
THE SOUTH CAROLINA INFRASTRUCTURE INVESTMENT PROGRAM

About the South Carolina Infrastructure Investment Program (SCIIP)

The South Carolina Infrastructure Investment Program (SCIIP) is a major, one-time initiative to improve water, wastewater and stormwater infrastructure throughout the state using federal funds allocated by State and Local Fiscal Recovery Funds (SLFRF) through the American Rescue Plan Act (ARPA) of 2021.

SCIIP offers a unique opportunity to make long-term capital improvements that will strengthen critical services to residents and businesses across the state, create more resilient communities and build the capacity to support future opportunities for growth and economic development. Learn more about SCIIP at <https://ria.sc.gov/sciip>.

About the South Carolina Rural Infrastructure Authority (RIA)

Creating water solutions. Improving communities statewide.

The South Carolina Rural Infrastructure Authority (RIA) is a state agency that was established in 2012 to assist communities with financing for qualified infrastructure projects for water and wastewater systems as well as stormwater drainage facilities. Although RIA initially offered grants for projects in rural and distressed counties, the programs were expanded to make grant and loan assistance available statewide. Chaired by the South Carolina Secretary of Commerce, the RIA's board of directors includes six members representing distressed and/or least developed counties. Learn more about the RIA at www.ria.sc.gov.

Funds Approved by South Carolina General Assembly

The American Rescue Plan Act of 2021, Act 244 was passed by the South Carolina General Assembly to authorize the expenditure of SLFRF from the federal American Rescue Plan Act of 2021, Public Law No. 117-2, often referred to as "ARPA." The General Assembly initially allocated \$900 million in May 2022 to RIA to invest in water and sewer projects. The Act was amended in April 2023 to add \$586 million in funding for applications previously submitted for consideration. Funding directed to RIA totaled \$1.486 billion.

Purpose of Funding

Among the allowable uses identified in federal ARPA law was water and sewer infrastructure. Such investments were allowed as a means for state and local governments to increase resiliency and aid in recovery from the financial and health impacts of COVID. To further these goals, the General Assembly authorized funds to operate and administer a competitive infrastructure grant program and for special economic development projects as designated by the South Carolina Department of Commerce.

In order to achieve maximum impact statewide, programs were established to help public utilities with a wide range of needs, from among the smallest systems, serving less than 3,300 in population, to some of the largest, serving more than 30,000 people.

Additionally, funds were designated to support regional solutions that would upgrade multiple systems as a way to maximize impact and leverage resources to serve more people. Planning funds were also made available to help the smallest communities to identify needs and explore options for long-term sustainability.

How \$1.486 Billion in Federal ARPA Funding Is Allocated to RIA

This includes \$1.369 billion in 2023 SCIIP grant awards (\$783 million and \$586 million, below) plus \$100 million for special economic development projects awarded in 2022 as well as \$17 million for program management and technical assistance.

- \$900 Million ARPA allocation for SCIIP, via the General Assembly, administered by RIA:
 - \$783 million in competitive grants to SCIIP awardees.
 - \$100 million for special economic development projects.
 - \$17 million in administrative and other costs for RIA program management and assistance to grantees, DHEC permitting and South Carolina Councils of Governments (S.C. COGs) grants administration support for smaller communities.
- \$586 Million, an additional ARPA allocation for SCIIP via the General Assembly, administered by RIA:
 - All funds to be used on applications received as of Jan. 1, 2023.
 - Up to \$100 million for special economic development projects.

Along with these SCIIP awards, an additional \$900 million in matching funds have been committed via local and other funding sources to implement these projects. Furthermore, state grant funds that are annually allocated to RIA were also used as leverage for SCIIP projects in small and disadvantaged areas. In FY23, \$15.2 million in state funds was awarded to carry out 37 SCIIP funded projects in these areas.

Award Decisions

Award decisions are made by the RIA board of directors, which is committed to a transparent grant process that ensures that these funds will transform infrastructure across South Carolina. The board has completed a comprehensive review of 309 applications and has conducted an analysis of needs and impact to direct funds where they can be most effective. Grants will be distributed expeditiously so that funds can be expended by the federally mandated deadline of Dec. 31, 2026.

A list of applicants selected for a grant was posted on the RIA website. All applicants were notified in writing of the status of their project request.

Selection Criteria

Eligible entities are limited to units of local government, special purpose districts, commissions of public works, joint municipal organizations, and nonprofit water systems.

