

The State of South Carolina

Recovery Plan Performance Report 2022



South Carolina

Annual Performance Report 2022

State and Local Fiscal Recovery Funds

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1. General Overview

The State of South Carolina Recovery Plan Performance Report outlines the current progress of State and Local Fiscal Recovery Funds (SLFRF) as of July 29th, 2022. Due to the methodical nature of planning for SLFRF spending in South Carolina and careful consideration of rules and regulations, the report addresses current funding allocations to date. The report will depict SLFRF progress for South Carolina since the Interim Report, and outline program allocations to support and accelerate COVID-19 pandemic recovery.

1.2 Executive Summary

In March 2020, the State of South Carolina promptly responded to the COVID-19 pandemic.¹ In the following months, Governor Henry D. McMaster addressed communities who were facing unprecedented hardship and economic disruption. As early as April 2020, Governor McMaster convened a COVID-19 advisory team, accelerateSC,² to draft recommendations on the CARES Act allocation in late May 2020. To get to these critical recommendations, accelerateSC held five (5) whole-team and ten (10) component-level meetings, which were all open to the public. Each meeting accepted both oral testimony and written recommendations from state leaders and officials from a cross-section of the state, including business, healthcare, education, tourism, state political subdivisions, and public interest organizations.

The accelerateSC team then incorporated this information into its immediate, intermediate, and long-term recommendations.³

Since the declaration of the COVID-19 pandemic emergency, the State of South Carolina has experienced over 18,000 deaths, with an increasingly burdensome number of hospitalizations.⁴ Nevertheless, the State of South Carolina stood strong and prepared to rebound—in September 2021, over half of South Carolinians were vaccinated.⁵

Although the full effects of the pandemic continue to be uncovered across South Carolina, there are clear impacts at the state and local level thus far. For example,

- Broadband accessibility is essential for workers at home and for students in online academic settings. In South Carolina, over 180,000 residents rely on inadequate broadband service as of March 2022.⁶
- Essential water infrastructure in both rural and urban communities is strained beyond capacity. In a recent statewide assessment conducted by the Department of Health and Environmental Control, 21% of South Carolina public utilities required technical assistance for aging systems resulting in over half of those systems receiving major environmental violations in 2021.⁷

- Reliable public health and environmental laboratory testing, and storage facilities have been costly to support. The expansion and construction of a new public health laboratory will reduce processing timelines and enhance capacity.

From broadband to water and sewer infrastructure to public health facilities, South Carolinians deserve critical improvements to their communities to facilitate stronger economic recovery and resilience.

With this goal in mind, South Carolina and local partners carefully considered how to design a COVID recovery based on communities' needs and impacts. Not only has the pandemic created new burdens for local communities' public health management and infrastructure maintenance, but the pandemic economic impacts continue to highlight inequalities that perpetuate within communities and the built environment.

In August 2021, the accelerateSC program published a comprehensive recovery plan that built upon the work published in May 2020, to target COVID-19 and its impacts.⁸ Like the earlier plan, the plan highlighted five key components to recovery: Response, Protection, Governance, Resources, and Information. These core components guide South Carolina recovery efforts and promote safe, reasonable solutions.⁹ The accelerateSC plan also guides State and Local Fiscal Recovery Funds through a series of allocation recommendations. Overall, this plan acts as a catalyst for South Carolina's SLFRF investment.¹⁰

Following the publication of the accelerateSC plan, the State of South Carolina General Assembly convened in January 2022. Based on the recommendations from Governor McMaster and the accelerateSC taskforce, the General Assembly found clarity around State goals and priorities related to COVID-19 recovery. The South Carolina General Assembly is solely responsible for appropriating and authorizing funds for State, other revenues, and federal sources. This responsibility includes the State and Local Fiscal Recovery Funds (SLFRF) from the American Rescue Plan Act of 2021 (ARPA).

The South Carolina General Assembly passed state bill H.4408 on May 10, 2022. Governor Henry McMaster signed the joint resolution on May 13, 2022, and officially adopted the allocations for SLFRF funds. The allocations to be disbursed to the State by H.4408 and from the American Rescue Plan Act of 2021 specify how the funds may be expended.¹¹ The State legislation officially allocated a total of \$1.9 billion SLFRF funds among several South Carolina agencies:

- (1) Department of Transportation;
- (2) Rural Infrastructure Authority;

- (3) Office of Regulatory Staff;
- (4) Department of Health and Environmental Control;
- (5) Office of Resilience; and
- (6) Department of Administration.

The State of South Carolina SLFRF allocations altogether enhance state-wide revitalization of the economy, strengthen local community resilience, and promote health and well-being for every South Carolinian. Each of the six South Carolina agencies are currently developing programs and project requirements that will meet the General Assembly's intent. While H.4408 codifies the general use of funds, aspects such as goal setting and strategic development for each program must occur before project selection. With the understanding that there is heightened demand for COVID relief and redevelopment, South Carolina aims to execute worthwhile projects that value evidence-based solutions and community projects over expediency.

