

AGENCY NAME:	Rural Infrastructure Authority		
AGENCY CODE:	P45	SECTION:	054



Fiscal Year 2014-15 Accountability Report


SUBMISSION FORM

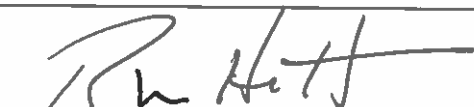
AGENCY MISSION	The mission of the Rural Infrastructure Authority (RIA) is to assist in financing qualified infrastructure projects that protect the public health, comply with environmental quality standards and support economic opportunities.
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Please identify your agency's preferred contacts for this year's accountability report.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Bonnie Ammons	803-737-0226	bammons@ria.sc.gov
SECONDARY CONTACT:	Chris Huffman	803-737-0462	chuffman@sccommerce.com

I have reviewed and approved the enclosed FY 2014-15 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN/DATE): (TYPE/PRINT NAME):	 Bonnie Ammons	9/14/15
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BOARD/CMSN CHAIR (SIGN/DATE): (TYPE/PRINT NAME):	 Robert M. Hitt III	9/14/15
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AGENCY’S DISCUSSION AND ANALYSIS

Performance Results

The Rural Infrastructure Authority (RIA) partners with communities to make investments in infrastructure (water, wastewater and storm water facilities) designed to protect the public health, address environmental quality standards and prepare for economic opportunities. RIA assistance helps close financial gaps for areas most in need of reliable infrastructure. Following is a summary of accomplishments for Fiscal Year (FY) 2015:

- The Board of Directors (Board) approved 44 new grants in 28 counties totaling \$14,208,762.
- The grants awarded will impact more than 29,604 customers and result in 980 new jobs.
- About 70% of RIA funding was awarded for projects in distressed or least developed counties, also defined as Tier III and IV counties by the SC Department of Revenue (DOR).
- Approximately 56% of funds awarded will address basic infrastructure with health and environmental quality concerns while 44% will be used to build or improve economic infrastructure.
- RIA funds leveraged more than \$32.7 million dollars from local and other resources.

