010.

Recommendation 2: Consider clarifying RIA’s role in coordination of state infrastructure development efforts by amending S.C. Code of Laws § 11-50-30(C).

Act 121 of 2014 transferred the State Budget and Control Board’s Division of Regional Development to RIA effective 2015. This division’s responsibilities focus on coordination of state infrastructure planning, including creating a state infrastructure development plan and assisting in the creation of regional plans.⁹

However, this division was inactive at the time of transfer to RIA. Although RIA has undertaken some of its responsibilities, many have remained unfulfilled.¹⁰ During the study, RIA Director Ammons testifies that including a description of the agency’s role in coordination of state infrastructure development efforts in the agency’s enabling legislation, which describes its primary purpose, would facilitate potential agency initiatives such as:

- conducting infrastructure needs assessments;
- developing plans for future infrastructure needs;
- supporting technical and financial studies to assess local sustainability;
- identifying sustainability alternatives; and
- identifying and supporting incentives for regional approaches.¹¹

Table 2. Recommendation 2 - recommended amendments to the S.C. Code of Laws

§ 11-50-30. South Carolina Rural Infrastructure Authority; creation; governance; purpose; fund.

(A) There is created a body corporate and politic and an instrumentality of the State to be known as the South Carolina Rural Infrastructure Authority.

(B) The authority is governed by a board of directors as provided in this chapter.

(C) The corporate purposes of the authority ~~is~~ are (1) to select and assist in financing qualified rural infrastructure by providing loans and other financial assistance to municipalities, counties, special purpose and public service districts, and public works commissions for constructing and improving rural infrastructure facilities; and (2) to coordinate state programs and resources that impact or affect infrastructure development and provide other types of assistance in support of regional and local infrastructure development. The exercise by the authority of a power conferred in this chapter is an essential public function.

(D) The authority shall establish and maintain the South Carolina Rural Infrastructure Fund into which monies for the purposes of the authority must be deposited.

HISTORY: 2010 Act No. 171, Section 1, eff May 26, 2010.

Recommendation 3: Consider removing outdated accounting requirements by repealing S.C. Code of Laws § 1-11-26.

This section outlines accounting requirements for the grant program previously administered by the Local Government Division, which no longer exists (see the discussion of [Recommendation 1](#) above).¹²

Although RIA does administer other grant programs, RIA Director Ammons testifies during the study that the procedures outlined here, such as maintaining a separate bank account for grant funds, are no longer required with modern accounting practices.¹³

Table 3. Recommendation 3 - recommended amendments to the S.C. Code of Laws

§ 1-11-26. Use of funds from Rural Infrastructure Authority; penalties for misuse.

~~(A) Grant funds received by a public entity from the Rural Infrastructure Authority must be deposited in a separate fund and may not be commingled with other funds, including other grant funds. Disbursements may be made from this fund only on the written authorization of the individual who signed the grant application filed with the division, or his successor, and only for the purposes specified in the grant application. A person violating the provisions of this section is guilty of a misdemeanor and, upon conviction, must be fined five thousand dollars or imprisoned for six months, or both.~~

~~(B) It is not a defense to an indictment alleging a violation of this section that grant funds received were used by a grantee or subgrantee for governmental purposes other than those specified in the grant application or that the purpose for which the grant was made was accomplished by funds other than grant funds.~~

~~(C) The Division of Local Government of the Rural Infrastructure Authority shall furnish a copy of this section to a grantee when the grant is awarded.~~

HISTORY: 1990 Act No. 612, Part II, Section 14A; 2014 Act No. 121 (S.22), Pt VI, Section 16.B, eff July 1, 2015.

Recommendation 4: Consider updating terminology related to counties in which eligible rural infrastructure projects can be located by amending S.C. Code of Laws § 11-50-40(13).

RIA's enabling legislation refers to the county categories used for the job tax credit, which are outlined in S.C. Code of Laws § 12-6-3360, to identify counties that may be eligible for certain types of RIA funding. The terminology used in § 12-6-3360 has been modernized, and this change would replace the outdated terms remaining in § 11-50-40(13).¹⁴

Table 4. Recommendation 4 - recommended amendments to the S.C. Code of Laws

§ 11-50-40. Definitions.
[...]
(13) "Rural infrastructure project" means the acquisition, construction, installation, modification, renovation, repair, extension, renewal, replacement, or rehabilitation of land, interest in land, buildings, structures, facilities, or other improvements and the acquisition, installation, modification, renovation, repair, extension, renewal, replacement, rehabilitation, or furnishing of fixtures, machinery, equipment, furniture, or other property of any nature whatsoever used on, in, or in connection with any such land, interest in land, building, structure, facility, or other improvement, for the essential public purpose of providing environmental facilities and services to meet public health and environmental standards and to aid the development of trade, commerce, industry, agriculture, aquaculture, and employment opportunities, all of which must be primarily located in a county designated as <u>Tier III or IV distressed or least developed</u> pursuant to Section 12-6-3360 for 2009 or located in a county with a project that otherwise meets the requirements of this item. A rural infrastructure project also includes water supply and aquaculture projects.
HISTORY: 2010 Act No. 171, Section 1, eff May 26, 2010.

Recommendation 5: Consider defining “environmental facilities” in the Rural Infrastructure Act by amending S.C. Code of Laws § 11-50-40.

The South Carolina Infrastructure Facilities Authority Act, which governs one of RIA's loan programs, includes a definition of “environmental facilities,” a term that is used to describe eligible projects.¹⁵ However, the South Carolina Rural Infrastructure Act, under which RIA administers its grant programs, uses the same term without defining it.¹⁶ Adding the definition to the Rural Infrastructure Act would help to ensure consistency among the agency's programs.¹⁷

Table 5. Recommendation 5 - recommended amendments to the S.C. Code of Laws

§ 11-50-40. Definitions.
[...]
(14) <u>“Environmental facilities” means any publicly-owned projects, structures, and other real or personal property acquired, rehabilitated, constructed, or planned for the purposes of water supply, treatment, storage and distribution; sewerage collection treatment and disposal; or solid waste collection, treatment and disposal.</u>

STUDY PROCESS

Agency Selection

RIA is an agency subject to legislative oversight.¹⁸ On December 5, 2018, during the 123rd General Assembly, the Committee prioritizes the agency for study.¹⁹ The entire study process is summarized in Table 6.

As the Committee encourages **collaboration in its legislative oversight process**, the Committee notifies the following individuals about the agency study: Speaker of the House, standing committee chairs in the House, members of the House, Clerk of the Senate, and Governor.

Subcommittee Membership

The **Economic Development, Transportation, and Natural Resources Subcommittee** of the House Legislative Oversight Committee studies the agency during the 123rd General Assembly.²⁰ Throughout the study, the Honorable William M. (Bill) Hixon serves as chair. Other Subcommittee Members include:

- The Honorable Lee Hewitt;
- The Honorable Mandy Powers Norrell; and
- The Honorable Marvin R. Pendarvis.

Agency Reports to Legislative Oversight Committee

During the legislative oversight process, the **Committee asks the agency to conduct self-analysis** by requiring it to complete and submit annual Restructuring Reports, a Seven-Year Plan for cost savings and increased efficiencies, and a Program Evaluation Report. Details about each report, including the submission dates, are included in Appendix B. The Committee posts each report on the agency page of the Committee's website.

Information from the Public

Public input is a cornerstone of the House Legislative Oversight Committee's process.²¹ There are various opportunities for public input during the legislative oversight process. Members of the public have an opportunity to participate anonymously in a public survey, provide comments anonymously via a link on the Committee's website, and appear in person before the Committee.²² During the study, media articles related to the agency are compiled for member review. Details about each form of input are included in Appendix C.

Meetings Regarding the Agency

The Committee meets with, or about, the agency on two occasions, and the Subcommittee meets with, or about, the agency on three occasions. All meetings are open to the public and stream live online; also, the videos are archived and the minutes are available online. Meetings are summarized below.

Meeting 1

December 5, 2018 The full Committee selects the agency for study.²³
Full Committee

Meeting 2

June 19, 2019 The Economic Development, Transportation, and Natural Resources
Subcommittee Subcommittee meets with the agency.²⁴ RIA Director Bonnie Ammons and RIA
Chief Financial Officer Chris Huffman present an **overview of the agency as a whole** as well as an **overview of its grant programs**. Director Ammons and Mr. Huffman also respond to Subcommittee members' questions.