The Use of Funds sections describe, in more detail, the programs that each Agency have identified. Each program will identify projects to be funded over the next six to nine months. To date, one project, the construction of a new Public Health Laboratory, has been identified by South Carolina. Contracts for final design and construction are not yet approved which would obligate funds. Those actions will be taken over the next six months.

1.3 Uses of Funds

1.3.1 Public Health (EC 1)

South Carolina Agency	Total Allocated
Department of Health and Environmental Control (DHEC)	\$104,400,000

Public Health Laboratory

South Carolina's Public Health Laboratory (PHL) is the state's core health and environmental laboratory building located in Columbia, SC. The average useful life for a public health laboratory is around 40 years. Built in 1975, the existing building is 47 years old.

The Association of Public Health Laboratories, and Clinical Laboratory regulatory bodies such as Centers for Disease Control and Prevention and Centers for Medicare & Medicaid Services, have recommended the replacement of this building to avoid certification and accreditation deficiency citations. This included a 2016 site visit by the Association of Public Health Laboratories which noted that the facility is beyond its lifecycle. **Among the key critical challenges and risks posed by our current facility include:**

- **Lack of space for staffing and instrumentation.** The current building is no longer adequate to house all the necessary personnel and modernized equipment. As a result, staff must move instruments in and out of testing areas due to the lack of space, wasting staff time and risking damage to sensitive instruments which could cause future interruptions to testing capacities.
- **Inability to sustain routine testing due to repeated system failures** such as inadequate directional airflow, as well as insufficient power and water systems (pipes).
- Reaching **near maximum capacity for electrical power** needed to operate the building.

Impact of the COVID-19 Pandemic

The increased demand for services by the laboratory during the public health emergency exacerbated the existing challenges of the building. Due to the increased workload for COVID-19 testing, operations at PHL had to expand to two working shifts operating seven days a week. This increased the strain on the infrastructure and systems, created additional heat load, and eliminated the ability to perform any preventative maintenance on the systems due to no down-time.

Furthermore, additional storage containers had to be purchased to handle the increased volume of paperwork associated with the increased caseload of COVID-19 testing. At the same time, DHEC had to rent a warehouse for the additional supplies (testing equipment, personal protective equipment, etc.) needed for COVID-19 testing, due to the lack of space in the existing building.

A recent failure of a walk-in freezer meant that no space was available at the state laboratory for the storage of Remdesivir, a COVID-19 treatment medication. Therefore, a refrigerated truck was rented to store the medication in a temperature-controlled location.

In response to the myriad challenges faced by DHEC during their COVID-19 response, the laboratory will be redeveloped to meet the technological, modern-day practices required of a “high tech testing system.”¹² The Department of Health and Environmental Control (DHEC) will fund one anticipated redevelopment project to support the expansion and construction of a new public health laboratory. This project is currently in the early stages of development. The goal of this project will be to improve testing abilities, expand capacity, and increase the biosafety level to adequately address biosafety pandemic practices. The public health laboratory will help enhance pandemic responsiveness and resilience by bringing the facility to a functional Biosafety Level 3 (BSL-3) laboratory as recommended by the Center for disease Control (CDC).¹³

1.3.2 Negative Economic Impacts (EC 2)

There are no current obligations. South Carolina has not established any programs or projects under this Expenditure Category Group.

1.3.3 Public Health-Negative Economic Impact: Public Sector Capacity (EC 3)

There are no current obligations. South Carolina has not established any programs or projects under this Expenditure Category Group.

1.3.4 Premium Pay (EC 4)

There are no current obligations. South Carolina has not established any programs or projects under this Expenditure Category Group.

1.3.5 Water, Sewer, and Broadband Infrastructure (EC 5)

The following are all programs adopted by South Carolina, but no projects have been approved and no contracts have been awarded yet. The programs and the total allocated amounts are described below.

South Carolina Agency	Total Allocated
Rural Infrastructure Authority (RIA)	\$900,000,000

The Rural Infrastructure Authority (RIA) will fund projects from one account known as the ARPA Water and Sewer Infrastructure Account. The allocated funds will fund projects to administer and operate three grant programs designed to provide improvements in water, wastewater, and storm water infrastructure throughout the State. In various grant programs, units of local government, special purpose districts, commissions of public works, and joint municipal organizations may apply for grants. The total allocation to RIA is divided among three programs as listed below, not including administrative costs.

1. Community Impact Grants
2. Viability Planning Grants
3. Regional Solutions Grants

To integrate equity into project selection, RIA may consider six additional factors which include documented priority needs, the transformational impact of the project on the relevant community, the extent to which additional funds may be leveraged by the grant, the readiness of the applicant to proceed with the project and meet program deadlines, the project's feasibility, and geographic diversity.

1. Community Impact Grants

For each of the Community Impact Grant programs, RIA will award projects based on five fundamental priorities: regional solutions, water quality, resilience and storm protection, other aging infrastructure, and capacity. Projects that offer regional solutions implement solutions that impact multiple systems. Projects that target water quality address violations or public health and environmental impacts. Projects that increase resilience and storm protection prepare communities for emergencies. Projects that restore aging infrastructure upgrade or replace systems beyond their useful life. Projects that enhance capacity improve service for residents and future growth.