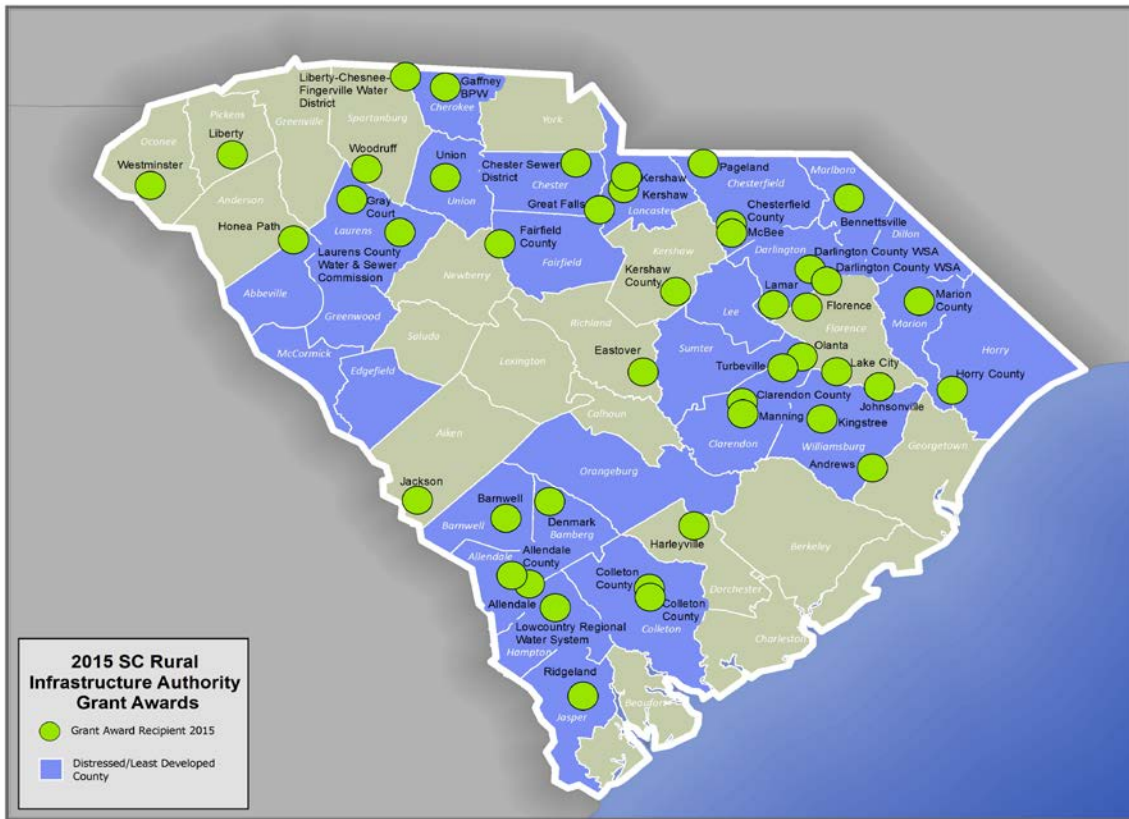


Figure 1: FY 15 RIA Grants Awarded by Location

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The RIA also serves as a resource for rural and distressed areas by providing outreach and technical assistance and building capacity to address infrastructure needs. Since February 2013, 200 applications totaling nearly \$60 million in funding requests were received and 117 projects totaling almost \$36 million were awarded. RIA funds have leveraged \$130 million in additional infrastructure investments. These projects contribute to making reliable infrastructure available to more than 75,000 residential customers and 3600 business customers. These infrastructure investments are designed to improve the quality of life, increase community sustainability and boost opportunities to create economic impact.

Program Efforts

Financial assistance for qualified rural infrastructure projects is made available to eligible applicants in two competitive funding rounds which offer multiple opportunities to access funds. Funds are distributed through two program categories that are consistent with the agency mission and goals:

- **Basic Infrastructure** – address environmental concerns and public health issues.
- **Economic Infrastructure** – build local capacity to support economic development.

Project Selection and Grants Management

The RIA Board has established a process for the submission of applications and selection of projects to be funded (see chart at right.) The process involves technical assistance to potential applicants, preparation of a user-friendly application, and prioritization of requests based on published criteria for need, feasibility and impact. The RIA Board makes all funding decisions and applicants are notified of the results.

A grant agreement is issued for approved grants specifying the grant amount, the scope of the project and an 18 month grant period for completing the project. The grant agreement includes terms to ensure accountability for public funds including financial management, audits, procurement, contracts, reports, and record-keeping. The staff tracks progress and monitors all expenditures. RIA staff is assigned projects to provide technical assistance throughout the grant period.



Figure 2: RIA Project Selection Process

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Opportunities and Challenges: Factors Impacting Performance

The SC Rural Infrastructure Act (Act) defines an eligible project as one that is primarily located in distressed and least developed counties based on the 2009 Jobs Tax Credit Act or in a county with a project that otherwise meets these criteria. Eligible counties are based on the SC Department of Revenue’s (DOR) designation of Tier III and IV counties.

While the RIA targets funding for projects in distressed and least developed counties, the Board approved the qualification of projects in other areas including distressed census tracts located outside of urban areas or projects which share a service area with a currently approved US Department of Agriculture Rural Development (RD) infrastructure grant or a State Community Development Block Grant (CDBG) infrastructure grant. This expanded definition of distressed areas determines where financial assistance can be provided.