Meeting 3

June 25, 2019 The full Committee meets with RIA to **receive public testimony**.²⁵ Two people
Full Committee testify about RIA:

- Ms. Andrena Powell-Baker, President of the South Carolina Economic Developers' Association, relates her positive impression of RIA and its work across South Carolina.
- Mr. Scott Tanner, City Administrator for the city of Manning, describes four recent projects in Manning that received RIA funding, which he believes were vital to the city and could not have been completed without RIA's help.

Each of these individuals respond to questions from Committee members following their testimony.

Director Ammons makes brief comments to the Committee and responds to questions from Committee members.

Meeting 4

July 18, 2019 The Subcommittee meets with the agency.²⁶ Ms. Letitia Dowling, a resident of
Subcommittee Denmark, S.C. and representative of an organization called Denmark Cares, **testifies about Denmark's need for facilitation and support in its efforts to improve its water system**. Director Ammons provides comments in response to her testimony.

Director Ammons and Mr. Huffman present an **overview of the agency's loan programs** and respond to questions from Subcommittee members.

Meeting 5

September 9, 2019
Subcommittee

The Subcommittee meets with the agency.²⁷ Director Ammons presents the **agency's recommendations for law changes** as well as clarifying information about the structure of the agency's governing boards and eligible projects under existing state law. Director Ammons and RIA Legal Counsel Karen Manning respond to questions from Subcommittee members.

Mr. Keith McCook, General Counsel for the State Fiscal Accountability Authority, responds to member questions about the S.C. Resources Authority and the Water Resources Coordinating Council.

In two motions, **members vote on a finding and all study recommendations**. Both motions are approved, receiving favorable votes from all members in attendance.²⁸

Table 6. Key dates and actions in the study process

2018

December 5

At **Meeting 1**, the **full Committee votes** to make RIA one of the next agencies for the Economic Development, Natural Resources, and Transportation Subcommittee to study. [Video](#) and [minutes](#) of the meeting are available online.

2019

January 9

The Committee provides the agency with [notice](#) about the oversight process.²⁹

February 27 -
April 1

The Committee solicits input from the public about the agency in the form of an **online public survey**. The [results of the public survey](#) are available online.³⁰

June 19

The Subcommittee holds **Meeting 2** with the agency to discuss an overview of its **mission, history, resources, major programs, successes, challenges, and emerging issues** and its **grant and technical assistance programs**.

June 25

The full Committee holds **Meeting 3** with the agency to receive **public input**.

July 18

The Subcommittee holds **Meeting 4** with the agency to discuss its **loan programs** and receive additional public input.

September 9

The Subcommittee holds **Meeting 5** with the agency to discuss and vote on **Subcommittee recommendations and findings**.

Ongoing

Public may submit written comments on the Oversight Committee's webpage, accessed from www.scstatehouse.gov.

Study Process Completion

Pursuant to Committee Standard Practice 11.8, **any Subcommittee member may provide a separate written statement for inclusion with the Subcommittee's study report.** After receipt of any written statements, the Subcommittee Chair, pursuant to Committee Standard Practice 11.9, notifies the Committee Chair in writing that a Subcommittee study is available for consideration by the full Committee.

Pursuant to Committee Standard Practice 12, the Committee Chair includes the Subcommittee Study on the agenda for a full Committee meeting after receiving written notice from the Subcommittee Chair. During a full Committee meeting at which the Subcommittee study is discussed, the Committee may vote to (1) refer the study and investigation back to the Subcommittee for further evaluation; (2) approve the Subcommittee's study; or (3) further evaluate the agency as a full Committee, utilizing any of the resources of legislative oversight available.

When the Committee approves a study, **any member of the Committee may provide a written statement for inclusion with the study.** The study, and written statements, are published online and the agency receives a copy.³¹

To support the Committee's ongoing oversight by maintaining current information about the agency, the agency may receive an annual Request for Information.

SELECTED AGENCY INFORMATION

RIA. "Program Evaluation Report, 2019."

[https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/RuralInfrastructureAuthority/PER-RIA\(4.23.19\).pdf](https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/RuralInfrastructureAuthority/PER-RIA(4.23.19).pdf) (accessed September 28, 2019).

RIA. "Restructuring and Seven-Year Plan Report, 2015."

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/2015AgencyRestructuringandSevenYearPlanReports/2015%20Rural%20Infrastructure%20Authority.pdf> (accessed September 28, 2019).

RIA. "Agency Accountability Report, 2019."

<https://www.scstatehouse.gov/reports/aar2019/P450.pdf> (accessed October 8, 2019).

S.C. House of Representatives, Legislative Oversight Committee. "Survey Results" (February 27-April 1, 2019)

[https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/AlcoholDrugAbuse/Survey%20Results%20\(February%2027%20-%20April%201,%202019\).pdf](https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/AlcoholDrugAbuse/Survey%20Results%20(February%2027%20-%20April%201,%202019).pdf) (accessed September 28, 2019).

APPENDIX A. AGENCY OVERVIEW

The Committee requests the agency provide background information via the Program Evaluation Report, Accountability Report, and correspondence. The sections below provide an overview of the agency, as reflected in these submissions. It is augmented by information provided by other state agencies that aggregate statewide data.

History

RIA provides the Committee with an overview of the agency's history.³² In addition, Committee staff confirms the accuracy of assertions of legislative action.

2010	<hr/> <p>The General Assembly creates the S.C. Rural Infrastructure Authority by Act 171 of 2010.</p> <hr/>
2012	<p>Proviso 80A.32 of the FY 2012-13 Appropriations Act transfers all Rural Infrastructure Fund balances under the control of the Budget and Control Board's Division of Local Government to RIA. Cash balances total \$37.8 million. This funding allows the agency to begin operations.</p> <p>The RIA board is appointed and Executive Director Bonnie Ammons is hired. The Department of Commerce provides initial staffing and administrative help to RIA as specified in S.C. Code of Laws § 11-50-65. The Department of Commerce continues to provide such support through a shared services contract. The Board establishes procedures for making grants available to eligible entities.</p> <p>The Board establishes a five-year allocation plan that will provide a predictable source of funds to meet local infrastructure needs. This allocation allows local entities to be proactive and take a planned approach to addressing significant infrastructure needs.</p> <p>The Board also develops a strategic plan to qualify projects as defined in S.C. Code of Laws § 11-50-40(13) of the South Carolina Rural Infrastructure Act, which requires projects to be "for the essential public purpose of providing environmental facilities and services to meet public health and environmental standards and to aid the development of trade, commerce, industry, agriculture, aquaculture, and employment opportunities." Qualified projects will be determined by the Board based on competitive criteria including need, feasibility and impact.</p> <hr/>
2013	<p>The Board establishes a schedule for accepting competitive applications twice a year with the ability to consider requests for urgent needs at any time.</p> <p>Staff is hired and the Board approves the first grants for infrastructure in rural and distressed counties.</p> <hr/>

2014

As allowed by the Rural Infrastructure Act, the Board establishes guidelines for an expanded qualification of rural infrastructure projects with a focus on rural and distressed areas within Tier I and II counties. Such criteria included census tracts (1) outside of urbanized areas that meet the Department of Revenue criteria for a Tier III and IV county designation or (2) with service areas that have current United States Department of Agriculture Rural Development or state Community Development Block Grant program funding.

2015

The Division of Local Government (also known as the Office of Local Government or OLG) is transferred effective July 1, 2015, from the State Budget and Control Board to RIA in accordance with Act 121 of 2014. The OLG staffs the loan programs for the S.C. Water Quality Revolving Fund Authority (S.C. Code Chapter 5, Title 48) and the S.C. Infrastructure Facilities Authority (S.C. Code Chapter 40, Title 11). The members of the State Fiscal Accountability Authority serve as the Water Quality Revolving Fund Authority and the Infrastructure Facilities Authority. These programs offer low-cost loan financing for qualified infrastructure projects statewide.

