



South Carolina Transportation Infrastructure Bank

Ways and Means Transportation &
Regulatory Subcommittee Budget
Hearing

FY2022-2023 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

Agency Mission

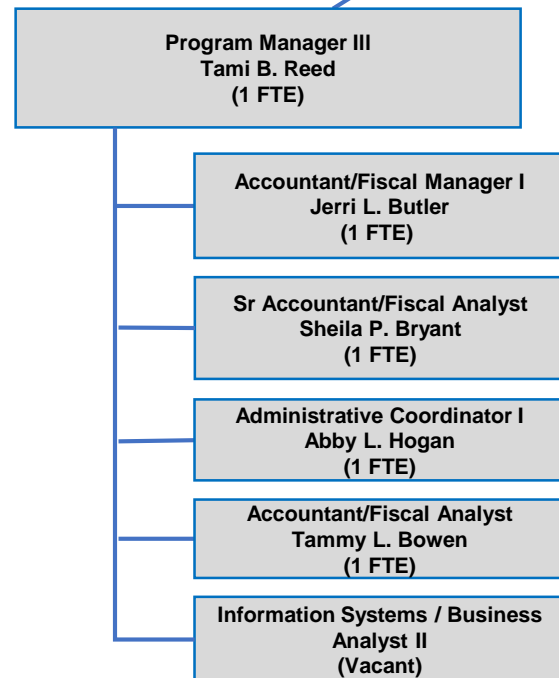
The corporate purpose of the South Carolina Transportation Infrastructure Bank (SCTIB) is to select and assist in financing major qualified projects by providing loans and other financial assistance to government units and private entities for constructing and improving highway and transportation facilities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

Major Program

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

Organizational Chart

Seven Member SCTIB Board
Mr. John B. White Jr., Chairman, Spartanburg, SC
Mr. Ernest Duncan, Vice Chairman, North Augusta, SC
Mr. J. Barnwell Fishburne, Walterboro, SC*
H.B. "Chip" Limehouse, III, Charleston, SC
Representative J. Gary Simrill, Rock Hill, SC
Mr. David Shehan, Gaffney, SC
Senator C. Ross Turner, Greenville, SC



* 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 \$5.9 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:

September 26, 2019

Rating Action: Moody's upgrades the Bank's Revenue Bond Credit Rating to Aa3 from A1; outlook stable.

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 \$40 million
- City of Charleston, Phase 5 of the U.S. 17/Septima Clark Project. A grant in the amount of \$21 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 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 due to the State's expanding economic base and statutory measures taken by the State.

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 20-21 Budget *		FY 20-21 Actual		FY 21-22 Budget		FY 22-23 Proposed	
	TOTAL FUNDS	GENERAL FUNDS	TOTAL FUNDS	GENERAL FUNDS	TOTAL FUNDS	GENERAL FUNDS	TOTAL FUNDS	GENERAL FUNDS
I. ADMINISTRATION								
PERSONAL SERVICE CLASSIFIED POSITIONS	400,000		281,971		400,000		415,750	
	(6)		(6)		(6)		(6)	
OTHER PERSONAL SRVCS	25,000		0		25,000		20,000	
TOTAL PERSONAL SRVC	425,000		281,971		425,000		435,750	
	(6)		(6)		(6)		(6)	
OTHER OPERATING EXP								
OTHER OPERATING EXP	282,870		511,053		538,870		685,650	
DEBT SERVICE								
SPECIAL ITEMS:								
TRANSPORTATION INFRA	130,090,000		11,630,450		125,090,000		124,936,870	
TOTAL SPECIAL ITEMS	130,090,000		11,630,450		125,090,000		124,936,870	
TOTAL ADMINISTRATION	130,797,870 *		12,423,474 *		126,053,870		126,058,270	
	(6)		(6)		(6)		(6)	
II. EMPLOYEE BENEFITS								
EMPLOYER CONTRIB	178,000		101,701		178,000		181,600	
TOTAL FRINGE BENEFITS	178,000		101,701		178,000		181,600	
TOT EMPLOYEE BENEFITS	178,000		101,701		178,000		181,600	
TOTAL FUNDS AVAILABLE	130,975,870		12,525,175		126,231,870		126,239,870	
TOTAL AUTH FTE POSITIONS	(6)		(6)		(6)		(6)	
Capital Expenditures			55,774,892					
Total Expenditures			68,300,067					

