



LEGISLATIVE OVERSIGHT COMMITTEE

Study of the Rural Infrastructure Authority: Executive Summary

The full report of the Legislative Oversight Committee's study of the Rural Infrastructure Authority (RIA), issued on December 16, 2019, is available on the House Legislative Oversight Committee's [webpage](#).

Finding

The **Committee has one finding** arising from its study of the agency:

Finding

1. The Committee supports legislative action to provide resources to support statewide access to broadband services, including in rural communities.

Recommendations

The **Committee has five recommendations** arising from its study of the agency. All recommendations are to the General Assembly and relate to modernization of laws.

Recommendations to the General Assembly

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.

This removes references to an obsolete program and reflects the duties this division had at the time of its transfer to RIA.

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

This could facilitate agency efforts to assess statewide needs and support regional approaches.

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 Consider removing outdated accounting requirements by repealing S.C. Code of Laws § 1-11-26.

For example, this section requires maintenance of a separate bank account for grant funds, which is no longer required with modern accounting practices.

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).

This replaces the terms "distressed or least developed" with "Tier III or IV," in accordance with related sections of law.

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

Adding this definition makes this section consistent with other laws governing RIA programs.

Purpose of Oversight Study

To determine if agency laws and programs:

are being implemented and carried out in accordance with the intent of the General Assembly



should be continued, curtailed, or eliminated,

the Committee and Subcommittee evaluate:

the application, administration, execution, and effectiveness of the agency's laws and programs;

the organization and operation of the agency;



any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation pertaining to the agency.

S.C. Code Ann. § 2-2-20(B) and (C)

Study Process



Public Input

- 66** Responses to an online public survey
- 3** Constituents testify
- 1** Online comment received

Subcommittee Membership

ECONOMIC DEVELOPMENT, TRANSPORTATION, AND NATURAL RESOURCES SUBCOMMITTEE

The Honorable William M. (Bill) Hixon (chair)
The Honorable Lee Hewitt

The Honorable Mandy Powers Norrell
The Honorable Marvin R. Pendarvis

Study Milestones

MEETINGS

Full Committee	Subcommittee
12/5/18	6/19/19
6/25/19	7/18/19
12/9/19	9/9/19

AGENCY REPORTS

March 2015	Seven-Year Plan Report
September 2018	Annual Accountability Report
April 2019	Program Evaluation Report

Rural Infrastructure Authority

Agency Mission

To assist in financing qualified infrastructure projects that will protect public health, comply with environmental quality standards, and support economic opportunities

Successes

Identified by the agency

History

The Rural Infrastructure Authority was created in 2010 and began operating in 2012, approving its first grants in 2013. The administration of two loan programs was transferred to RIA from the Budget and Control Board in 2015

Organizational Units

Grants • Loans

Major Deliverables (FY 17-18)

- Awarded \$22M in grants
- Closed \$144M in loans
- Assisted 439 local governments with information

Resources (FY 17-18)

Employees

9 filled FTE positions at the end of the year

Funding

\$166,141,450

Includes appropriations and State Revolving Fund expenditures, which are not appropriated

- Using available funds to award \$109.6M in grants and close nearly \$350M in loans since the agency's creation

- Helping to resolve health and environmental concerns, create jobs, and lower utility rates

- Training communities to identify financial resources for infrastructure improvements

Challenges

Identified by the agency

Current:

- Developing expertise in small communities
- Attaining sustainability in communities with inadequate resources to invest in infrastructure
- Addressing resistance to regional approaches

Emerging:

- Planning for future agency leadership
- Identifying funding gaps and coordinating assistance
- Assessing statewide needs

Figure Note: RIA focuses on water infrastructure projects, including water and waste water systems and storm water drainage facilities.

Sources: Agency Program Evaluation Report (April 2019), Accountability Report (September 2018), and website.



Legislative Oversight Committee

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>
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