At the time of the transfer, there is over \$230 million in available funds in the Clean Water State Revolving Fund in part because of loan pay-offs during the recession. A plan is developed to increase fund utilization and create a pipeline of projects, working in cooperation with DHEC. The plan includes hiring additional staff, providing enhanced customer service and training, and marketing the program benefits.

On July 1, 2015, Act 121 of 2014, government restructuring legislation, transfers the Division of Regional Development and membership on the Water Resources Coordinating Council from the State Budget and Control Board to RIA. Both of these entities are inactive at the time of transfer.

2016

The General Assembly establishes the Statewide Water and Sewer Fund by Proviso 54.5 in the FY 2016-17 Appropriations Act. The fund is to assist qualified infrastructure projects that would not otherwise be eligible under RIA's Rural Infrastructure Fund programs.

The Board updates its five-year plan to allocate \$25 million annually for competitive grant programs. This plan provided a predictable funding amount for grants while maintaining the ability to address other urgent needs when additional funds were needed.

Legal Obligations

In the Program Evaluation Report, the Committee asks the agency to list the laws applicable to it. Listed below is a summary of the information the agency provides.³³

Table 7. Laws applicable to RIA, as provided by the agency in its Program Evaluation Report³⁴

Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted
1-11-20	State	Statute	<i>Division Transfers</i> - Transfers the Local Government Division, Water Resources Coordinating Council membership, and Division of Regional Government from the Budget and Control Board to RIA.
1-11-25	State	Statute	<i>Local Government Division</i> - Establishes the Local Government Division and outlines grant responsibilities.
1-11-26	State	Statute	<i>Local Government Division</i> - Outlines rules for use of grant funds and provides penalties for violations.
11-37-200	State	Statute	<i>Water Resources Coordinating Council</i> - Names the RIA Director as a member of the Water Resources Coordinating Council.
11-40-40	State	Statute	<i>Infrastructure Facilities Authority</i> - provides necessary authority to fund, use and administer the SC Infrastructure Revolving Loan Fund.
11-40-250	State	Statute	<i>Infrastructure Facilities Authority</i> - Requires RIA to staff and assist the SC Infrastructure Facilities Authority.
11-42-10	State	Statute	<i>Comprehensive Infrastructure Development Act</i> - Names this chapter the "South Carolina Comprehensive Infrastructure Development Act."
11-42-20	State	Statute	<i>Regional Development Division</i> - Lays out the legislative purpose for establishing the Division of Regional Development.
11-42-30	State	Statute	<i>Regional Development Division</i> - Defines terms related to the Division of Regional Development.
11-42-40	State	Statute	<i>Regional Development Division</i> - Establishes the Division of Regional Development within RIA.
11-42-50	State	Statute	<i>Regional Development Division</i> - Lists powers and duties of the Division of Regional Development.
11-42-60	State	Statute	<i>Regional Development Division</i> - Lists administrative powers of the Division of Regional Development.
11-50-10	State	Statute	<i>Rural Infrastructure Authority</i> - Names this chapter the "South Carolina Rural Infrastructure Act."
11-50-20	State	Statute	<i>Rural Infrastructure Authority</i> - Outlines legislative findings related to the South Carolina Rural Infrastructure Act.
11-50-30	State	Statute	<i>Rural Infrastructure Authority</i> - Provides for the selection of qualified infrastructure projects for loans or other financial assistance through the Rural Infrastructure Fund and provides necessary authority to fund, operate and administer the functions of the agency.
11-50-40	State	Statute	<i>Rural Infrastructure Authority</i> - Defines terms related to the South Carolina Rural Infrastructure Act.

Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted
11-50-50	State	Statute	<i>Rural Infrastructure Authority</i> - Outlines terms, qualifications, and appointing authorities of the members of the RIA board of directors.
11-50-55	State	Statute	<i>Rural Infrastructure Authority</i> - Allows the RIA board to hire a director.
11-50-60	State	Statute	<i>Rural Infrastructure Authority</i> - Outlines RIA's powers.
11-50-65	State	Statute	<i>Rural Infrastructure Authority</i> - Requires the SC Department of Commerce to provide administrative support to RIA.
11-50-70	State	Statute	<i>Rural Infrastructure Authority</i> - Outlines sources of revenue that may be used by the Rural Infrastructure Fund.
11-50-80	State	Statute	<i>Rural Infrastructure Authority</i> - Establishes procedures for earnings on balances in the Rural Infrastructure Fund.
11-50-90	State	Statute	<i>Rural Infrastructure Authority</i> - Requires RIA to select and administer eligible loan and other financial assistance for projects.
11-50-100	State	Statute	<i>Rural Infrastructure Authority</i> - Outlines authorizations related to financing agreements.
11-50-110	State	Statute	<i>Rural Infrastructure Authority</i> - Exempts RIA from taxes.
11-50-120	State	Statute	<i>Rural Infrastructure Authority</i> - Outlines procedures related to loan defaults.
11-50-130	State	Statute	<i>Rural Infrastructure Authority</i> - Limits liability of RIA and its board members and employees.
11-50-140	State	Statute	<i>Rural Infrastructure Authority</i> - Allows RIA to act without additional notices, proceedings, or publications.
11-50-150	State	Statute	<i>Rural Infrastructure Authority</i> - Requires all RIA funds to be deposited with the State Treasurer.
11-50-160	State	Statute	<i>Rural Infrastructure Authority</i> - Requires RIA to submit multiple annual reports and have an annual audit by an independent CPA.
11-50-170	State	Statute	<i>Rural Infrastructure Authority</i> - Requires liberal construction of the chapter and approval of loans by the public entities that control applicable ad valorem taxes for general operating purposes.
11-50-180	State	Statute	<i>Rural Infrastructure Authority</i> - Establishes severability of any provision held unconstitutional or invalid.
48-5-30	State	Statute	<i>Water Quality Revolving Fund Authority</i> - Provides necessary authority to fund, invest, use, and administer the clean water fund, the drinking water fund, and other authorized activities permitted by the Safe Drinking Water Act.
FY17-18 Appropriations Act, Proviso 54.1	State	Proviso	<i>Rural Infrastructure Fund Carry Forward</i> -Allows the carry forward of funds in the Rural Infrastructure Fund from the prior fiscal year to the current fiscal year.

Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted
FY17-18 Appropriations Act, Proviso 54.2	State	Proviso	<i>Carry Forward Local Government Assistance</i> - Allows the carry forward of funds appropriated for the purpose of matching federal funds from the prior fiscal year to the current fiscal year.
FY17-18 Appropriations Act, Proviso 54.3	State	Proviso	<i>Carry Forward Calculation</i> - Allows for certain funds to be excluded from the calculation of the carry forward authority.
FY17-18 Appropriations Act, Proviso 54.4	State	Proviso	<i>State Water Pollution Control Revolving Fund</i> - Allows any state funds remaining after fully matching federal grants for the State Revolving Funds under the Clean Water Act or Safe Drinking Water Act to be deposited into the South Carolina Infrastructure Revolving Loan Fund established pursuant to Section 11-40-50.
FY17-18 Appropriations Act, Proviso 54.5	State	Proviso	<i>Statewide Water and Sewer Fund</i> - Funds allocated for the Statewide Water and Sewer Fund to assist qualified Infrastructure projects not otherwise eligible for the Rural Infrastructure Fund. Projects will be selected for assistance based on the same procedures and guidelines established for the Rural Infrastructure Fund. Funds allocated may carry forward from the prior fiscal year to any current fiscal year.
33 USC 1383	Federal	Statute	<i>Title VI of the Clean Water Act</i> - Provides necessary authority and program requirements for the Clean Water State Revolving Loan Program.
42 USC 300j-12	Federal	Statute	<i>Safe Drinking Water Act</i> - Provides necessary authority and program requirements for the Drinking Water State Revolving Loan Program.

Agency Organization and Employees

Governing Body

In the Program Evaluation Report, the Committee asks the agency to provide information about the agency's governing body. The agency cites the code section below:³⁵

S.C. Code of Laws § 11-50-50. Board of directors; terms; vacancies; compensation.

