



South Carolina Rural Infrastructure Authority

FY 2021-22 BUDGET HEARING
HOUSE WAYS AND MEANS COMMITTEE

Agency Attendees

Bonnie Ammons – Executive Director

Bobby Hitt – Chairman of the Board



Agency Information

- RIA makes grant and loan financing available statewide for qualified infrastructure projects (drinking water, sanitary sewer and storm water drainage facilities.)
- Working in partnership with local communities, these financial investments are designed to address the key objectives of protecting public health, addressing environmental quality standards and preparing communities for economic opportunities.
- The agency began operating in late 2012 and began making grants in 2013 through the Rural Infrastructure Fund and in 2016 through the Statewide Water and Sewer Fund.
- In 2015, the Office of Local Government and the State Revolving Loan Funds Program was transferred from the Budget and Control Board. These funds are used to finance major water, wastewater and storm water improvements.



Accountability Report Highlights

Summary of Results – Competitive Grant Programs

- 59 grants awarded totaling \$25 million.
- Infrastructure grants impact more than 57,000 residential and 4,500 business customers.
- 66% of projects funded were located in rural and distressed areas.
- Approximately 80% of funds awarded were for basic infrastructure needs to address health and environmental quality concerns while 20% were to build or improve infrastructure to support economic opportunities.
- RIA funds leveraged an additional \$40 million in infrastructure improvements.



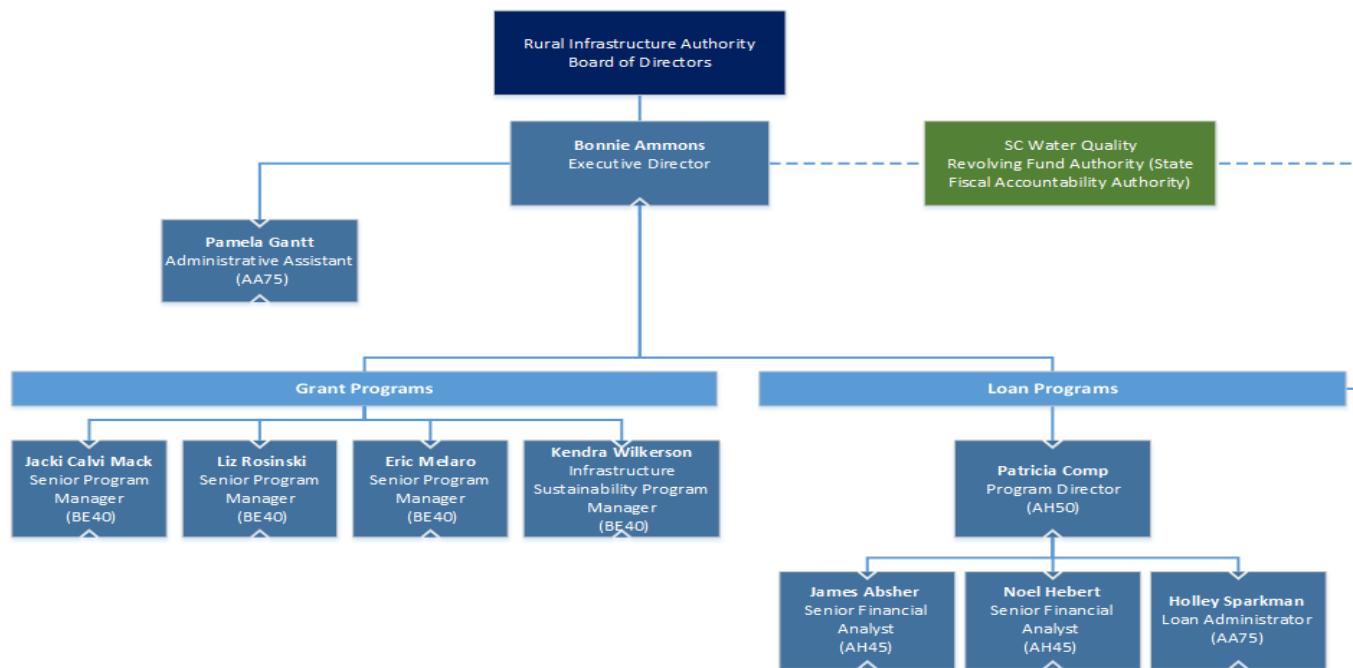
Accountability Report Highlights

Summary of Results – State Revolving Funds (SRF) Loan Program

- Nearly \$616 million in SRF loans closed since 2015.
- \$154 million in loans closed for 20 projects in FY19-20.
(second highest annual number in program history)
- Fourth consecutive year of over \$100 million in loans closed.
- \$89 million in loan disbursements.
- No loan defaults in history of program.