Figure 1 demonstrates the required local match per county in South Carolina. The local match is based on the 2022 County Tiers as determined by the South Carolina Department of Revenue.

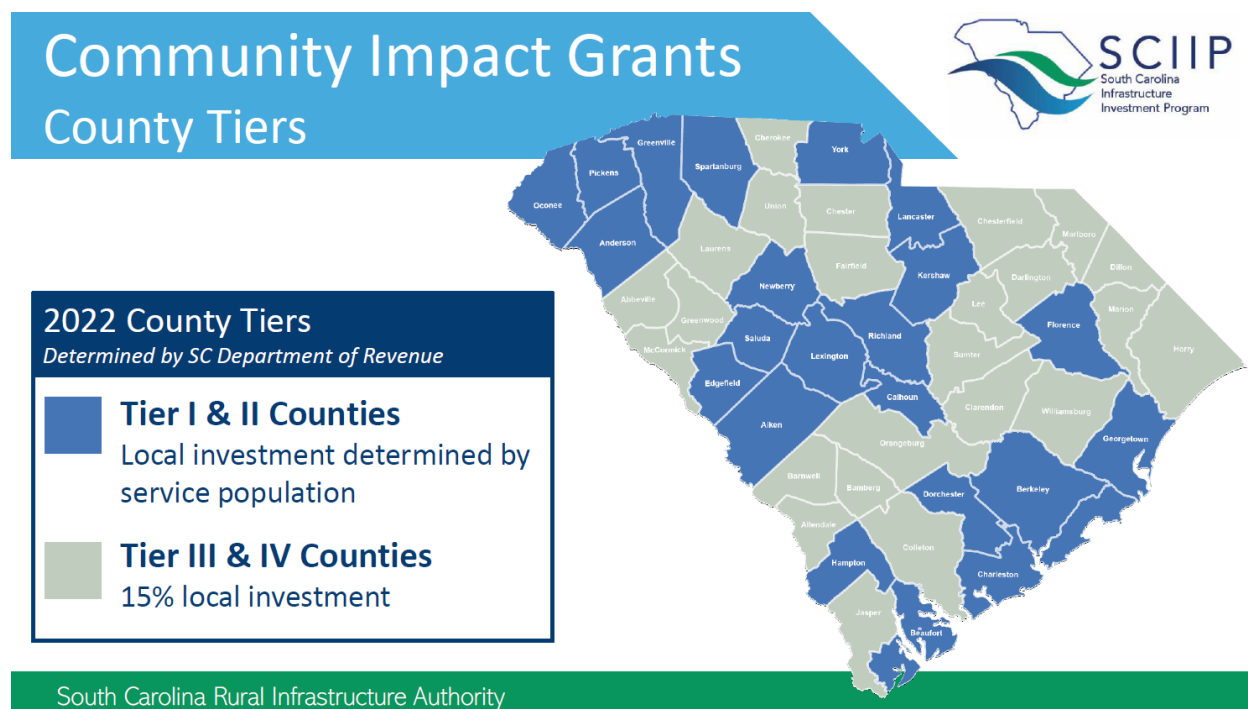


Figure 1: County Map by Tier for local investment requirements.¹⁴

- Economically Significant Projects - \$100,000,000

Under the discretion of the Secretary of Commerce, economically significant water and sewer infrastructures projects will be funded up to \$5,000,000 with no local match required. RIA will award and fund economically impactful projects as designated by Secretary of Commerce.

- Grants for Utilities Serving over 30k people - \$409,800,000
- Grants for Utilities Serving under 30k people - \$273,200,000

2. Viability Planning Grant

Planning Grants for Small Water Systems - \$20,000,000

RIA will fund projects up to \$1 million maximum for very small systems serving 3,300 or fewer people. Projects must address viability concerns or evaluate regional options to identify capital improvement needs. Grants will be awarded to entities who cannot provide the local investment required for a project or cannot identify projects within another RIA program. No local match will be required given the small-scale nature of these projects. Projects may include planning, system mapping, asset management plans, televising lines, smoke testing, capital improvement plans, rate studies, and other necessary analysis. Preliminary planning and design of necessary capital improvement projects are also allowable.

3. Regional Solutions Grant

Regional Solutions Grant Program - \$80,000,000

RIA will fund projects that result in regional consolidation, new or expanded operating agreements or other partnerships, particularly with smaller systems that have viability concerns. RIA will require that projects have a 15% local match. The goal of this program is to encourage and incentivize systems to partner and cooperate in a variety of ways including consolidation in order to gain greater economies of scale and to promote long-term viability, particularly for small systems.

Project selection will be contingent upon an analysis of whether (1) the project will result in a consolidation or operating agreement with at least one small system with viability concerns, (2) the project will result in an expanded partnership agreement with at least one small system with viability concerns, and (3) the project will result in a new or expanded consolidation or operating agreement with other systems.