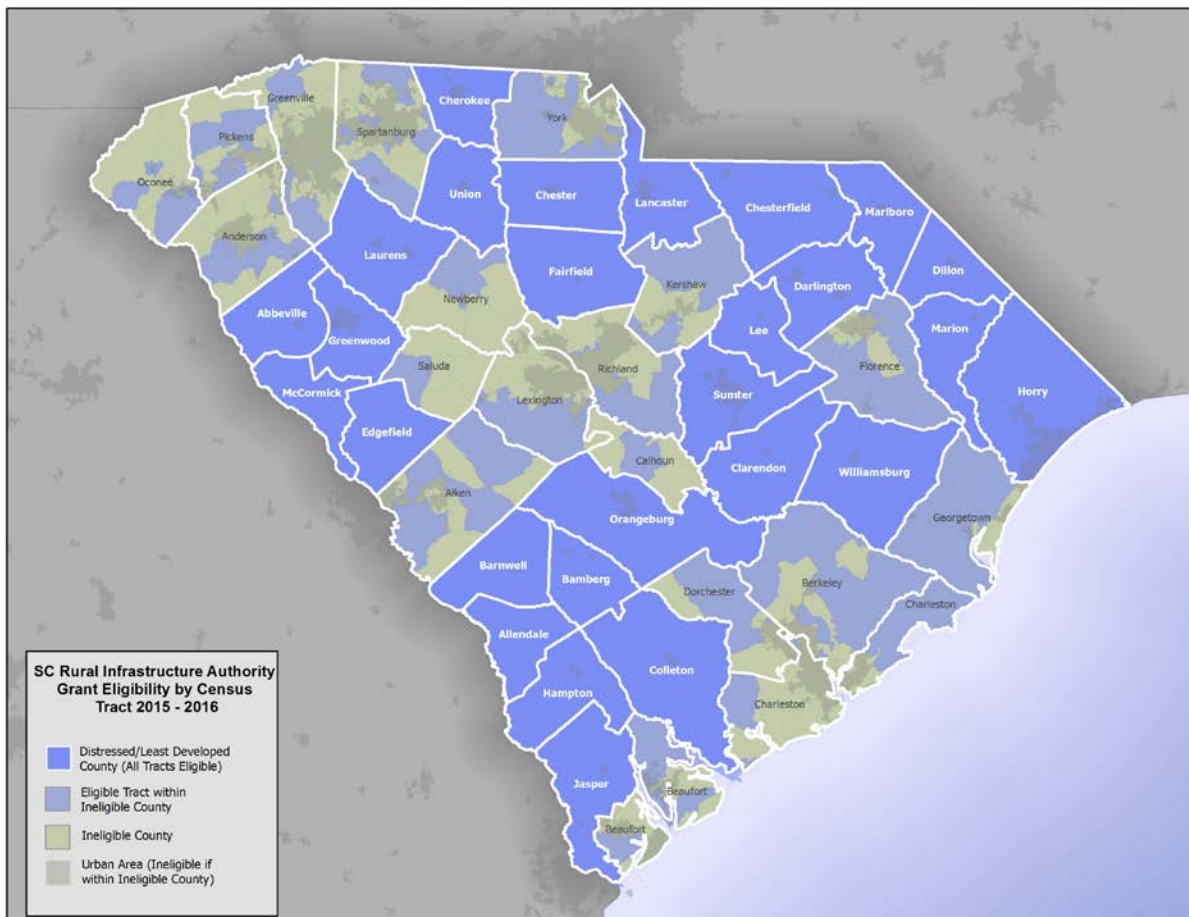


Figure 3: RIA Eligible Counties and Census Tracts

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The RIA offers multiple opportunities to access funding resources for infrastructure improvements to address environmental concerns and economic opportunities. Because applications are generated at the local level, performance measures can be impacted by the number, type, location and quality of application requests that are received annually. Similarly, although it is recognized that leveraging increases overall impact, there is limited ability for distressed areas to generate additional funding for infrastructure.

During the creation of the RIA, the General Assembly recognized the following challenges to rural development and opportunities for additional financial mechanisms to fill the gaps as follows:

- Adequate infrastructure is an essential element in promoting economic growth and development that will provide jobs for the citizens of South Carolina.
- Traditional infrastructure financing methods cannot generate the resources necessary to fund the cost of rural infrastructure which are required for economic development.
- Providing additional methods of financing rural infrastructure, when combined with existing financing sources and methods, will allow the State to address its rural infrastructure needs in a more timely and responsive manner.