Organizational Chart



Financial Update

Major Budget Categories	FY 19-20 Appropriations versus Expenditures					
	Total General Fund Appropriations	Total General Fund Expenditures	Total General Fund Remaining	Total Other Funds Appropriations	Total Other Funds Expenditures	Total Other Funds Remaining
Personal Services			-	725,000	701,042	23,958
Other Operating			-	400,000	165,994	234,006
Fringe Benefits			-	269,000	255,777	13,223
Special Items	36,517,483	19,345,709	17,171,774	20,700,000	5,141,995	15,558,005
Total	36,517,483	19,345,709	17,171,774	22,094,000	6,264,808	15,829,192



Financial Update

Major Budget Categories	FY 20-21 Appropriations versus Expenditures as of 12/31/2020					
	Total General Fund Appropriations	Total General Fund Expenditures	Total General Fund Remaining	Total Other Funds Appropriations	Total Other Funds Expenditures	Total Other Funds Remaining
Personal Services			-	725,000	371,481	353,519
Other Operating			-	400,000	86,274	313,726
Fringe Benefits			-	269,000	134,403	134,597
Special Items	39,207,430	18,910,251	20,297,179	20,700,000	3,756,434	16,943,566
Total	39,207,430	18,910,251	20,297,179	22,094,000	4,348,593	17,745,407



Recurring Budget Requests

Rural Infrastructure Fund - \$4,129,944

- Board has committed to making \$25 million in annual grant assistance available for basic and economic infrastructure projects.
- RIA currently has \$20,870,056 in state appropriations
 - \$5,000,000 Other Funds (Proviso 109.3)
 - \$7,800,000 Rural Infrastructure Fund
 - \$8,000,000 Statewide Water and Sewer Fund
- Rural Infrastructure Fund would increase to \$12,000,000
- Provides financial stability for RIA to carry out its mission and allows local entities to make financial plans for future infrastructure improvement requests.



Non-recurring Budget Requests

Water and Sewer Regionalization Fund - \$5,000,000

- The Authority is undertaking a statewide assessment of key issues impacting small and rural public water and sewer utilities.
- With scarce local resources available, the need to explore and implement new partnerships will be critical to achieving long-term sustainability. Protecting public health, complying with increasing regulatory standards, building capacity for economic development opportunities and building system sustainability are the key objectives of this request.
- Financial assistance will be available through competitive grants to implement sustainable, regional infrastructure solutions.
- Assistance would include planning and feasibility studies as well as infrastructure improvement projects.



Recurring Budget Requests

Other Fund Authority- \$90,000

- Supports the Authority's strategy to build strong partnerships with communities that need technical and financial support to achieve greater sustainability.
- It will be evaluated by the number of communities provided technical assistance to identify potential projects and resources.



FY 21-22 Prioritized Budget Request Summary												
Rural Infrastructure Authority												
BUDGET REQUESTS			FUNDING						FTEs			
Priority	Request Title	Description	General - Recurring	General - NR	Capital	Other	Federal	Total	State	Other	Federal	Total
1	Rural Infrastructure Fund	Additional funding for basic infrastructure and economic development projects.	\$ 4,129,944					\$ 4,129,944				
2	Water and Sewer Regionalization Fund	Develop a statewide assessment of the sustainability challenges facing small and rural water and sewer systems. Provide financial assistance to eligible water and sewer systems through a competitive process to encourage regionalization as a means toward sustainability.		\$ 5,000,000				\$ 5,000,000				
3	Other Fund Authority	Increase other funds authority to support the Authority's strategy to build strong partnerships with communities.						\$ 90,000				
								\$ 90,000				
TOTAL BUDGET REQUESTS			\$ 4,129,944	\$ 5,000,000	\$ -	\$ 90,000	\$ -	\$ 9,219,944				

Agency Name:	Rural Infrastructure Bank		
Agency Code:	P450	Section:	54



Fiscal Year FY 2021-2022
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

**OPERATING
REQUESTS
(FORM B1)**

For FY 2021-2022, my agency is (mark "X"):

<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
<input type="checkbox"/>	Not requesting any changes.

**NON-RECURRING
REQUESTS
(FORM B2)**

For FY 2021-2022, my agency is (mark "X"):

<input checked="" type="checkbox"/>	Requesting Non-Recurring Appropriations.
<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
<input type="checkbox"/>	Not requesting any changes.

