



# South Carolina Transportation Infrastructure Bank

Ways and Means Transportation &  
Regulatory Subcommittee Budget  
Hearing

FY2024-2025 Appropriations Budget

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House Ways and Means Transportation & Regulatory  
Subcommittee Budget Presentation  
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# Key Officials and Staff

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# Agency Overview

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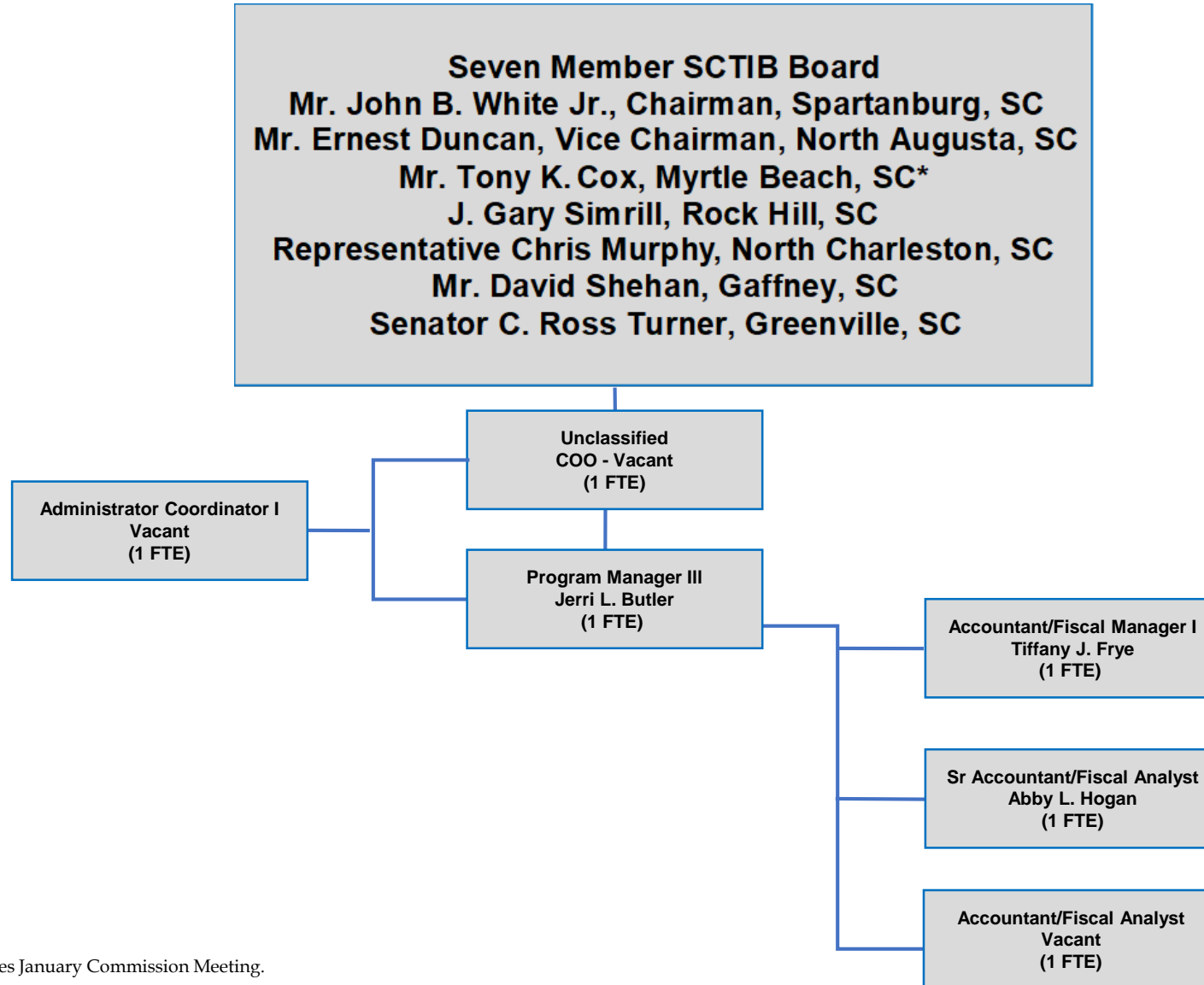
## **Agency Mission**

The corporate purpose of the South Carolina Transportation Infrastructure Bank (SCTIB) is to select and assist in financing major qualified projects by providing loans and other financial assistance to government units and private entities for constructing and improving highway and transportation facilities necessary for public purposes including economic development.