One of the RIA’s strategies is to serve as a resource for rural areas, whether for technical or financial assistance, to address infrastructure needs. Information about all available resources is communicated to stakeholders through electronic outreach, workshop presentations and other media. Three application workshops were held during the year and more than 220 participants were trained. In addition, one-on-one project development assistance is provided to potential applicants while current grantees receive help with administration and management of approved grants. While there will be an ongoing need for training, the number served will become less as familiarity with the programs increase.

Another key strategy involves improved coordination with other state and federal funding sources for community and economic development. The SC Infrastructure Funders Coordinating Committee, which is comprised of representatives from federal and state agencies, meets on a regular basis to address funding gaps for projects, discuss ways to avoid duplication and streamline procedures, wherever feasible. A “one-stop” project development approach was developed to help applicants identify appropriate resources for proposed projects. RIA also works with other state agencies on common goals and shares technical and administrative resources to ensure effective and efficient services are provided. By taking a collaborative approach and building partnerships, limited resources can be leveraged and maximized for the greatest return on investment.

Agency Organization and Future Changes

The RIA is governed by a Board of Directors (Board) that includes six members who reside in or represent distressed and/or least developed counties. The Secretary of the SC Department of Commerce serves as Chairman. Through a strategic planning process, the Board develops an annual strategy for addressing rural infrastructure needs. The Board establishes programs, sets priorities, selects qualified projects to receive grant funds and reviews performance.

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The RIA has an Executive Director and three full time staff. In order to foster administrative collaboration, RIA contracts with the SC Department of Commerce to provide office space, legal, financial and human resources services. In addition, RIA has an agreement with the SC Department of Health and Environmental Control to share technical services. These agreements allow for more efficient use of staff and resources available to the RIA.

The Restructuring Act of 2014 transferred the Office of Local Government within the SC Budget and Control Board to the RIA effective July 1, 2015. The RIA will be working statewide to assist stakeholders through grant and loan resources for infrastructure. Accordingly, the agency will be comprised of two offices – the Office of Rural Grants, which awards competitive state grants to rural areas in need, and the Office of Local Government, which manages the financial and loan components of the two federally capitalized State Revolving Funds (SRF) for Drinking Water and Clean Water (sewer). The SRF loan programs are available statewide. The State Fiscal Accountability Authority is the governing body for SRF financial policies and agreements.