4. Additional Assistance

- DHEC Permitting Costs - \$6,000,000
- RIA Administrative Costs - \$6,000,000
- Councils of Government Planning Assistance - \$5,000,000

The COG assistance will give priority to helping very small systems (serving 3,300 or less population) and small systems (serving 10,000 or less population). H.4408 directs funds under intergovernmental transfers to services such as planning assistance, development of grant application proposals, and compliance assistance related to improvements in water, wastewater, and stormwater infrastructure systems.

South Carolina Agency	Total Allocated
Office of Regulatory Staff (ORS)	\$214,234,345

Broadband Infrastructure

The Office of Regulatory Staff (ORS) will fund projects from one account known as the ARPA Broadband Account. The allocated funds will fund projects that expand broadband infrastructure to households, businesses, and communities in the State that are unserved or underserved by broadband services. Service in disproportionately impacted communities will be brought up to the minimum federally required speeds. The total obligation may fund the following project costs:

- (1) Administration of grant program to expand broadband infrastructure to households, businesses, and communities in the State that are unserved or underserved by broadband services
- (2) Technical assistance and coordination
- (3) Hosting and participating in stakeholder discussions and advisory groups
- (4) Mapping efforts including, but not limited to: costs associated with storage, security, and data collection
- (5) Engagement with other activities related to or necessary to fulfilling the requirements of expanding broadband infrastructure to households, businesses, and communities in the State that are unserved or underserved by broadband services
- (6) Expenditure of funds for alternative and enabling technologies including, but not limited to, wireless broadband service, low earth orbit satellite, middle-mile fiber, enhanced cellular service, and carrier neutral broadband infrastructure
- (7) Reimbursement of any state funds as may be allowed by ARPA, or related guidance issued by the United States Department of the Treasury, for reasonable costs associated with administering the grant program and fulfilling the Office of Broadband Coordinator's obligations established by this act

To integrate equity into project selection, ORS will give priority to unserved areas with no current Internet Service Provider, Difficult Development Areas as identified by US Housing and Urban Development, and census blocks that have a high concentration of unserved public K-12 student households as documented by the South Carolina Department of Education.

South Carolina Agency	Total Allocated
Office of Resilience (SCOR)	\$100,000,000

Stormwater and Floodplain Infrastructure

The Office of Resilience (SCOR) will fund projects from one account known as the ARPA Office of Resilience Account. The allocated funds will fund projects that complete stormwater infrastructure, assist with acquisitions of property in the floodplain throughout the State, and lessen the impacts of future flood events.

Although the Office of Resilience has not finalized any programs or projects, Governor McMaster indicated potential environmental hazard projects after signing Executive Order 2022-20 on July 11, 2022. The Governor's executive orders direct the Office of Resilience to prevent potential hazards caused by USS Yorktown, a US Navy ship that serves as an attraction on South Carolina's coast. The project scope may entail remediation to the ship to avoid a fuel and contaminant "leak [that] would ultimately impair commercial shipping and boat traffic, as well as do immeasurable damage to the area's natural resources, and the harbor's ecosystem, including nearby marshes, estuaries, barrier islands, tidal creeks, and beaches."¹⁵ While H.4408 does not directly allocate funds to this project, the Executive Order recommended using available funding from the Office of Resilience SLFRF allocation.

1.3.6 Revenue Replacement (EC 6)

South Carolina Agency	Total Allocated
Department of Transportation (DOT)	\$453,499,758

Transportation Infrastructure

The Department of Transportation (DOT) program will fund projects from one account directly funded by revenue replacement. The General Fund, Education Improvement Act, and Motor Fuel User Fees not collected were used in calculations by the Executive Budget Office. DOT will apply all revenue loss to transportation projects under Revenue Replacement requirements.

The state legislation allocates funds to an account known as the Transportation Infrastructure Acceleration Account. This fund will provide funding for projects initiated under the Statewide Transit Improvement Plan (STIP). The STIP program goals include increasing driver safety, decreasing congestion, and improving environmental sustainability.¹⁶ Intended projects under review by DOT and coordinating agencies include widening key highways and connecting economic corridors. The Federal Highway Administration (FHWA) is a partner on all projects and will coordinate and approve all projects alongside DOT.

Revenue Loss Calculations

South Carolina calculated revenue loss from three revenue streams within the State. The first two streams of revenue loss calculated together include the General Fund and the Education Improvement Act (EIA). The third stream of revenue loss calculated as part of the aggregate includes the Transportation Revenue. The total Revenue Loss calculation is \$514,552,955. The General Assembly allocated and approved \$453,499,758 from the initial calculation.

Due to time constraints and the inability to allocate dollars without General Assembly approval, an updated allocation amount may be redetermined based on new federal guidance. South Carolina will ensure all calculations are transparent and encoded by law before obligating funds.