## **Major Program**

Transportation Infrastructure – Provides funding for major transportation projects with public benefit.

# Organizational Chart



\* SCDOT Chairman position changes January Commission Meeting.

# The S.C. Transportation Infrastructure Bank Accountability Report Summary

The funding sources dedicated to the South Carolina Transportation Infrastructure Bank (SCTIB / the Bank) by the General Assembly, such as truck registration fees, motor vehicle registration fees, electric wholesale power tax and one cent of the gasoline fuel fees, have been used to provide financial assistance to more than \$6.9 billion in highway road and bridge projects since 1997.

Issuing bonds for major road construction completes the projects much sooner than with pay-as-you-go funding, thus increasing safety and mobility to the motoring public and improving economic development opportunities.

The success of the Bank is due to partnerships with counties, municipalities, and the South Carolina Department of Transportation (SCDOT). These entities are the applicants to the Bank, and often provide a significant amount of funding to the projects.

The Bank is unique in that it has the ability to issue Revenue Bonds as well as General Obligation Bonds subject to certain approvals. General Obligation Bonds are backed by the "full faith and credit" and subject to the State's constitutional general obligation debt ceiling. The Bank's Revenue Bonds are not backed by the "full faith and credit" and do not count against the State's general obligation debt ceiling. The legislatively dedicated revenue sources received by the Bank, certain loan repayments and some local project contributions are considered revenue that qualify to be pledged to the repayment of the Bank's Revenue Bonds.

## Recent Developments:

### July 7, 2020

Bank received twelve applications, ranging from rural counties to large counties and from small projects of about \$25 million to larger projects over \$100 million. The following projects were approved for financial assistance by the Bank Board, SCDOT and JBRC:

- Greenville County, Woodruff Road Project. A grant in the amount of \$49 million.
- York County, I-77, Exit 85 Project. A grant in the amount of \$42 million.
- York County, I-77, Exit 82 Project. A grant in the amount of \$32 million.
- Beaufort County, U.S. 278 Project. A grant in the amount of \$120 million.
- Charleston County, Main and Bohicket Road Project. A grant in the amount of \$41 million
- City of Charleston, Phase 5 of the U.S. 17/Septima Clark Project. A grant in the amount of \$22 million.
- Jasper County/Town of Hardeeville, Exit 3, I-95 Project. A grant in the amount of \$28 million and loan of \$28 million.

The total approved payouts from the Bank for these projects is \$362 million.

### March 24, 2021

Board approved Evaluation Committee's proposal to adopt Rural Project Program and Application. Highlights include identifying a rural project as a project in a county with a population of 115,000 or less, an amendment to the Bank's Guidelines that would set a specific dollar amount or percentage of available funds for rural project applications, lowers the local match amount required by the Bank's policies, and allows a rural applicant to combine no more than five related component projects to meet the statutory minimum total project cost requirement of \$25 million if the component projects have a common transportation purpose and are in close proximity to each other. This program is under review by the JBRC subcommittee.

# The S.C. Transportation Infrastructure Bank Accountability Report Summary cont

## June 2021

Fitch Ratings upgraded the Bank's Revenue Bond rating to 'A+', from 'A', revising the Bank's outlook to positive. The upgrade reflects the Bank's relatively strong revenue performance throughout the pandemic and stewardship of its resources. The upgrade also reflects Fitch's view that the Bank's pledged revenue stream has become broader and less volatile over time. This is due in part to the State's expanding economic base and statutory measures taken by the State.

## July 7, 2021

Series 2021 Revenue Refunding Bonds were issued. The 2021 Series was a combination of Series 2021A and Series 2021B Bonds. Series 2021A proceeds were used to refund the outstanding Bank Revenue Refunding Bonds, Series 2012A, and Series 2021B proceeds were used to refund the Bank's Revenue Refunding Bonds, Series 2003B, which terminated the Interest Rate Exchange Agreement.

## December 2021

The South Carolina Department of Transportation (SCDOT) defeased the U.S. 17, Cooper River Bridge, and Multi-Project outstanding loans in advance of their stated maturity date, and SCDOT deposited into an irrevocable escrow the amount of money deemed necessary to fully repay all of the remaining payments.