The board of directors is the governing board of the authority. The board consists of seven voting directors appointed as follows:

(1) six members who reside in or represent all or some portion of the counties designated as distressed or least developed pursuant to Section 12-6-3360 for 2009 or a county designated as such at the time of appointment; one appointed by the President Pro Tempore of the Senate, one appointed by the Speaker of the House of Representatives, one appointed by the Chairman of the Senate Finance Committee, one appointed by the Chairman of the House Ways and Means Committee, and two appointed by the Governor. Notwithstanding the provisions of Section 8-13-770, the members appointed pursuant to this item (1) by the President Pro Tempore of the Senate, Speaker of the House of Representatives, Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee may be members of the General Assembly and, if so appointed, shall serve ex officio; and

(2) the Secretary of Commerce, ex officio, who shall serve as chairman.

Members not serving ex officio shall serve for terms of four years and until their successors are appointed and qualify except that of the members first appointed by the Speaker of the House, President Pro Tempore of the Senate, and one of the members first appointed by the Governor, the member shall serve for a term of two years and the term must be noted on the appointment. Vacancies must be filled in the manner of original appointment for the unexpired portion of the term. Members shall serve without compensation, but are allowed mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions.

HISTORY: 2010 Act No. 171, Section 1, eff May 26, 2010; 2012 Act No. 149, Section 1, eff April 23, 2012; 2014 Act No. 195 (S.812), Section 1, eff June 2, 2014.

The current board members are listed in the table below:

Table 8. RIA board members as of September 30, 2019³⁶

Position	Position Title	Name	Appointed By	Appointed Date	Expiration Date
Ex Officio	Chairman	Hitt, Robert M. III	Governor	1/13/2011	
Seat 1	Member	Shuler, Jasper W.	Governor	9/5/2012	9/1/2014
Seat 2	Member	Anderson, David E.	Governor	11/18/2011	11/18/2015
Seat 3	Member	Clyburn, William "Bill"	Chair of the Ways and Means Committee, Brian White	1/21/2015	1/21/2019
Seat 4	Member	Gambrell, Michael W.	President Pro Tempore of the Senate, Harvey S. Peeler, Jr.	1/15/2019	
Seat 5	Member	Yow, Richard L. "Richie"	Speaker of the House of Representatives, James H. Lucas	1/15/2019	
Seat 6	Member	Kellahan, William N. Jr.	Chair of the Senate Finance Committee, Hugh K. Leatherman, Sr.	3/29/2011	3/29/2015

Agency Organizational Units

During the study process the Committee asks the agency about its organization and major operating programs.³⁷ RIA informs the Committee it is comprised of two major organizational units. The **Grants** division provides grant assistance for qualified public infrastructure improvements and had four employees at the end of FY 2017-18. The **Loans** division provides low cost loan financing for public infrastructure improvements and had five employees at the end of FY 2017-18.

Organizational Chart

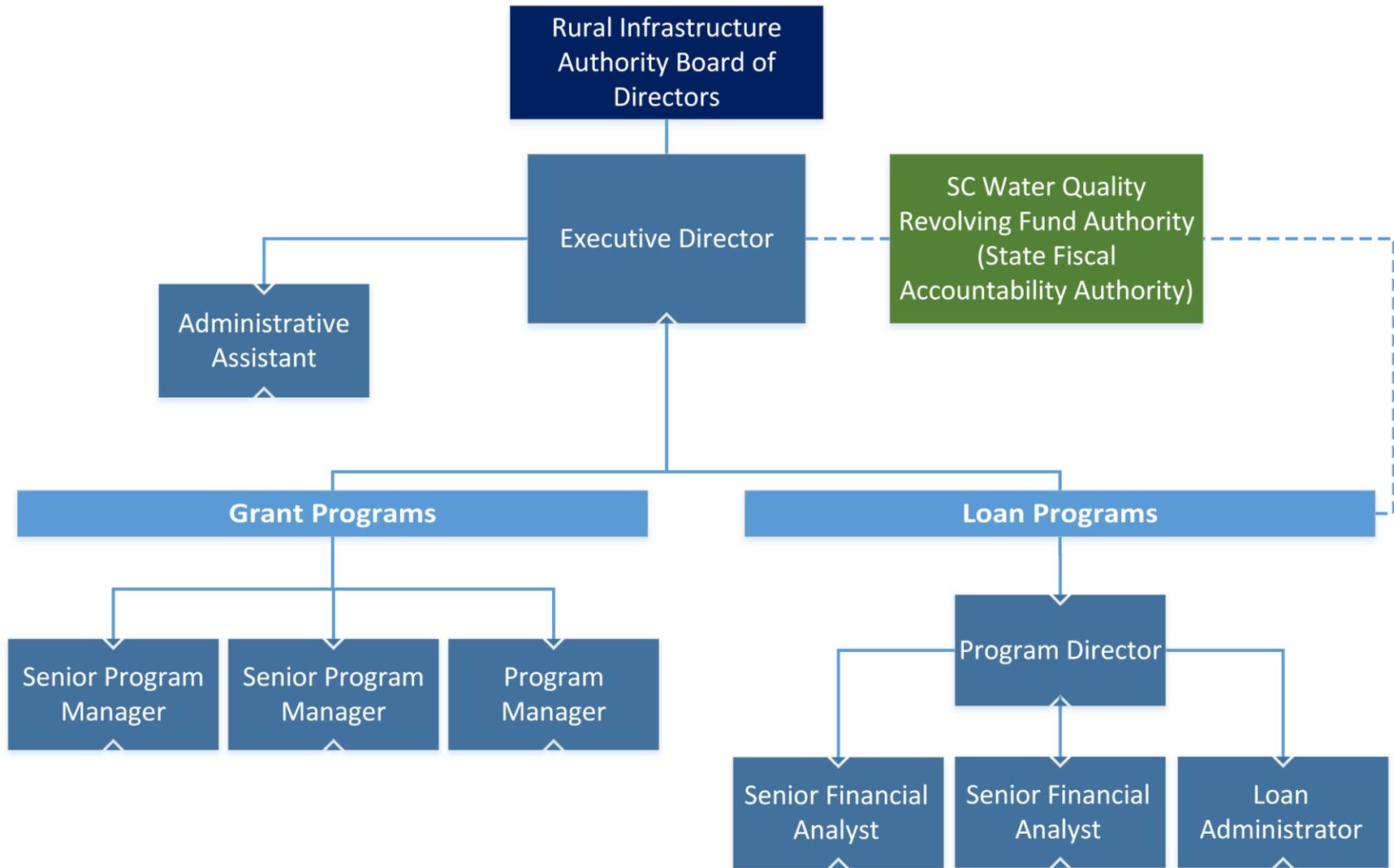


Figure 3. RIA organizational chart, current as of June 19, 2019

Internal Audit Process

In the Program Evaluation Report, the Committee asks the agency to provide information about its internal audit process, if it has one. The agency provides the information below.³⁸

RIA issues grant agreements for all approved grants specifying the grant amount, the project description and timeframe for completion. The grant agreement includes terms to ensure compliance and accountability for public funds including financial management, audits, procurement, contracts, reports, record-keeping and monitoring.

RIA grant staff members are assigned projects (typically by geographic region) to provide technical assistance throughout the grant period. Staff monitors the progress of all projects, reviews invoices prior to issuing grant payments and ensures compliance requirements are completed before a grant is closed and accomplishments are met.

An extensive credit review process is conducted prior to issuance of each loan commitment letter and closing documents include a loan agreement detailing the terms and conditions of the assistance and its security. Disbursement requests are supported by invoices that are reviewed by DHEC staff prior to transmittal to RIA for disbursement. Staff conduct annual audit reviews of borrowers to determine continued financial capability for debt repayment. There have been no late payments or defaults in this program.