*Per Executive Budget Office Based Used

Prioritized Budget Request

FY 22-23 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
1	B1 - Recurring	Adjustment to estimated expenditures				8,000*		8,000				0.00
TOTAL BUDGET REQUESTS				\$ -	\$ -	\$ 8,000	\$ -	\$ 8,000	0.00	0.00	0.00	0.00

*Refer to page 16 for details

Budget Request Summary Submitted to EBO

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



Fiscal Year FY 2022-2023
Agency Budget Plan


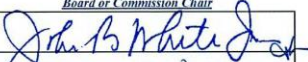
FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2022-2023, my agency is (mark "X"):	
	<input 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 2022-2023, 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.
CAPITAL REQUESTS (FORM C)	For FY 2022-2023, 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 2022-2023, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
		<input checked="" type="checkbox"/> Not requesting any proviso changes.

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

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Tami B. Reed	(803) 737-2875	reedtb@scdot.org
SECONDARY CONTACT:	Jerri Butler	(803) 737-1225	butlerjrj@scdot.org

I have reviewed and approved the enclosed FY 2022-2023 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:	 9/24/21	 9/24/21
TYPE/PRINT NAME:	Tami Reed	John B. White Jr.

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

Budget Request Summary Submitted to EBO cont

<u>Agency Name:</u>	Infrastructure Bank Board
Agency Code:	U150
Section:	85

<u>BUDGET REQUESTS</u>			<u>FUNDING</u>					<u>FTES</u>				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Adjustment to estimated expenditures	0	0	0	8,000	8,000	0.00	0.00	0.00	0.00	0.00
TOTALS			0	0	0	8,000	8,000	0.00	0.00	0.00	0.00	0.00

Budget Request Summary Submitted to EBO cont

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

FORM BI – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Adjustment to estimated expenditures
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$8,000 Total: \$8,000
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What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input 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
	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
	Government and Citizens	

ACCOUNTABILITY OF FUNDS	2.1 Review financial capacity - Adjust estimates annually in order to accomplish the Agency's goal to maximize funding for major projects. Evaluated using Financial Reports and the Financial Advisors Business Plan.
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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?

RECIPIENTS OF	N/A
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Budget Request Summary Submitted to EBO cont

FUNDS	
<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 predetermined eligibility criteria?</i>	
JUSTIFICATION OF REQUEST	<ul style="list-style-type: none">■ Twelve potential applicants submitted applications for financial assistance with seven unanimously approved for financial assistance by the Bank Board in July 2020.■ Increased staff size from three to five employees and 2.5% cost of living pay increases for all state employees.
<i>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.</i>	