General Fund + EIA Revenue Replacement Calculation	
Base Year	2019
Number of Months (n)	18
Growth Years	FY17-FY19
Growth Adjustment	1.065
Base Year Revenue	\$9,642,692,684
Counterfactual Revenue	\$10,597,971,261
Actual Revenue	\$10,239,265,012
Counterfactual less Actual	\$358,706,248

Transportation Revenue Replacement Calculation	
Base Year	2019
Number of Months (n)	18
Growth Years	FY17-FY19
Growth Adjustment	0.119
Base Year Revenue	\$1,092,523,980
Counterfactual Revenue	\$1,293,421,763
Actual General Revenue	\$1,137,384,298
Counterfactual less Actual	\$155,846,707

Total Revenue Loss	
General Fund + EIA Revenue Loss	\$358,706,248
Transportation Revenue Loss	\$155,846,707
Total Revenue Loss	\$514,552,955

1.3.7 Related Programs

Additionally, there are two other ARPA programs simultaneously under way in South Carolina: the Emergency Rental Assistance Program (ERAP) and Homeowner Assistance Fund (HAF) programs. These two programs are being administered by the South Carolina State Housing Finance and Development Authority (SC Housing).

SC Stay Plus

The SC Stay Plus program is a rental and utility assistance program funded through the U.S. Treasury's Emergency Rental Assistance program (ERAP) that launched in May 2021 to assist those who are experiencing financial hardships and housing challenges due to COVID-19 income disruptions. The program helps impacted households by providing:

- 1) Up to 12 months of rental and utility assistance dating back to March 13, 2020;
- 2) Up to three months of future rent to stabilize those with housing insecurity; and
- 3) To cover other housing costs (including moving expenses, motel/hotel stays, storage costs and security deposits) for those who have been displaced because of the pandemic.

In recent months, SC Stay Plus has expanded its geographical eligibility requirements to target more at-risk residents in need of assistance. To date the program has assisted 29,222 households and 66,720 people throughout the state. The average payment has been \$2,512. So far nearly 50% of the total Emergency Rental Assistance Program funds allocated to the State have been distributed.

South Carolina Homeowner Rescue Program

The SC Homeowner Rescue Program (SC HRP) funded through the U.S. Treasury's Homeowner Assistance Fund (HAF) program officially launched on March 21, 2022 to provide financial assistance to homeowners experiencing pandemic-related financial hardship. This program assists vulnerable populations through mortgage payments and reinstatements, delinquent property taxes and utilities, and down payments. The assistance specifically helps communities disproportionately impacted by the pandemic by focusing on residents with limited income.

To date the program has approved assistance for 1,058 households, with payments received by 752 households. The average assistance has been \$7,728 for up to four months of mortgage payments and the average utility assistance has been \$913. Nearly 67% of all South Carolina Homeownership Assistance Funds (HAF) have been allocated.

Climate Change and Justice40 Initiatives

South Carolina does not have any projects determined to date. Therefore, no information can be reported. South Carolina recognizes the importance of climate related projects and evidence-based solutions and will work to report on these topics if applicable upon project finalization in the following reports.

1.4 Promoting Equitable Outcomes

1.4.1 Design

South Carolina recognizes the importance of promoting equitable outcomes in project design. Due to current project development, South Carolina will report on equity as a strategic factor upon project finalization. Equity as it relates to awareness, access and distribution, and outcomes are important areas for reporting. The South Carolina General Assembly has already included equitable standards for selection of projects as authored in H.4408. Please see Use of Funds section for program specific equity by design.

1.4.2 Implementation

South Carolina recognizes the requirement to track and report on specific equitable outcomes in project delivery. Due to current project development, South Carolina will report on equity as an intended project outcome upon project finalization and execution. Equity as it relates to prioritization and strategic development are important areas for reporting. South Carolina plans to include equitable standards for intended outcomes of projects as demonstrated through interagency collaboration and agency-specific community engagement.

1.5 Community Engagement

The State of South Carolina delegates community engagement practices to the agency level to ensure optimal input from residents on specific program outcomes and project selection. Each agency with allocated funding is compiling and documenting all community engagements, both virtual and in-person, starting from March 13, 2021 and beyond. Future community engagements and endeavors will also be tracked and documented by each agency once projects are officially selected.

Similarly, many of the agency plans stem from published reports produced from a series of community and stakeholder meetings and surveys. State agency reports and action plans heavily influence the direction of each agency because they highlight community members' need for redevelopment and recovery. For example, the Department of Transportation has four statewide plans that identify necessary and essential transit developments. The importance of these projects was emphasized by the community engagements conducted at the time of plan development, which included a series of in-person and online public meetings to discuss the Statewide Transportation Improvement Plan (STIP).¹⁷ There is also an ongoing public comment forum for the STIP where residents can continually voice their input on publicly available plans. The DOT is working to leverage pre-existing plans, like the STIP, with prior community engagement events to direct its' SLFRF projects. This is just one example of what the State of South Carolina is doing to address local input directly for SLFRF funding.