Services, Customers, and Performance

RIA's mission is to assist in financing qualified infrastructure projects that will protect public health, comply with environmental quality standards, and support economic opportunities. To fulfill this purpose, RIA provides deliverables (i.e., products or services) to a variety of customers. In its Program Evaluation Report, the agency provides details about its resources, deliverables, and performance measures. Figure 4 shows the agency's total expenditures for three fiscal years. As some of RIA's loans are funded through a "revolving fund" in which revenue from repaid loans is subsequently loaned back out, not all of the agency's expenditures are appropriated and authorized by the General Assembly.³⁹

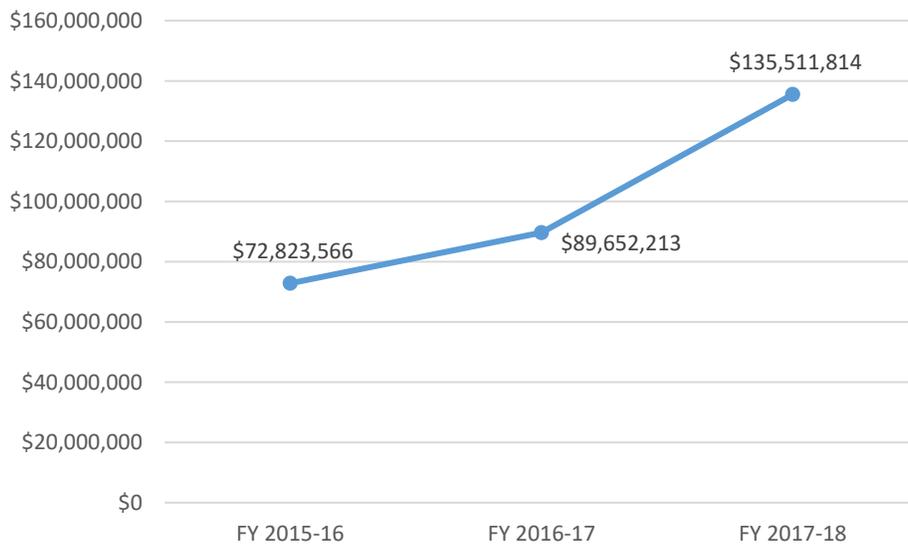


Figure 4. RIA total expenditures, as reported in the agency's Program Evaluation Report⁴⁰

Tables 9-12 include information about the agency’s deliverables and performance measures. Table 9 includes the deliverables associated with the Grants division, followed by Table 10, which shows the associated performance measures. Table 11 includes the deliverables associated with the Loans division, followed by Table 12, which shows the associated performance measures. For more detailed information, please see pages 44-56 of the agency’s Program Evaluation Report.

Table 9. Deliverables associated with RIA’s Grants division, as reported by the agency in its Program Evaluation Report⁴¹

Grants - select and assist in financing qualified infrastructure projects								
Required by law?	Customer description	# of customers served in FY 2017-18	Description of a single deliverable unit	# of units provided in FY 2017-18	Total employees required in FY 2017-18	Total deliverable expenditures in FY 2017-18	% of total agency expenditures	Agency expenditures per unit of the deliverable
Yes	Local governments - county, municipality, special purpose district, commission of public works	51	A grant executed to an eligible entity during the fiscal year	51	0	\$14,076,287	10.39%	\$276,006
<p>Counties served in FY 2017-18: Aiken; Allendale; Anderson; Bamberg; Barnwell; Beaufort; Berkeley; Calhoun; Cherokee; Chester; Chesterfield; Clarendon; Dillon; Dorchester; Fairfield; Florence; Georgetown; Greenville; Greenwood; Horry; Jasper; Lancaster; Laurens; Lee; Lexington; Marlboro; Newberry; Oconee; Orangeburg; Pickens; Saluda; Sumter; Union; York</p>								
<p>Additional comments from agency: This deliverable reflects only direct grant obligations and expenditures. The administrative costs associated with grants (including staff) are included in grant administration. There is a lag time of several years between grant obligation and expenditures. Once a grant is obligated, there is design and permitting, procurement of a contractor and finally the construction. RIA funds only pay for construction costs that are incurred. Thus, the expenditures do not generally occur in the same year that grants are obligated. While customers are not charged fees to access grant funds, there is cost sharing by the grantees for project costs. Grantees pay for all non-construction costs related to an RIA assisted project and grantees in Tier I and II counties also provide 25% of the construction costs of an RIA assisted project.</p>								

Grant Administration - assist the Board in determining qualified projects as well as fund, operate and administer the assistance including development of grant agreements and monitoring the use of funds; fulfill reporting requirements as outlined in the Report and External Review Template

Required by law?	Customer description	# of customers served in FY 2017-18	Description of a single deliverable unit	# of units provided in FY 2017-18	Total employees required in FY 2017-18	Total deliverable expenditures in FY 2017-18	% of total agency expenditures	Agency expenditures per unit of the deliverable
Yes	Local governments - county, municipality, special purpose district or commission of public works	140	Grants administered in a fiscal year	140	2.85	\$337,263	0.25%	\$2,409

Counties served in FY 2017-18: Abbeville; Aiken; Allendale; Anderson; Bamberg; Barnwell; Beaufort; Berkeley; Calhoun; Charleston; Cherokee; Chester; Chesterfield; Clarendon; Colleton; Darlington; Dillon; Dorchester; Edgefield; Fairfield; Florence; Georgetown; Greenville; Greenwood; Hampton; Horry; Jasper; Kershaw; Lancaster; Laurens; Lee; Lexington; Marion; Marlboro; McCormick; Newberry; Oconee; Orangeburg; Pickens; Richland; Saluda; Spartanburg; Sumter; Union; Williamsburg; York

Technical Assistance and Training - provide information to help communities access financing and develop partnerships to coordinate and maximize available infrastructure resources

Required by law?	Customer description	# of customers served in FY 2017-18	Description of a single deliverable unit	# of units provided in FY 2017-18	Total employees required in FY 2017-18	Total deliverable expenditures in FY 2017-18	% of total agency expenditures	Agency expenditures per unit of the deliverable
Yes	Local governments - county, municipality, special purpose district or commission of public works as well as engineers, financial specialists and other consultants that help eligible customers with qualified projects	439	Outreach and technical assistance efforts	439	1.15	\$136,088	0.10%	\$468

Counties served in FY 2017-18: Abbeville; Aiken; Allendale; Anderson; Bamberg; Barnwell; Beaufort; Berkeley; Calhoun; Charleston; Cherokee; Chester; Chesterfield; Clarendon; Colleton; Darlington; Dillon; Dorchester; Edgefield; Fairfield; Florence; Greenville; Greenwood; Hampton; Horry; Jasper; Kershaw; Lancaster; Laurens; Lee; Lexington; Marion; Marlboro; McCormick; Newberry; Oconee; Orangeburg; Pickens; Richland; Saluda; Spartanburg; Sumter; Union; Williamsburg; York

Table 10. Performance measures associated with RIA's Grants division, as reported by the agency in its Program Evaluation Report⁴²

		Grants Awarded for health/environmental impact	Communities assisted by Grants for health/environmental impact	Grants to support economic opportunities	Communities assisted by grants to support economic opportunities	Grant funds awarded in rural or distressed areas	Grant cost share ratio (number of other dollars committed per dollar of grant funds)	Customers trained or technical assists
Goal		Meet or exceed target	Meet or exceed target	Meet or exceed target	Meet or exceed target	Meet or exceed target	Meet or exceed target	Meet or exceed target
2019	Target	\$17,000,000	34	\$10,000,000	20	65%	\$1.00	250
2018	Target	\$15,000,000	30	\$10,000,000	20	65%	\$1.00	250
	Actual	\$16,735,786	39	\$5,629,477	12	64%	\$3.02	439
2017	Target	\$12,500,000	20	\$12,500,000	20	51%	\$1.00	150
	Actual	\$16,556,609	44	\$7,324,225	17	70%	\$3.04	526
2016	Target	\$7,000,000	15	\$7,000,000	15	51%	\$1.00	150
	Actual	\$7,103,580	16	\$7,593,850	6	68%	\$4.55	408
2015	Target	\$7,000,000	17	\$5,000,000	13	51%	\$1.00	150
	Actual	\$7,918,813	29	\$6,289,949	15	77%	\$2.73	347
2014	Target	\$6,500,000	DNE	\$5,500,000	DNE	51%	\$1.00	150
	Actual	\$6,768,094	29	\$5,192,995	13	85%	\$5.42	550
Additional comments from agency		Funds awarded address DHEC consent orders or violations; assist systems rated as unsatisfactory or needing improvement; and upgrade aging infrastructure that has exceeded its useful life.		Funds awarded assist projects that help new or existing businesses that are committed to job creation or retention; build infrastructure capacity to support new development; or provide infrastructure to serve publically-owned industrial parks, sites and buildings. The Board allows flexibility to obligate funds for health/environmental or economic purposes based on need/demand.			Grantees are expected to share in the costs of infrastructure projects. This achieves stakeholder involvement and maximizes grant dollars. The target is to match every grant dollar with a dollar of other funds.	