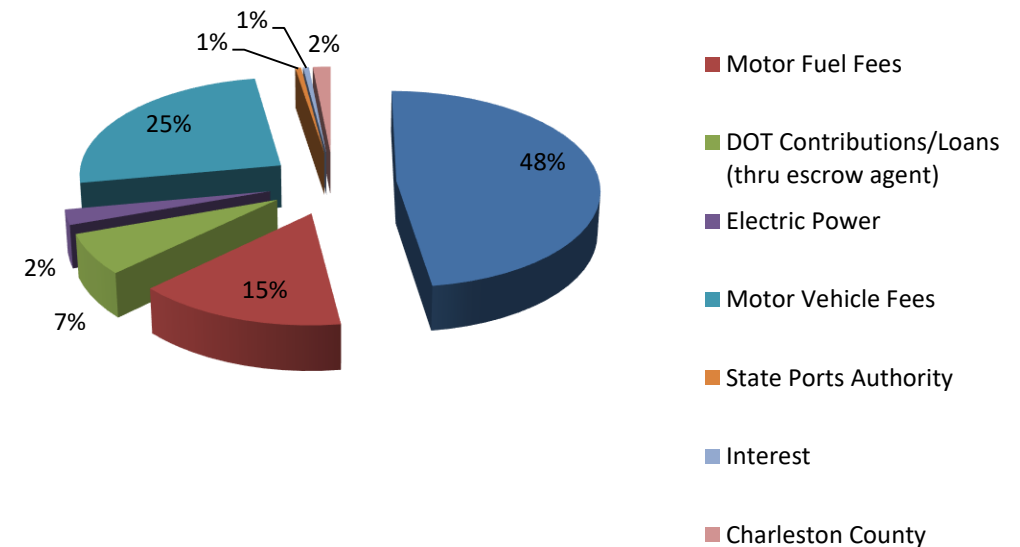
2023 Proviso Requests

Transportation and Regulatory Subcommittee Proviso Request Summary						
FY 21-22 Proviso #	Renumbered FY 22-23 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 / 4 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

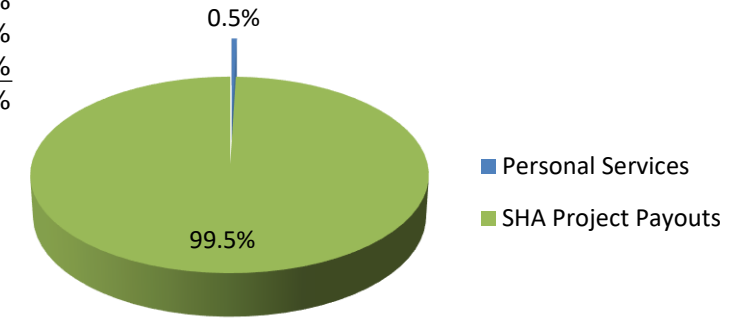
FY2022-23 Projected Revenues

Truck Fees	48%	\$ 92,387,149
Motor Fuel Fees	15%	29,200,000
DOT Contributions/Loans (thru escrow agent)	7%	12,979,751
Electric Power	2%	4,821,250
Motor Vehicle Fees	25%	48,945,041
State Ports Authority	1%	1,000,000
Interest	1%	1,000,000
Charleston County	2%	3,000,000
	100%	\$ 193,333,191



Prioritized Budget Request Details

Fund Number	Program	Program Title	Commitment Item	Commitment Item Title	Proposed Budget Amount	Change from 2021-2022 Budget	% Change
46339000	01010000	Administration	501058	Personal Services	\$ 435,750	\$ 10,750	2.47%
46339000	95050000	Employer Contributions	513000	Employer Contributions	\$ 181,600	\$ 3,600	1.98%
46339000	01010000	Administration	512001	Other Operating Expenditures	\$ 685,650	\$ 146,780	21.41%
46339000	01050000	Transportation Infrastructure	561000	Project Expenditures	\$ 124,936,870	\$ (153,130)	-0.12%
					\$ 126,239,870	\$ 8,000	0.01%



Project Notes:

- (1) DOT Transfer - FY2022 is final year for Multi-Project Agreement
- (2) DOT Transfer Payments for Cooper River Bridge continue thru 2027 (thru escrow agent*)
- (3) DOT Transfer - FY2022 is final year for Multi-Project Agreement Substitution Payments
- (4) DOT payments on US 17 loan continue thru 2037 (thru escrow agent*)
- (5) Horry County Loan payments (by Escrow Agent) end 12/31/2021
- (6) Act 98 expenditures end FY22
- (7) Bond Proceeds can only be used for projects under construction at the time of 2019A Series issue. Proceeds are added to appropriations budget when drawn down. Number is estimate for information only.

*SCDOT defeased current loans for Cooper River Bridge, Multi-Project, and U.S. 17 projects on December 2, 2021.