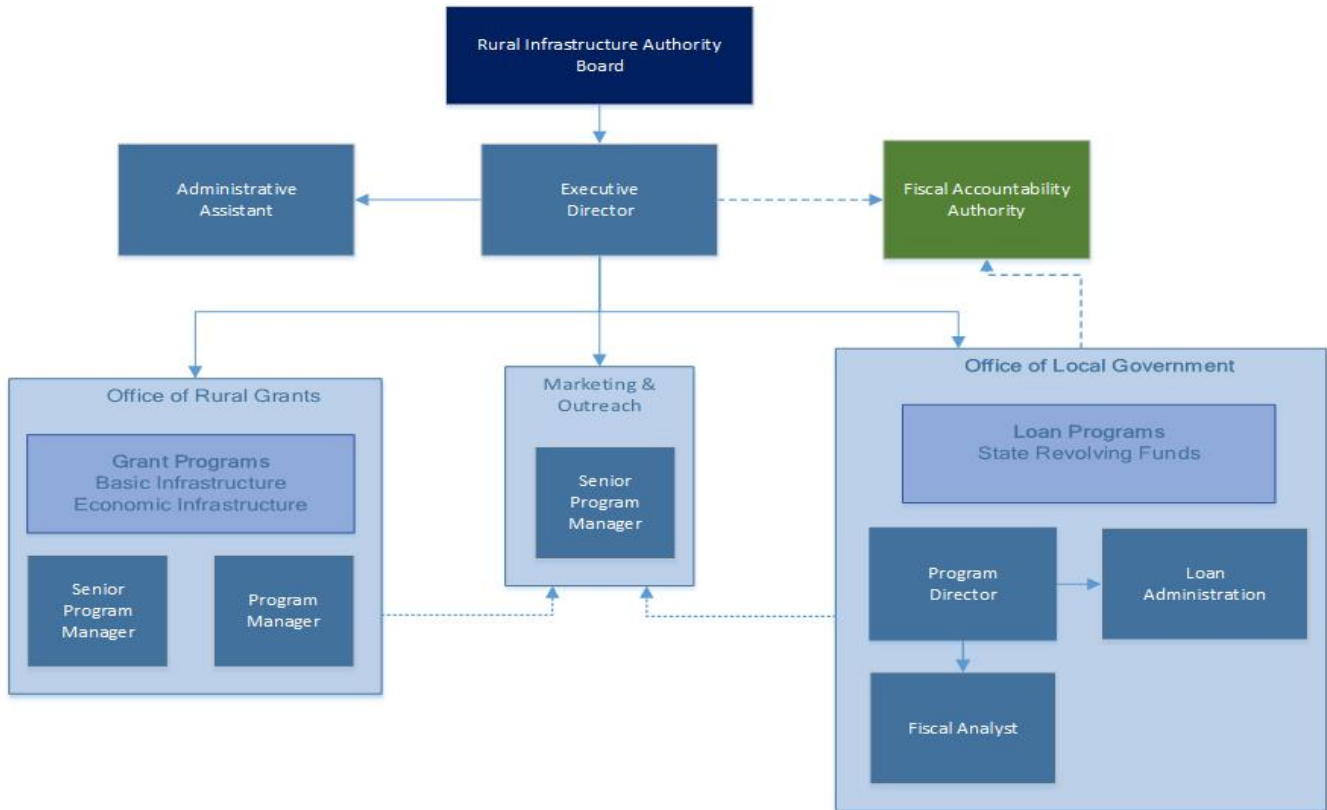


Figure 4: RIA Organizational Chart

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Program Template

Program/Title	Purpose	<u>FY 2013-14 Expenditures</u>				<u>FY 2014-15 Expenditures</u>				Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
I. Administration	Administer RIA Programs and Operations	\$ 20,391	\$ 436,868		\$ 457,259	\$ 6,434,133	\$ 3,309,699		\$ 9,743,832	3.1.1; 3.1.2; 3.2.1; 3.2.2; 3.2.3
II. Rural Infrastructure Fund	Assist with financing qualified rural infrastructure projects	\$ 2,219,032			\$ 2,219,032	\$ 499	\$ 474,429		\$ 474,928	1.1.1; 1.1.2; 1.1.3; 1.2.1; 1.2.2; 1.2.3; 1.3.1; 1.3.2.; 2.1.1; 2.1.2; 2.2.1; 2.2.2
TOTALS		\$ 2,239,423	\$ 436,868		\$ 2,676,291	\$ 6,434,632	\$ 3,784,128		\$ 10,218,760	
					\$ -				\$ -	
					\$ -				\$ -	