Table Note: DNE = Does/did not exist.

Table 11. Deliverables associated with RIA's Loans division, as reported by the agency in its Program Evaluation Report⁴³

Loans - Make loans to project sponsors for eligible water, wastewater and storm water projects								
Required by law?	Customer description	# of customers served in FY 2017-18	Description of a single deliverable unit	# of units provided in FY 2017-18	Total employees required in FY 2017-18	Total deliverable expenditures in FY 2017-18	% of total agency expenditures	Agency expenditures per unit of the deliverable
Yes	Local governments - county, municipality, special purpose district, commission of public works or non-profit corporation established under Title 33 Chapter 35	17	A loan closed to an eligible entity during the fiscal year	17	0	\$120,369,863	88.83%	\$7,080,580
Counties served in FY 2017-18: Aiken; Bamberg; Beaufort; Charleston; Fairfield; Florence; Greenville; Lexington; Lancaster; Oconee; Pickens; York								
Additional comments from agency: This deliverable reflects only direct loan obligations and expenditures. The administrative costs associated with loans (including staff) are included in Loan Administration. SRF provides financing for major infrastructure projects that often take several years to construct. Disbursements of loan funds are made based on submission and review of construction invoices. Thus, all expenditures do not occur in the same year that loans are closed.								
Loan Administration - manage the financial functions of the revolving funds including credit reviews, loan agreements, disbursements and repayments; fulfill reporting requirements as outlined in the Report and External Review Template								
Required by law?	Customer description	# of customers served in FY 2017-18	Description of a single deliverable unit	# of units provided in FY 2017-18	Total employees required in FY 2017-18	Total deliverable expenditures in FY 2017-18	% of total agency expenditures	Agency expenditures per unit of the deliverable
Yes	Local governments - county, municipality, special purpose district, commission of public works or non-profit corporation established under Title 33 Chapter 35	187	Loans Serviced in a fiscal year	187	5.00	\$592,313	0.44%	\$3,167
Counties served in FY 2017-18: Abbeville; Aiken; Anderson; Bamberg; Barnwell; Beaufort; Berkeley; Charleston; Chester; Chesterfield; Colleton; Darlington; Dillon; Fairfield; Florence; Greenville; Greenwood; Horry; Jasper; Kershaw; Lancaster; Laurens; Lee; Lexington; Marlboro; McCormick; Newberry; Oconee; Orangeburg; Pickens; Richland; Spartanburg; Union; York								

Table 12. Performance measures associated with RIA's Loans division, as reported by the agency in its Program Evaluation Report⁴⁴

		Total Clean Water loans closed	Communities assisted with Clean Water loans	Total Drinking Water loans closed	Communities assisted with Drinking Water loans	Clean Water Loan Fund Utilization Rate	Drinking Water Loan Fund Utilization Rate
Goal		Meet or exceed target	Meet or exceed target	Meet or exceed target	Meet or exceed target	Meet or exceed target	Meet or exceed target
2019	Target	80,000,000	15	20,000,000	5	90%	95%
2018	Target	80,000,000	DNE	20,000,000	DNE	85%	95%
	Actual	107,730,936	12	36,041,938	4	89%	100%
2017	Target	43,200,000	DNE	16,800,000	DNE	81%	90%
	Actual	112,360,909	11	45,875,945	5	85%	96%
2016	Target	28,800,000	DNE	11,200,000	DNE	79%	88%
	Actual	31,356,912	6	17,315,672	2	81%	90%
2015	Target	DNE	DNE	DNE	DNE	DNE	DNE
	Actual	DNE	DNE	DNE	DNE	DNE	DNE
2014	Target	DNE	DNE	DNE	DNE	DNE	DNE
	Actual	DNE	DNE	DNE	DNE	DNE	DNE
Additional comments from agency		Loan program transferred to RIA in FY 2016. Loans help to address federal and state water quality standards.	Loan program transferred to RIA in FY 2016. Targets established for loan dollars vs communities assisted.	Loan program transferred to RIA in FY 2016. Loans help with compliance with state safe drinking water standards.	Loan program transferred to RIA in FY 2016. Targets established for loan dollars vs communities assisted.	Loan program transferred to RIA in FY 2016.	Loan program transferred to RIA in FY 2016.

Table Notes:

DNE = Does/did not exist.

FY = Fiscal year.

In its Program Evaluation Report, the agency notes one statutorily required deliverable that it has never provided. S.C. Code of Laws § 11-42-50 requires the agency to work with state, regional, and local government entities to create a state infrastructure development plan and coordinate regional infrastructure development plans. The entity responsible for this is the Division of Regional Development, which was transferred to RIA in 2015 from the State Budget and Control Board. At the time of the transfer, this division was not staffed and was not providing this deliverable. The agency states the last state infrastructure plan was published in 2001.⁴⁵

Key Federal and Local Partners

During the study of an agency, the **Committee asks the agency if there are federal or local entities serving similar customers or providing similar products or services.** The Committee asks how the agencies work together to effectively and efficiently achieve the agency's goals. RIA lists the following key federal and local partners:⁴⁶

Federal counterparts

US Department of Commerce Economic Development Administration (EDA)

The EDA Public Facilities Program provides grants to empower distressed communities to revitalize, expand and upgrade their physical infrastructure, and generate or retain long-term, private sector jobs and investment.

US Department of Agriculture Rural Development Programs

Through its water and environmental programs, the agency provides loans, grants and loan guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in rural areas and towns of 10,000 residents or fewer.

Appalachian Regional Commission (ARC)

The ARC is a regional economic development agency that represents a partnership of federal, state, and local government. The Commission is composed of 13 states (including South Carolina) and a federal co-chair. ARC offers funding for increasing job opportunities and per capita income, strengthening the capacity of the workforce, and developing or improving infrastructure in qualifying areas. Six counties in South Carolina are eligible for the ARC programs: Anderson, Cherokee, Greenville, Oconee, Pickens and Spartanburg.

US Department of Housing and Urban Development (HUD)

HUD administers the Community Development Block Grant Program (CDBG), which provides grants to units of local government and states for areas of the state that do not directly receive funding from HUD. The SC Department of Commerce is the state recipient of HUD funds for rural areas of the state. CDBG grants can fund a variety of projects from revitalizing neighborhoods to improving community infrastructure, providing public facilities and creating or retaining jobs.

Local counterparts

While the agency works with many partners in the state, there are no comparable local counterparts to this agency.

APPENDIX B. AGENCY REPORTS TO COMMITTEE

During the legislative oversight process, the **Committee asks the agency to conduct self-analysis** by requiring it to complete and submit annual Restructuring Reports, a Seven-Year Plan for cost savings and increased efficiencies, and a Program Evaluation Report. The Committee posts each report on the agency page of the Committee's website.

Seven-Year Plan for Cost Savings and Increased Efficiencies

S.C. Code of Laws § 1-30-10 requires agencies to submit "a seven year plan that provides initiatives and/or planned actions that implement cost savings and increased efficiencies of services and responsibilities within the projected seven-year period."⁴⁷ RIA submits its plan on March 31, 2015.⁴⁸

Restructuring Report

The Annual Restructuring Report fulfills the requirement in S.C. Code of Laws § 1-30-10(G)(1) that annually each agency report to the General Assembly "detailed and comprehensive recommendations for the purposes of merging or eliminating duplicative or unnecessary divisions, programs, or personnel within each department to provide a more efficient administration of government services." The report, at a minimum, includes information in the following areas - history, mission and vision, laws, strategic plan, human and financial resources, performance measures, and restructuring recommendations.