For the competitive grant programs, selection criteria included relative needs and priorities; the transformational impact of the project on communities; readiness to proceed and meet deadlines; project feasibility; the extent of additional leveraging (additional funds the applicant is able to provide); and geographic diversity as it relates to ensuring that awards are distributed throughout the state.

Priority needs for large and small utilities were identified as follows:

- (1) Regional solutions: projects that implement solutions that impact multiple systems.
- (2) Water quality: projects that address consent orders, violations, or other public health or environmental impacts.
- (3) Resilience and storm protection: projects that help utilities to prepare for emergencies.
- (4) Other aging infrastructure: projects that upgrade or replace infrastructure that has exceeded its useful life.
- (5) Capacity: projects that improve service for existing residents while preparing for future development opportunities.

There is a project maximum of \$10 million per project or application. Applicants were required to provide matching funds for the grant request. Applicants qualifying as large were required to provide a 25% match, while small to medium applicants and those eligible applicants in Tier III and IV counties were required to match 15% of the grant. (These tiers are part of a South Carolina Department of Revenue designation for jobs tax credits based on statistics for per capita income and unemployment.) Projects submitted under the regional solutions program were required to provide a 15% match, and those very small systems applying for planning funds were not required to provide any additional funds.

About the Special Economic Development Projects Designated by South Carolina Department of Commerce

In May 2022, Act 244 established that \$100 million be allocated for projects designated by the Secretary of Commerce as being “significant to economic development.” The maximum grant allowed for individual projects meeting this criterion was \$50 million. Three projects, totaling \$100 million, were awarded in September 2022. In April 2023, the General Assembly allocated additional funding of up to \$100 million for such projects with a maximum grant of \$20 million per project. Selections were based on the potential for economic impact within a community.

Total Number of SCIIP Applications Received

309

Total SCIIP Dollars Requested

Grant requests totaled just over \$2 billion. The exact dollar amount is \$2,006,659,771.

Total Number of Awards

Of the 309 applications received, 219 awards have been made. Three awards were approved in Fall 2022 as special economic development projects per designation by the Secretary of Commerce. The other 216 awards have been announced as of April 2023.

Percentage of Applications Funded

70%

Geographic Area Covered by Funding

Funding has been awarded in all 46 counties in the State of South Carolina.

Proportion of Funds Going into Small Rural Communities in South Carolina

67% of funds have been awarded to small and/or rural communities that are under 30,000 in population served or located in a Tier III or IV county.

The General Assembly allocated funding for the 10 S.C. COGs to assist smaller communities in applying for and administering these grant funds in accordance with federal and other program requirements. Grantees may contact their regional COG for administrative assistance.

Award Disbursement

The RIA does not issue checks once grants are awarded. A Request for Payment of SCIIP funds must be submitted to RIA along with documentation of expenditures. Funds are disbursed based on invoices for eligible costs and work completed. Per ARPA, all funds must be expended by Dec. 31, 2026.

Timeline for Water Infrastructure Work to Begin across South Carolina

This will vary by project depending on the status of each project's design and permitting phases. While there are some administrative grant start-up requirements, a project will typically begin within approximately 60 days of award. RIA staff will meet with each grantee early in the process. Ultimately, the timeline for each project is managed by each grantee. Per ARPA, all federal funds must be expended by Dec. 31, 2026. More information is available in the [SCIIP section of the RIA website](#).

Difference between State ARPA Funding and Previous Federal ARPA Funding Allocated Directly to Local Governments

The U.S. Treasury issues both ARPA State Fiscal Recovery funds as well as the APRA Local Recovery funds. The federal source is the same, but the method of allocation is different. While the local recovery funds were allocated directly to local governments such as towns, cities and counties, the State Fiscal Recovery funds received through ARPA were allocated to the State of South Carolina. The General

Assembly passed Act 244 in May 2022, which designated how state funds would be used, including those provided to RIA for water and sewer.

Difference Between Prior RIA Grant Cycles and the SCIIP Awards

SCIIP is a one-time opportunity funded by ARPA. RIA also receives state funding for infrastructure grants and has typically made 50-60 awards annually totaling approximately \$25 million. In FY23, state funds totaling \$15.2 million were also approved as matching funds to be used in conjunction with 37 SCIIP projects.

Questions

We encourage questions from our grant applicants. Reach the RIA team by emailing info@ria.sc.gov.

Mailing Address

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