1.6 Labor Practices

The State of South Carolina upholds the federal and state requirements for strong labor standards and contracting practices. Each agency has familiarity with federal rules and regulations and will leverage prior experience and federal partnerships to maintain acceptable labor practices. Due to the diverse nature of contractor and labor work across agencies, each agency will take a separate course of action in line with each project, controlling and managing rules and regulations as applicable. All contracts and labor agreements will include mandatory clauses related to federal guidance, and all contracts will reiterate pertinent standards and deadlines dependent on the nature and scope of work.

Program Highlight Strong Labor Standards and Compliance with 2 CFR 200

RIA programs address the current nature of the construction market by highlighting potential issues for contractors. By reiterating standards and deadlines, RIA will be able to select projects that best align with local needs and ARPA requirements. For example, see the below as listed in the RIA grant application strategy.¹⁸

"All construction projects should take into account the rising costs of material, equipment and labor as well as potential delays. Appropriate steps must be taken to ensure that any cost overruns can be handled with local and other funds so that projects can be completed on time and within the available budget. As a buffer for such unexpected cost overruns, all capital improvement project budgets must include a 25% construction contingency as a separate line item. In addition, it is strongly recommended that design-bid-build projects include bid alternates that would allow the project to be completed with available funds. Plans for cost overruns must also be addressed in the application narrative. Failure to adequately account for these contingencies could impact the evaluation of project feasibility and ability to meet program deadlines." (SCIIP Program Strategy, 2022, page 3)

1.7 Use of Evidence

The State of South Carolina recognizes the value of evidence-based solutions for project planning and spending. Without adequate evaluation of evidence-based solutions, South Carolina avoided proceeding with unnecessary or ill-informed projects until stronger evidence or demand can be assessed by each agency. South Carolina citizens have also demanded changes to state-wide and national data collection for infrastructure projects and redevelopment plans.

Cases of evidence and data collection disputes date back to the beginning of the pandemic. On August 1, 2020, the Office of Regulatory Staff (ORS) responded to citizen demands for increases in broadband mapping data and accuracy. ORS developed and published SC Digital Drive in 2021¹⁹, an interactive data platform to collect and map data from broadband servicers and local residents. These changes reflect similar trends on broadband mapping across the nation.²⁰

Similarly, water and sewer projects have been increasing in scope and service delivery over the years in South Carolina. However, in September 2021, the American Society of Civil Engineers reported that despite infrastructure improvements, "publicly available data has not yet caught up to reflect the level of expansion and modernization each system has undergone."²¹

Without adequate depictions of South Carolina infrastructure demands and influences from the COVID-19 public health emergency, the legislature proceeded with necessary caution. State agencies and grant programs simultaneously took on the pandemic recovery and redevelopment until guidance for a unified response was necessary. Now, as each agency develops specific projects within South Carolina SLFRF allocations, evidence and data will be at the forefront of decision making.

1.8 Performance Report

South Carolina recognizes the requirement to report performance updates through goals and key performance indicators. South Carolina will develop and address the best strategies for performance reporting once programs have properly developed projects and obligated funds. Project finalization will allow South Carolina to report specific metrics that suit the need for each program.

2. Project Inventory

The State of South Carolina has recently allocated funds to specific agencies through State legislation. As such, no agency has yet set up and contracted for projects, nor incurred obligations or expenditures to report under the State of South Carolina SLFRF recovery program. As a general update, there are agency programs aligned to the State's six allocated funding accounts. Projects will align within each program.

As mentioned previously in this report, each of the six agencies with allocated funds are in project development and application periods. This period marks a key milestone for South Carolina as it will establish a wide range of projects across the entire state.

In the preliminary chart below, the State Agency and corresponding programs are listed as enacted by law. There are ten total programs to date under each State Agency and State Spending Account. According to H.4408, each program has a definite allocation for potential projects. The South Carolina General Assembly provided codified allocations to ensure proper distribution of funds.

Once South Carolina agencies finalize projects within a program, project reporting will become more granular. The level of granularity entails expenditure category, adopted budget, obligations, and expenditures per project. South Carolina plans to spend grant allocations after methodical planning and with a greater understanding of deliverables. Each agency is finalizing project descriptions, use of evidence, and performance reports in line with each program. Further, none of the required Key Performance Indicators (KPIs) fall within the listed categories and therefore are not included in this report. Each agency will develop and report project specific KPIs for the next cycle, and/or after funds have been obligated.