## September 8, 2022

The Bank Board approved the implementation of the Rural Application Process that included:

- The option to set aside a certain dollar amount or establish a specific percentage to be awarded to "rural" projects.
- A Rural project was defined as a county with a population of less than 115,000. Senator Leatherman and the members of the Evaluation Committee supported this definition.
- Authorized additional flexibility for the bundling of projects if they have common attributes.

## October 18, 2022

Bank received twelve applications, ranging from rural counties to large counties and from small projects of about \$25 million to larger projects over \$100 million. The following projects were approved for financial assistance by the Bank Board, SCDOT and JBRC:

- City of Aiken, Whiskey Road Connector Project - A grant in the amount of \$21 million.
- Charleston County, SC 41 Project. A grant in the amount of \$62 million.
- Greenwood County, SC Hwy 246 Project. A grant in the amount of \$38 million.
- York County, I-77, Exit 90 Project. A grant in the amount of \$64 million.

The total approved payouts from the Bank for these projects is \$185 million.

## October 17, 2023

Bank received twelve applications, ranging from rural counties to large counties and from small projects of about \$25 million to larger projects over \$100 million. The following project was approved for financial assistance by the Bank Board, and SCDOT. The JBRC will review the project at their next meeting scheduled for January 24, 2024:

- Pickens County, SC 183 Widening Project - A grant in the amount of \$44.7 million.

# The S.C. Transportation Infrastructure Bank Accountability Report Summary cont

October 24, 2023

Fitch upgraded the SCTIB's bond rating to 'AA-' from 'A+' which reflects a solid expansion of system revenues since 2020 that has boosted year over year revenue growth to levels approaching, and occasionally above, U.S. GDP growth. The upgrade also factors in management's stated intention to reduce leverage by cash-funding its latest five-year capital plan, which runs through 2028.

Moody's reported the SCTIB bond rating has stayed the same (Aa3) remaining a stable outlook which is consistent with the state's outlook and is supported by the likelihood the state will continue to ensure that pledged revenue provides adequate debt service coverage, in view of SCTIB's pivotal role in financing large transportation infrastructure projects.

Bank's financial assistance capacity has grown over time due to the following:

- Actual revenues coming in higher than forecast over time;
- Project costs sometimes coming in below preliminary estimates;
- Project expenditures being slower than originally estimated;
- Revenue bond principal being paid down annually; and
- Interest rates lower than projected.

Capacity is not reduced by certain creditworthy project loans and may be increased by those loans if certain conditions are met\*:

- Rating agencies must affirm at least an 'A' credit rating for the underlying revenue source to be pledged as a series payment for Revenue Bonds;
- The underlying revenue source must provide at least 1.20x historical coverage over the series payment; and
- Payments may be derived from a hospitality fee, toll, franchise fee, or other available revenue sources, which do not involve a state tax.

\*Series Payment requirements found in Master Bond Resolution of Bank



# U150 Transportation Infrastructure Bank Financial Update

	FY 22-23 Budget		FY 22-23 Actual		FY 23-24 Budget		FY 24-25 Proposed	
	TOTAL FUNDS	GENERAL FUNDS	TOTAL FUNDS	GENERAL FUNDS	TOTAL FUNDS	GENERAL FUNDS	TOTAL FUNDS	GENERAL FUNDS
<b>I. ADMINISTRATION</b>								
PERSONAL SERVICE								
CLASSIFIED POSITIONS	410,750		327,042		410,750		515,000	
	(6)		(6)		(6)		(6)	
OTHER PERSONAL SRVCS	25,000		29,278		25,000		25,000	
TOTAL PERSONAL SRVC	435,750		356,321		435,750		540,000	
	(6)		(6)		(6)		(6)	
OTHER OPERATING EXP								
OTHER OPERATING EXP	685,650		304,057		685,650		548,000	
DEBT SERVICE								
SPECIAL ITEMS:								
TRANSPORTATION INFRA	124,936,870		64,948,322		124,936,870		124,936,870	
TOTAL SPECIAL ITEMS	124,936,870		64,948,322		124,936,870		124,936,870	
TOTAL ADMINISTRATION	126,058,270		65,608,699		126,058,270		126,024,870	
	(6)		(6)		(6)		(6)	
<b>II. EMPLOYEE BENEFITS</b>								
EMPLOYER CONTRIB	181,600		125,450		181,600		215,000	
TOTAL FRINGE BENEFITS	181,600		125,450		181,600		215,000	
TOT EMPLOYEE BENEFITS	181,600		125,450		181,600		215,000	
TOTAL FUNDS AVAILABLE	126,239,870		65,734,149		126,239,870		126,239,870	
TOTAL AUTH FTE POSITIONS	(6)		(6)		(6)		(6)	