**CAPITAL
REQUESTS
(FORM C)**

For FY 2021-2022, my agency is (mark "X"):

<input type="checkbox"/>	Requesting funding for Capital Projects.
<input checked="" type="checkbox"/>	Not requesting any changes.

**PROVISOS
(FORM D)**

For FY 2021-2022, my agency is (mark "X"):

<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
<input checked="" type="checkbox"/>	Not requesting any proviso changes.

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

PRIMARY CONTACT: SECONDARY CONTACT:	<i>Name</i>	<i>Phone</i>	<i>Email</i>
	Bonnie Ammons	(803) 734-1399	bammons@ria.sc.gov
	Chris Huffman	(803) 737-0462	chuffman@sccommerce.com

I have reviewed and approved the enclosed FY 2021-2022 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE: TYPE/PRINT NAME:	<i>Agency Director</i>	<i>Board or Commission Chair</i>
	<i>Bonnie Ammons 9/23/20</i>	<i>R. H. H.</i>
	<i>Bonnie Ammons</i>	<i>Robert M. H. TT</i>

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

Agency Name:	Rural Infrastructure Bank		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
<i>Provide the Agency Priority Ranking from the Executive Summary.</i>	
TITLE	Rural Infrastructure Fund
<i>Provide a brief, descriptive title for this request.</i>	
AMOUNT	General: \$4,129,944 Federal: \$0 Other: \$0 Total: \$4,129,944
<i>What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.</i>	
NEW POSITIONS	0.00
<i>Please provide the total number of new positions needed for this request.</i>	
FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply: <input type="checkbox"/> Change in cost of providing current services to existing program audience <input type="checkbox"/> Change in case load/enrollment under existing program guidelines <input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program <input type="checkbox"/> Non-mandated program change in service levels or areas <input type="checkbox"/> Proposed establishment of a new program or initiative <input type="checkbox"/> Loss of federal or other external financial support for existing program <input checked="" type="checkbox"/> Exhaustion of fund balances previously used to support program <input type="checkbox"/> IT Technology/Security related <input type="checkbox"/> Consulted DTO during development <input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #
STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective: <input type="checkbox"/> Education, Training, and Human Development <input type="checkbox"/> Healthy and Safe Families <input type="checkbox"/> Maintaining Safety, Integrity, and Security <input checked="" type="checkbox"/> Public Infrastructure and Economic Development <input type="checkbox"/> Government and Citizens
ACCOUNTABILITY OF FUNDS	<p>This funding would assist the Authority with improving the quality of life by addressing infrastructure that impacts public health or the environment, create opportunities for economic impact by providing infrastructure capacity and enhance community sustainability.</p> <div style="border: 1px solid #ccc; height: 40px; margin-top: 10px;"></div>
<i>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i>	
RECIPIENTS OF	<p>Grantees are made up of local governments, special purpose districts, public service districts and public works commissions. Grants are distributed through a competitive process based on eligibility that is consistent with the enabling statute.</p>

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

JUSTIFICATION OF REQUEST

The Board of the Rural Infrastructure Authority has committed to making \$25,000,000 in assistance available for basic infrastructure and economic development projects. These additional funds would provide financial assistance to build the infrastructure capacity of distressed, rural areas to compete for jobs and investment. During the current fiscal year, the Authority has only \$20,870,056 (\$5,000,000 in Other Funds, \$7,870,056 in State Appropriations for the Rural Infrastructure Fund and \$8,000,000 in State Appropriations for the Statewide Water and Sewer Fund) in recurring revenue. In order to provide the financial stability necessary for the Authority to carry out its mission, the Board has requested that its recurring state appropriations for the Rural Infrastructure Authority be increased to \$12,000,000 from its current level of \$7,870,056. Without additional resources, the Board may need to reduce the grant funding level for FY2021-22.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
<p><i>Provide the Agency Priority Ranking from the Executive Summary.</i></p>	
TITLE	Other Fund Authority
<p><i>Provide a brief, descriptive title for this request.</i></p>	
AMOUNT	General: \$0 Federal: \$0 Other: \$90,000 Total: \$90,000
<p><i>What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.</i></p>	
NEW POSITIONS	0.00
<p><i>Please provide the total number of new positions needed for this request.</i></p>	
FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <p><input type="checkbox"/> Change in cost of providing current services to existing program audience</p> <p><input type="checkbox"/> Change in case load/enrollment under existing program guidelines</p> <p><input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program</p> <p><input type="checkbox"/> Non-mandated program change in service levels or areas</p> <p><input checked="" type="checkbox"/> Proposed establishment of a new program or initiative</p> <p><input type="checkbox"/> Loss of federal or other external financial support for existing program</p> <p><input type="checkbox"/> Exhaustion of fund balances previously used to support program</p> <p><input type="checkbox"/> IT Technology/Security related</p> <p><input type="checkbox"/> Consulted DTO during development</p> <p><input type="checkbox"/> Related to a Non-Recurring request – If so, Priority # 2</p>
STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	<p>Mark “X” for primary applicable Statewide Enterprise Strategic Objective:</p> <p><input type="checkbox"/> Education, Training, and Human Development</p> <p><input type="checkbox"/> Healthy and Safe Families</p> <p><input type="checkbox"/> Maintaining Safety, Integrity, and Security</p> <p><input checked="" type="checkbox"/> Public Infrastructure and Economic Development</p> <p><input type="checkbox"/> Government and Citizens</p>
ACCOUNTABILITY OF FUNDS	<p>This funding request supports the Authority’s strategy to build strong partnerships with communities that need technical and financial support to achieve greater sustainability. It will be evaluated by the number of communities provided technical assistance to identify potential projects and resources.</p>
<p><i>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i></p>	
RECIPIENTS OF	<p>Typical operating costs such as staff, employer contributions and other operating costs.</p>