The RIA submits its first Annual Restructuring Report on March 31, 2015.⁴⁹ The agency's 2018-19 Annual Accountability Report to the Governor and General Assembly, which it submits in September 2019, serves as its most recent Annual Restructuring Report.⁵⁰

Program Evaluation Report

When an agency is selected for study, the Committee may acquire evidence or information by any lawful means, including, but not limited to, "requiring the agency to prepare and submit to the investigating committee a program evaluation report by a date specified by the investigating committee." S.C. Code of Laws § 2-2-60 outlines what an investigating committee's request for a program evaluation report must contain. It also provides a list of information an investigating committee may request. The Committee sends guidelines for the RIA's Program Evaluation Report (PER) on February 15, 2019. The agency submits its report on April 23, 2019.

The PER includes information in the following areas - agency snapshot, agency legal directives, strategic plan and resources, performance, agency ideas/recommendations, and additional documents. The **Program Evaluation Report serves as the base document for the Subcommittee's study of the agency.**

APPENDIX C. PUBLIC INPUT

Public input is a cornerstone of the House Legislative Oversight Committee’s process.⁵¹ Members of the public have an opportunity to participate anonymously in a public survey, provide comments anonymously via a link on the Committee’s website, and appear in person before the Committee.⁵² During the study, media articles related to the agency are compiled for member review.

Public Survey

From February 27 - April 1, 2019, the Committee posts an **online survey to solicit comments from the public about the RIA** and five other agencies. The Committee sends information about this survey to all House members to forward to their constituents. Additionally, in an effort to communicate this public input opportunity widely, the Committee issues a statewide media release.⁵³ The media release is shared with the South Carolina State Library, which disseminates it to local libraries across the state.

There are 450 responses to the survey, with 66 of these relating to RIA. The responses relating to the agency come from at least 26 of South Carolina’s 46 counties.⁵⁴ These comments are not considered testimony.⁵⁵ As the survey press release notes, “input and observations from people who interact with these agencies are important because they may help direct the Committee to potential areas for agency improvement.”⁵⁶ Survey results are posted on the Committee’s website. The **public is informed it may continue to submit written comments about agencies online** after the public survey closes.⁵⁷

Of those survey participants that respond to questions related to RIA, **80% have a positive or very positive opinion of the agency.** Seventy percent of them say that **RIA functions better or much better than other state agencies** in South Carolina. Over 64% of these respondents base their opinions of the agency on business experience with the agency. **The majority of the comments are positive**, including multiple statements about knowledgeable and helpful staff and easily accessible online information. Negative comments include criticisms of how funding is distributed geographically, particularly to small and rural towns.⁵⁸

Public Input via Committee Website

Throughout the course of the study, people are able to submit comments anonymously on the Committee website. The Committee posts comments verbatim to the website, but they are not the comment or expression of the House Legislative Oversight Committee, any of its Subcommittees, or the House of Representatives.⁵⁹ One comment, a complaint about a project that received RIA funding, is received in this manner.⁶⁰

Public Input via In-Person Testimony

During the study, the Committee offers the opportunity for the public to appear and provide sworn testimony.⁶¹ A press release announcing this opportunity is sent to media outlets statewide on June 3, 2019.⁶² The media release is also shared with the South Carolina State Library, which disseminates it to local libraries across the state. The Committee receives public input about RIA at a meeting on June 25, 2019.⁶³ Further detail on the public input meeting is in the [Meetings Regarding the Agency](#) section of this report.

CONTACT INFORMATION

Committee Contact Information

Physical:

South Carolina House of Representatives
Legislative Oversight Committee
1105 Pendleton Street, Blatt Building Room 228

Mailing:

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Columbia, South Carolina 29211

Telephone: 803-212-6810

Online:

You may visit the South Carolina General Assembly Home Page (<http://www.scstatehouse.gov>) and click on "Citizens' Interest" then click on "House Legislative Oversight Committee Postings and Reports". This will list the information posted online for the Committee; click on the information you would like to review. Also, a direct link to Committee information is <http://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>.

Agency Contact Information

Address:

Rural Infrastructure Authority
1201 Main Street, Suite 1740
Columbia, SC 29201

Telephone: (803) 737-0390

Online: <https://ria.sc.gov/>

ENDNOTES

¹ Rural Infrastructure Authority, "Program Evaluation Report" (April 23, 2019), under "Committee Postings and Reports," under "House Legislative Oversight Committee," and under "Rural Infrastructure Authority," [https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/RuralInfrastructureAuthority/PER-RIA\(4.23.19\).pdf](https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/RuralInfrastructureAuthority/PER-RIA(4.23.19).pdf) (accessed September 28, 2019). Hereinafter, "Agency PER."

Rural Infrastructure Authority, "Fiscal Year 2017-18 Accountability Report" (September 2018), under "Committee Postings and Reports," under "House Legislative Oversight Committee," and under "Rural Infrastructure Authority," <https://www.scstatehouse.gov/reports/aar2018/P450.pdf> (accessed September 28, 2019). Hereinafter, "Agency FY18 Accountability Report."

South Carolina Rural Infrastructure Authority, "About," <https://ria.sc.gov/about/> (accessed September 28, 2019).

² Agency PER, pp. 5-6.

³ S.C. House of Representatives, House Legislative Oversight Committee, "Meeting Minutes" (September 9, 2019), under "Committee Postings and Reports," under "House Legislative Oversight Committee," under "Rural Infrastructure Authority," and under "Meetings," https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/SubcommitteeMinutes/EconomicSub/9.9.19_Minutes_EDTNR.pdf (accessed September 28, 2019). A video of the meeting is available at <https://www.scstatehouse.gov/video/archives.php?key=9760&part=1>. Hereinafter, "9/9/19 Subcommittee Meeting Minutes and Video."

⁴ S.C. House of Representatives, House Legislative Oversight Committee, "Meeting Minutes" (June 19, 2019), under "Committee Postings and Reports," under "House Legislative Oversight Committee," under "Rural Infrastructure Authority," and under "Meetings," https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/SubcommitteeMinutes/EconomicSub/6.19.19_Minutes_EDTNR.pdf (accessed September 28, 2019). A video of the meeting is available at

<https://www.scstatehouse.gov/video/archives.php?key=9682&part=1>. Hereinafter, “6/19/19 Subcommittee Meeting [Minutes](#) and [Video](#).” See video at 5:23:51 and 5:34:27; and

9/9/19 Subcommittee Meeting [Minutes](#) and [Video](#) at 1:00:05 in Part 1.

⁵ 9/9/19 Subcommittee Meeting [Minutes](#) and [Video](#) at 1:00:05 in Part 1.

⁶ H.3780 of 2019, sponsored by Reps. White, Hixon, Taylor, Cobb-Hunter, Funderburk, Anderson, Hewitt, R. Williams, Davis, Brown, Weeks, Rivers, S. Williams and Gilliard, passed the house in April 2019 and was referred to the Senate Judiciary Committee.

⁷ 9/9/19 Subcommittee Meeting [Minutes](#) and [Video](#). Subcommittee members present at the meeting include: Rep. Lee Hewitt, Rep. Mandy Powers Norrell, and Chair William M. (Bill) Hixon.

⁸ [Agency PER](#), p. 21.

⁹ S.C. Code of Laws § 11-42-10 *et seq.*

¹⁰ [Agency PER](#), p. 26.

¹¹ 9/9/19 Subcommittee Meeting [Minutes](#) and [Video](#) at 41:45 in Part 1.

¹² [Agency PER](#), p. 23.

¹³ 9/9/19 Subcommittee Meeting [Minutes](#) and [Video](#) at 19:20 in Part 1.

¹⁴ 9/9/19 Subcommittee Meeting [Minutes](#) and [Video](#) at 1:20:15 in Part 1.

¹⁵ S.C. Code of Laws § 11-40-30(6):

(6) "Infrastructure facilities" or "environmental facilities" means any publicly-owned projects, structures, and other real or personal property acquired, rehabilitated, constructed, or planned for the purposes of water supply, treatment, storage and distribution; sewerage collection treatment and disposal; or solid waste collection, treatment and disposal.

¹⁶ S.C. Code of Laws § 11-50-40.

¹⁷ 9/9/19 Subcommittee Meeting [Minutes](#) and [Video](#) at 1:21:40 in Part 1.

¹⁸ S.C. Code of Laws § 2-2-10(1).