Infrastructure Programs (EC-1 to EC-5)				
Agency	Program	Allocation	Obligation	Expenditure
DHEC	Public Health Laboratory	\$104,400,000	\$0	\$0
RIA	Economically Significant Projects	\$100,000,000	\$0	\$0
	Grants for Utilities Serving over 30k people	\$409,800,000	\$0	\$0
	Grants for Utilities Serving under 30k people	\$273,200,000	\$0	\$0
	Planning Grants for Small Water Systems	\$20,000,000	\$0	\$0
	Regional Solutions Grant Program	\$80,000,000	\$0	\$0
	DHEC Permitting Costs	\$6,000,000	\$0	\$0
	RIA Administrative Costs	\$6,000,000	\$0	\$0
ORS	Broadband Grant Program	\$214,234,345	\$0	\$0
SCOR	Stormwater and Floodplain Program	\$100,000,000	\$0	\$0

Revenue Loss and Administration (EC-6 and EC-7)				
Agency	Program	Allocation	Obligation	Expenditure
DOT	I-26 Widening - Phase One	\$150,000,000	\$0	\$0
	I-26 Widening - Phase Two	\$300,000,000	\$0	\$0
	Carolina Crossroads	\$3,499,758	\$0	\$0
DOA	Administration	\$8,000,000	\$0	\$0

3. Appendix

3.2 Definitions

Actual General Revenue: Actual General Fund revenue during the 12-month period ending on calculation date of Dec. 31, 2020 (Jan 2020-Dec 2020) collected from <https://rfa.sc.gov/data-research/state-finances/monthly-general>

Adopted Budget: The adopted budget is the budget adopted for each project by a recipient associated with SLFRF funds. Recipients will enter the Adopted Budget based on information that exists currently in the recipient's financial systems and the recipient's established budget process. Treasury understands that recipients may use different budget processes. For example, a recipient may consider a project budgeted once a legislature has appropriated funds; whereas another recipient may consider a project budgeted at the moment the funds have been obligated.

Allocation: An allocation is an amount as prescribed through legislation in South Carolina. The General Assembly of South Carolina formalized funding through action, however it does not set specific parameters for obligations per project.

American Rescue Plan Act (ARPA): On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 ("ARPA"). The legislation allocates around \$1.9 trillion to aid in the COVID-19 pandemic response and recovery.

Base Year Revenue: General Fund Revenue from the most recent full fiscal year prior to COVID-19 (FY 2019).

Department of Administration (DOA): The Department of Administration

Department of Health and Environmental Control (DHEC): The Department of Health and Environmental Control

Department of Transportation (DOT): The Department of Transportation

Emergency Rental Assistance Program (ERAP): The Emergency Rental Assistance Program (ERAP) was created to help renters dealing with financial challenges related to the COVID-19 pandemic. For eligible households, the program offers rental and utility assistance to help South Carolinians avoid eviction or loss of utility service, including assistance with other housing expenses and the provision of housing stability services.

Expenditure: An expenditure is the amount that has been incurred as a liability of the entity (the service has been rendered or the good has been delivered to the entity). Reporting will require quarterly updates to information for each contract, grant awarded, loan issued, transfer made to other government entities, or direct payment

greater than or equal to \$50,000. Additionally, aggregate reporting is required for contracts, grants, transfers made to other government entities, loans, and direct payments that are less than \$50,000.

Expenditure Category (EC): An expenditure category is the most granular description assigned to a project. Each project must align with only one EC as it required specific programmatic reporting. An example of an EC is EC-2.19 which categorizes projects that are "Social Determinants of Health: Community Health Workers or Benefits Navigators". See a complete list in Appendix 3.5.

Expenditure Category Group (EC Group): An expenditure category group is an overarching group of projects that align under a common goal or scope of work. Multiple projects may fall under an EC Group, for example five projects may be developed as EC-1 or Public Health Projects. To get a more granular depiction of the project under a single group, please reference *Expenditure Category*. See a complete list in Appendix 3.5.

Growth Adjustment: Average annual revenue growth over the three full fiscal years prior to COVID-19 (FY 2017-2019).

n: Number of months elapsed from the end of the base year (FY 2019) to the calculation date (Dec. 31, 2020).

Obligation: An obligation is an order placed for property and services, contracts and subawards made, and similar transactions that require payment.

Office of Regulatory Staff (ORS): The Office of Regulatory Staff

Office of Resilience (SCOR): The Office of Resilience

Project: A project is defined as a grouping of closely related activities that together are intended to achieve a specific goal or are directed toward a common purpose. These activities can include new or existing services, funded in whole or in part by the SLFRF award. Each project must be associated with only one Expenditure Category. For each project, subrecipients and subawards must be tracked.

accelerateSC: The accelerateSC program serves as the coordinated COVID-19 advisory team to consider and recommend economic revitalization plans for South Carolina. The governor designates state agencies to coordinate each of the revitalization components; other identified state agencies will assist. The accelerateSC participants will make immediate, intermediate, and long-term recommendations to the governor for revitalizing and expanding South Carolina's economy while protecting the health of South Carolina citizens.²²

State and Local Fiscal Recovery Funds (SLFRF): The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan (ARPA), delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.²³

3.3 *Submission of Report*

Annual Report	Period Covered	Due Date	Submission Date
1	Award Date - July 31, 2021	August 31, 2021	July, 2021
2	July 1, 2021 - June 30, 2022	July 31, 2022	July 29, 2022
3	July 1, 2022 - June 30, 2023	July 31, 2023	
4	July 1, 2023 - June 30, 2024	July 31, 2024	
5	July 1, 2024 - June 30, 2025	July 31, 2025	
6	July 1, 2025 - June 30, 2026	July 31, 2026	
7	July 1, 2026 - December 31, 2026	April 30, 2027	

3.4 Online Publication

Link: <https://www.admin.sc.gov/>

Step One: Open [link](#) to Department of Administration Website.