FUNDS

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

Needed additional authority to conduct the statewide assessment of the key issues impacting rural water and sewer systems.

JUSTIFICATION OF REQUEST

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
<p><i>Provide the Agency Priority Ranking from the Executive Summary.</i></p>	
TITLE	Water and Sewer Regionalization Fund
<p><i>Provide a brief, descriptive title for this request.</i></p>	
AMOUNT	\$5,000,000
<p><i>What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.</i></p>	
FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <p> <input type="checkbox"/> Change in cost of providing current services to existing program audience <input type="checkbox"/> Change in case load/enrollment under existing program guidelines <input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program <input checked="" type="checkbox"/> Non-mandated program change in service levels or areas <input checked="" type="checkbox"/> Proposed establishment of a new program or initiative <input type="checkbox"/> Loss of federal or other external financial support for existing program <input type="checkbox"/> Exhaustion of fund balances previously used to support program <input type="checkbox"/> IT Technology/Security related <input type="checkbox"/> Consulted DTO during development <input type="checkbox"/> Request for Non-Recurring Appropriations <input type="checkbox"/> Request for Federal/Other Authorization to spend existing funding <input type="checkbox"/> Related to a Recurring request – If so, Priority # </p>
STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	<p>Mark “X” for primary applicable Statewide Enterprise Strategic Objective:</p> <p> <input type="checkbox"/> Education, Training, and Human Development <input type="checkbox"/> Healthy and Safe Families <input type="checkbox"/> Maintaining Safety, Integrity, and Security <input checked="" type="checkbox"/> Public Infrastructure and Economic Development <input type="checkbox"/> Government and Citizens </p>
ACCOUNTABILITY OF FUNDS	<p>This funding requests supports the Authority's strategy to build strong partnerships with communities that need technical and financial support to achieve greater sustainability. It will be evaluated by the number of communities provided technical assistance to identify potential projects and resources.</p> <p>In addition, these funds will be used to promote regional efforts to improve infrastructure that impacts the quality of life for residents as well as creates economic opportunities. This strategy encourages the efficient use of grant resources and will be measured by the number of communities assisted to address infrastructure needs that protect public health and the environment or that build the capacity necessary for economic development.</p> <p><i>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i></p>
RECIPIENTS OF FUNDS	<p>Grantees are made up of local governments, special purpose districts, public service districts and public works commissions.</p> <p><i>What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon</i></p>

**JUSTIFICATION
OF REQUEST**

Many small and rural public water and sewer utilities across South Carolina face unique challenges in providing safe drinking water and complying with water quality standards with limited financial, technical and managerial resources. The Authority is undertaking a statewide assessment of the key issues impacting these water and sewer systems. With scarce local resources available, the need to explore and implement new partnerships will be critical to achieving long-term sustainability. Protecting public health, complying with increasing regulatory standards, building capacity for economic development opportunities and building system sustainability are the key objectives of this request.

Provide financial assistance to eligible water and sewer systems, through a competitive process, to encourage regionalization. Such assistance, in the form of grants, would be used to support planning and feasibility studies or infrastructure improvement projects that are necessary to implement sustainable, regional infrastructure solutions.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.