# Prioritized Budget Request

## FY 24-25 Prioritized Budget Request Summary

### SC Transportation Infrastructure Bank

BUDGET REQUESTS				FUNDING					FTEs			
Priority	Request Type (recurring, non-recurring, capital)	Request Title	Brief Description	General - Recurring	General - Nonrecurring	Other	Federal	Total	State	Other	Federal	Total
N/A*								0				0.00
<b>TOTAL BUDGET REQUESTS</b>				\$ -	\$ -	\$ -	\$ -	\$ -	0.00	0.00	0.00	0.00

\*Refer to page 15 for details

# Budget Request Summary Submitted to EBO

Agency Name:	Infrastructure Bank Board		
Agency Code:	U150	Section:	85



Fiscal Year FY 2024-2025

Agency Budget Plan

## FORM A - BUDGET PLAN SUMMARY

<b>OPERATING REQUESTS</b> (FORM B1)	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>NON-RECURRING REQUESTS</b> (FORM B2)	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>CAPITAL REQUESTS</b> (FORM C)	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>PROVISOS</b> (FORM D)	For FY 2024-2025, 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.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
<b>PRIMARY CONTACT:</b>	Jeri Butler	(803) 737-1225	butlerj@scdot.org
<b>SECONDARY CONTACT:</b>	Tiffany Frye	(803) 737-2845	fryetj@scdot.org

I have reviewed and approved the enclosed FY 2024-2025 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

<b>SIGN/DATE:</b>	<i>Jerry L. Butler</i>	<i>John B. White, Jr.</i>
	<b>TYPE/PRINT NAME:</b> Jerry L. Butler, CFO	<b>Board or Commission Chair:</b> John B. White, Jr., Chairman

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

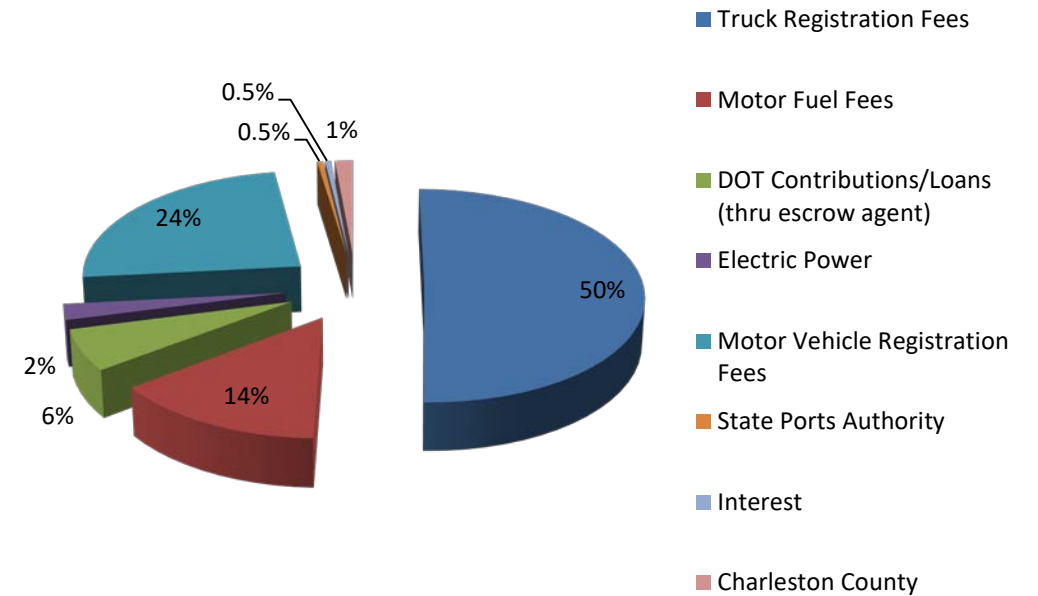
# 2025 Proviso Requests

Transportation and Regulatory Subcommittee Proviso Request Summary						
FY 23-24 Proviso #	Renumbered FY 24-25 Proviso #	Proviso Title	Short Summary	FY of Proviso Introduction/ # of years in budget	Recommended Action	Proviso Language
85.1	85.1	IBB: Board Meeting Coverage	Requires live-streaming, recording, and archival of Board meetings on the South Carolina Transportation Infrastructure website.	FY19 / 6 years	NO CHANGE	Of the funds authorized for the State Transportation Infrastructure Bank Board, the Bank must provide live-streamed coverage of all Board meetings to ensure transparency and access for the public. The board meetings shall be recorded and archived and made available on the South Carolina Transportation Infrastructure Bank's website.