Step Two: Click the [Transparency](#) icon.

Step Three: Click [COVID-19 Related Reports](#) to navigate to all Annual Reports.

Step Four: Click [ARP Performance Reports](#) to download Annual Performance Reports.

3.5 Expenditure Categories

Category	ID	Type
Public Health (EC-1)	1.1	COVID-19 Vaccination
	1.2	COVID-19 Testing
	1.3	COVID-19 Contact Tracing
	1.4	Prevention in Congregate Settings
	1.5	Personal Protective Equipment
	1.6	Medical Expenses (including Alternative Care Facilities)
	1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
	1.8	COVID-19 Assistance to Small Businesses
	1.9	COVID-19 Assistance to Non-Profits
	1.1	COVID-19 Assistance to Impacted Industries
	1.12	Mental Health Services
	1.13	Substance Use Services
	1.14	Other Public Health Services
Negative Economic Impacts (EC-2)	2.1	Household Assistance: Food Programs
	2.2	Household Assistance: Rent, Mortgage, and Utility Aid
	2.3	Household Assistance: Cash Transfers
	2.4	Household Assistance: Internet Access Programs
	2.5	Household Assistance: Paid Sick and Medical Leave
	2.6	Household Assistance: Health Insurance
	2.7	Household Assistance: Services for Un/Unbanked
	2.8	Household Assistance: Survivor's Benefits
	2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers
	2.10	Assistance to Unemployed or Underemployed Workers (e.g., job training, subsidized employment, employment supports or incentives)
	2.11	Healthy Childhood Environments: Child Care
	2.12	Healthy Childhood Environments: Home Visiting
	2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System
	2.14	Healthy Childhood Environments: Early Learning
	2.15	Long-term Housing Security: Affordable Housing
	2.16	Long-term Housing Security: Services for Unhoused Persons*
	2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities*
	2.18	Housing Support: Other Housing Assistance

Negative Economic Impacts (EC-2) continued	2.19	Social Determinants of Health: Community Health Workers or Benefits Navigator
	2.2	Social Determinants of Health: Lead Remediation
	2.21	Medical Facilities for Disproportionately Impacted Communities
	2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety
	2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties
	2.24	Addressing Educational Disparities: Aid to High Poverty Districts
	2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services
	2.26	Addressing Educational Disparities: Mental Health Services
	2.27	Addressing Impacts of Lost Instructional Time
	2.28	Contributions to UI Trust Funds
	2.29	Loans or Grants to Mitigate Financial Hardship
	2.3	Technical Assistance, Counseling, or Business Planning
	2.31	Rehabilitation of Commercial Properties or Other Improvements
	2.32	Business Incubators and Start-Up or Expansion Assistance
	2.33	Enhanced Support to Microbusinesses
	2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)
	2.35	Aid to Tourism, Travel, or Hospitality
	2.36	Aid to Other Impacted Industries
	2.37	Economic Impact Assistance: Other
Services to Disproportionately Impacted Communities (EC-3)	3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers
	3.2	Public Sector Workforce: Rehiring Public Sector Staff
	3.3	Public Sector Workforce: Other
	3.4	Public Sector Capacity: Effective Service Delivery
	3.5	Public Sector Capacity: Administrative Needs
Premium Pay (EC-4)	4.1	Public Sector Employees
	4.2	Private Sector: Grants to other employers
Infrastructure (EC-5)	5.1	Clean Water: Centralized wastewater treatment
	5.2	Clean Water: Centralized wastewater collection and conveyance
	5.3	Clean Water: Decentralized wastewater
	5.4	Clean Water: Combined sewer overflows
	5.5	Clean Water: Another sewer infrastructure

Infrastructure (EC-5) continued	5.6	Clean Water: Stormwater
	5.7	Clean Water: Energy conservation
	5.8	Clean Water: Water conservation
	5.9	Clean Water: Nonpoint source
	5.10	Drinking water: Treatment
	5.11	Drinking water: Transmission & distribution
	5.12	Drinking water: Transmission & distribution: lead remediation
	5.13	Drinking water: Source
	5.14	Drinking water: Storage
	5.15	Drinking water: Other water infrastructure
	5.16	Water and Sewer: Private Wells
	5.17	Water and Sewer: IIJA Bureau of Reclamation Match
	5.18	Water and Sewer: Other
	5.16	Broadband: "Last Mile" Projects
	5.17	Broadband: IIJA Match
	5.18	Broadband: Other Projects
Revenue Replacement (EC-6)	6.1	Provision of Government Services
	6.2	Non-federal Match for Other Federal Programs
Administrative and Other (EC-7)	7.1	Administrative Expenses
	7.2	Transfers to Other Units of Government
	7.3	Transfers to Non-entitlement Units

3.6 Endnotes

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