¹⁹ S.C. House of Representatives, House Legislative Oversight Committee, “Meeting Minutes” (December 5, 2018), under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Rural Infrastructure Authority,” and under “Meetings,”

[https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/FullCommitteeMinutes/12.05.18%20Meeting%20Minutes%20\[Full\].pdf](https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/FullCommitteeMinutes/12.05.18%20Meeting%20Minutes%20[Full].pdf) (accessed September 28, 2019). A video of the meeting is available at <https://www.scstatehouse.gov/video/archives.php?key=8619>. Hereinafter, “12/5/18 Full Committee Meeting [Minutes](#) and [Video](#).”

²⁰ S.C. House of Representatives, House Legislative Oversight Committee, “Subcommittees -2019,” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” and under “Committee Information,”

https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/Subcommittees_2019.pdf (accessed September 28, 2019).

²¹ A brochure about the House Legislative Oversight’s Committee process is available online. Also, there are ongoing opportunities to request notification when meetings are scheduled and to provide feedback about state agencies under study that can be found online.

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/Brochure%202019-2020%20session%20-%20updated%207.17.19.pdf> (accessed September 28, 2019).

²² S.C. House of Representatives, House Legislative Oversight Committee.

<http://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php> (accessed September 28, 2019).

²³ 12/5/18 Full Committee Meeting [Minutes](#) and [Video](#).

²⁴ Hereinafter, “6/19/19 Subcommittee Meeting [Minutes](#) and [Video](#).”

²⁵ S.C. House of Representatives, House Legislative Oversight Committee, “Meeting Minutes” (June 25, 2019), under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Rural Infrastructure Authority,” and under “Meetings,”

[https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/FullCommitteeMinutes/06.25.19%20Mrrting%20Minutes%20\[Full%20Committee\].pdf](https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/FullCommitteeMinutes/06.25.19%20Mrrting%20Minutes%20[Full%20Committee].pdf) (accessed September 28, 2019). A video of the meeting is available at <https://www.scstatehouse.gov/video/archives.php?key=9716&part=1>. Hereinafter, “6/25/19 Full Committee Meeting [Minutes](#) and [Video](#).”

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- ²⁶ S.C. House of Representatives, House Legislative Oversight Committee, “Meeting Minutes” (July 18, 2019), under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Rural Infrastructure Authority,” and under “Meetings,” https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/SubcommitteeMinutes/EconomicSub/7.18.19_Minutes_EDTNR.pdf (accessed September 28, 2019). A video of the meeting is available at <https://www.scstatehouse.gov/video/archives.php?key=9683&part=1>. Hereinafter, “7/18/19 Subcommittee Meeting Minutes and Video.”
- ²⁷ 9/9/19 Subcommittee Meeting [Minutes](#) and [Video](#).
- ²⁸ 9/9/19 Subcommittee Meeting [Minutes](#) and [Video](#). Subcommittee members present at the meeting include: Rep. Lee Hewitt, Rep. Mandy Powers Norrell, and Chair William M. (Bill) Hixon.
- ²⁹ S.C. House of Representatives, House Legislative Oversight Committee, “Committee Letter to RIA (01/09/2019),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Rural Infrastructure Authority,” and under “Correspondence,” https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/RuralInfrastructureAuthority/Letter_RIA_01.09.19.pdf (accessed September 29, 2019).
- ³⁰ S.C. House of Representatives, House Legislative Oversight Committee, “Survey Results” (February 27-April 1, 2019), under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Rural Infrastructure Authority,” and under “Public Survey and Public Input,” [https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/AlcoholDrugAbuse/Survey%20Results%20\(Feb%2027%20-%20Apr%201,%202019\).pdf](https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/AlcoholDrugAbuse/Survey%20Results%20(Feb%2027%20-%20Apr%201,%202019).pdf) (accessed September 28, 2019). Hereinafter “Results of February 2019 Survey.”
- ³¹ Committee Standard Practice 12.
- ³² [Agency PER](#), pp. 5-6.
- ³³ [Agency PER](#), pp. 41-43.
- ³⁴ [Agency PER](#), pp. 41-43.
- ³⁵ [Agency PER](#), pp. 7-9.
- ³⁶ South Carolina Secretary of State, “South Carolina Rural Infrastructure Authority Board of Directors,” under “Search South Carolina State Boards & Commissions,” <https://search.scsos.com/boardsandcommissions> (accessed September 30, 2019).
- ³⁷ [Agency PER](#), pp. 37-38.
- ³⁸ [Agency PER](#), p. 16.
- ³⁹ [Agency PER](#), p. 40.
- ⁴⁰ [Agency PER](#), p. 40.
- ⁴¹ [Agency PER](#), pp. 44-49.
- ⁴² [Agency PER](#), pp. 50-53.
- ⁴³ [Agency PER](#), pp. 44-49.
- ⁴⁴ [Agency PER](#), pp. 53-56.
- ⁴⁵ [Agency PER](#), p. 49.
- ⁴⁶ [Agency PER](#), p. 9.
- ⁴⁷ S.C. Code of Laws §1-30-10.
- ⁴⁸ Rural Infrastructure Authority, “2015 Restructuring and Seven-Year Plan Report” (March 31, 2015), under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” and under “Rural Infrastructure Authority,” <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/2015AgencyRestructuringandSevenYearPlanReports/2015%20Rural%20Infrastructure%20Authority.pdf> (accessed September 28, 2019). Hereinafter, “Agency 2015 Restructuring and Seven-Year Plan Report.”
- ⁴⁹ [Agency 2015 Restructuring and Seven-Year Plan Report](#).
- ⁵⁰ Rural Infrastructure Authority, “Fiscal Year 2018-19 Accountability Report” (September 2019), under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” and under “Rural Infrastructure Authority,” <https://www.scstatehouse.gov/reports/aar2019/P450.pdf> (accessed October 8, 2019). Hereinafter, “Agency FY19 Accountability Report.”

⁵¹ A brochure about the House Legislative Oversight’s Committee process is available online. Also, there are ongoing opportunities to request notification when meetings are scheduled and to provide feedback about state agencies under study that can be found online.

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/Brochure%202019-2020%20session%20-%20Updated%207.17.19.pdf> (accessed September 28, 2019).

⁵² S.C. House of Representatives, House Legislative Oversight Committee.

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php> (accessed October 1, 2019).

⁵³ S.C. House of Representatives, House Legislative Oversight Committee, “Press Release announcing Public Survey (February 27, 2019),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Rural Infrastructure Authority,” and under “Public Survey and Public Input,”

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/AlcoholDrugAbuse/March%202019%20-%20Press%20Release.PDF> (accessed October 1, 2019). Hereinafter, “Press Release announcing Public Survey.”

⁵⁴ [Results of February 2019 Survey.](#)

⁵⁵ Committee Standard Practice 10.4.

⁵⁶ [Press Release announcing Public Survey.](#)

⁵⁷ S.C. House of Representatives, House Legislative Oversight Committee, “Submit Public Input,” under “Committee Postings and Reports,” under “House Legislative Oversight Committee”

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php> (accessed October 1, 2019).

⁵⁸ [Results of February 2019 Survey.](#)

⁵⁹ Committee Standard Practice 10.4.5 allows for the redaction of profanity.

⁶⁰ S.C. House of Representatives, House Legislative Oversight Committee, “March 2019 (1 comment),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Rural Infrastructure Authority,” and under “Public Survey and Public Input,”

https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/RuralInfrastructureAuthority/March_2019_Input_RIA.PDF (accessed October 1, 2019).

⁶¹ Also, the chair of either the Committee or Education and Cultural Subcommittee has the discretion to allow testimony during meetings.

⁶² S.C. House of Representatives, House Legislative Oversight Committee, “Press Release Inviting the Public to Provide Testimony (June 3, 2019),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Rural Infrastructure Authority,” and under “Public Survey and Public Input,”

[https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/RuralInfrastructureAuthority/Press%20Release%20-%20Invitation%20for%20Public%20Testimony%20\(June%203,%202019\).pdf](https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/RuralInfrastructureAuthority/Press%20Release%20-%20Invitation%20for%20Public%20Testimony%20(June%203,%202019).pdf) (accessed October 1, 2019). Hereinafter, “Press Release Inviting Public Testimony.”

⁶³ 6/25/19 Full Committee Meeting [Minutes](#) and [Video](#).