# South Carolina Transportation Infrastructure Bank Act Budget Request Additional Information

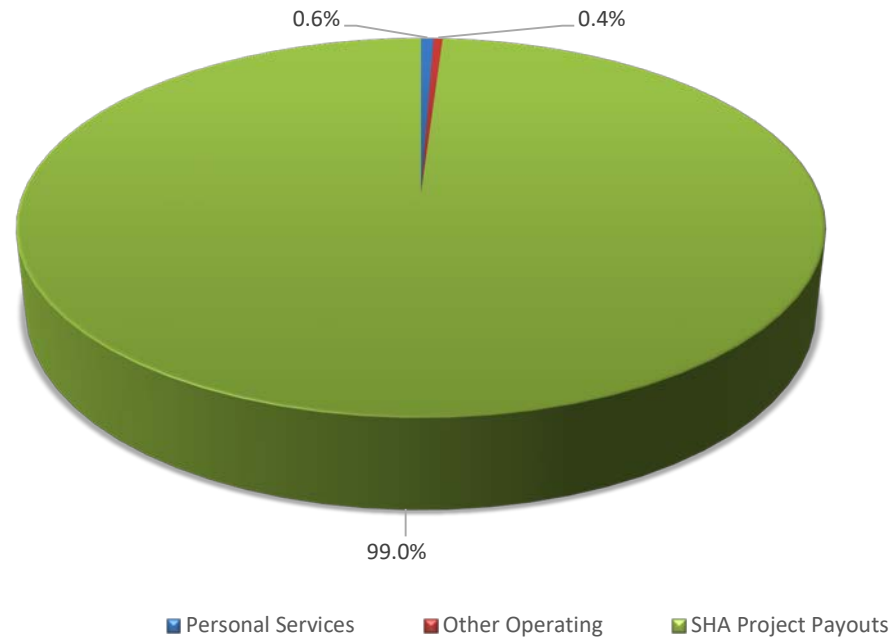
## FY2024-25 Projected Revenues

Truck Registration Fees	50%	\$ 104,882,376
Motor Fuel Fees	14%	29,746,783
DOT Contributions/Loans (thru escrow age	6%	12,979,751
Electric Power	2%	4,966,972
Motor Vehicle Registration Fees	24%	50,424,405
State Ports Authority	0.5%	1,000,000
Interest	0.5%	1,000,000
Charleston County	1%	3,000,000
	100%	\$ 208,000,287



# South Carolina Transportation Infrastructure Bank Act Budget Request Additional Information cont

## FY2024-25 Projected Expenditures



# South Carolina Transportation Infrastructure Bank Act Budget Request Additional Information cont

## U150 2024-2025 Proposed Appropriations Budget Details

Fund Number	Program	Program Title	Commitment Item	Commitment Item Title	FY2024-25 Proposed Budget Amount	FY2023-24 Budget Amount	Change from Prior Year Budget	% Change
46339000	01010000	Administration	501058	Personal Services <sup>(1)</sup>	\$ 540,000	\$ 435,750	\$ 104,250	19%
46339000	95050000	Employer Contributions	513000	Employer Contributions <sup>(1)</sup>	\$ 215,000	\$ 181,600	\$ 33,400	16%
46339000	01010000	Administration	512001	Other Operating Expenditures <sup>(2)</sup>	\$ 548,000	\$ 685,650	\$ (137,650)	-25%
46339000	01050000	Transportation Infrastructure	561000	Project Expenditures <sup>(3)</sup>	\$ 124,936,870	\$ 124,936,870	\$ -	0%
					\$ 126,239,870	\$ 126,239,870		

**Project Notes:**

- (1) Personnel Services - In FY 2023 two staff retired and one staff hired. In FY 2024 two staff will be hired which includes an executive position, and there was a 5% cost of living raise for state employees.
- (2) Other Professional Service decreased due to IT contract employee and Consultant employee no longer contracted.
- (3) Estimated project payouts for FY2025 from current project schedule with contingency for newly approved projects.