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Strategic Planning Template

Type	Goal	Item # Strat	Object	Description
G	1			PROVIDE FINANCIAL ASSISTANCE FOR CONSTRUCTING AND IMPROVING PUBLIC INFRASTRUCTURE.
S		1.1		Improve the quality of life through reliable infrastructure for rural residents .
O			1.1.1	Help communities resolve water and sewer environmental and regulatory violations.
O			1.1.2	Address infrastructure impacted by other health and environmental concerns in communities.
O			1.1.3	Improve aging and deteriorating infrastructure serving communities.
S		1.2		Build the infrastructure capacity necessary to support economic opportunities in rural areas.
O			1.2.1	Improve system capacity to support existing and new development.
O			1.2.2	Provide infrastructure assistance to serve publically owned industrial sites.
O			1.2.3	Provide infrastructure support for economic opportunities in rural areas when there are insufficient resources.
S		1.3		Increase community sustainability for eligible areas that are most in need.
O			1.3.1	Target financial assistance to distressed and least developed areas.
O			1.3.2	Offer multiple opportunities to access funds to address needs in a timely manner.
G	2			SERVE AS A RESOURCE FOR OTHER TYPES OF ASSISTANCE TO BUILD RURAL INFRASTRUCTURE CAPACITY.
S		2.1		Use RIA funds to leverage other resources for infrastructure improvements.
O			2.1.1	Coordinate policies and programs on a quarterly basis with other state and federal agencies.
O			2.1.2	Leverage infrastructure investments on a dollar for dollar basis to increase impact.
S		2.2		Provide clients with training and technical assistance in accessing resources and implementing projects.
O			2.2.1	Hold workshops to train potential applicants and grantees annually.
O			2.2.2	Conduct outreach and technical assistance as needed for applicants, grantees and stakeholders.
G	3			MANAGE AGENCY ASSETS IN AN EFFECTIVE AND EFFICIENT MANNER TO ACHIEVE OBJECTIVES.
S		3.1		Implement the policies of the Board of Directors.
O			3.1.1	Conduct annual strategic planning and make resources available to address infrastructure needs.
O			3.1.2	Perform annual evaluation of performance.
S		3.2		Allocate and manage resources to achieve goals.
O			3.2.1	Maintain qualified staff to implement agency programs.
O			3.2.2	Conduct monthly budget and expenditure reviews.
O			3.2.3	Enter into shared services contracts where appropriate.

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Item	Performance Measure	Last Value	Current Value	Target Value	July 1-June 30	Data Source/Availability	Report Freq	Performance Measurement Template	
								Calculation Method	Associated Objective(s)
1	Total Grants awarded	\$11,961,089	\$14,208,762	\$12,000,000	July 1-June 30	RIA grant requests	annual	Actual value of approved grant requests	1.1.1; 1.1.2; 1.1.3; 1.2.1; 1.2.2; 1.2.3; 1.3.1; 1.3.2; 2.1.1; 2.1.2; 2.2.1; 2.2.2; 3.1.1; 3.1.2; 3.2.1; 3.2.2; 3.2.3
2	Customers served by infrastructure improvements	15,694	29,604	20,000	July 1-June 30	RIA grant requests	annual	Based on information provided by grantee	1.1.1; 1.1.2; 1.2.3
3	Communities assisted	42	43	30	July 1-June 30	RIA grant requests	annual	Number of communities assisted through approved grant requests	1.1.1; 1.1.2; 1.1.3; 1.2.1; 1.2.2; 1.2.3; 1.3.2
4	Grants awarded to address health/environmental/regulatory concerns	\$6,768,094	\$7,918,813	\$7,000,000	July 1-June 30	RIA grant requests	annual	Actual value of approved grant requests	1.1.1; 1.1.2; 1.2.3; 1.3.2; 3.1.1
5	Grants awarded to support economic opportunities	\$5,192,995	\$6,289,949	\$5,000,000	July 1-June 30	RIA grant requests	annual	Actual value of approved grant requests	1.2.1; 1.2.2; 1.2.3; 1.3.2; 3.1.1
6	Percentage of funds awarded in distressed and least developed counties (DOR defined Tier III & IV counties)	87%	77%	51%	July 1-June 30	RIA grant requests	annual	Based on approved grant requests in distressed areas as defined by DOR criteria	1.3.1; 3.1.1
7	Customers trained/ technical assists	550	220	150	July 1-June 30	RIA data	annual	Number of participants + number of technical assists	2.2.1; 2.2.2
8	Resources leveraged	\$5.50 to \$1	\$2.73 to \$1	\$1 to \$1	July 1-June 30	RIA grant requests	annual	Actual value of approved grant requests	2.1.2