

The Last Resort: SC infrastructure needs and how to address them

1. South Carolina has grown.

- In 1990, population was 3.5 million
- Resident population grew 15% from 1990 - 2000, and another 15% from 2000 - 2010
- Projected increase of 8.5% from 2010 - 2020, and by 2030, projected to have a population of 5.1 million, representing a 28.3% increase since 2000
- Per capita income in SC in 1987 was \$13,055; by 2015 it had more than doubled to \$38,302

2. SC's road system has grown and its needs have, too.

- SC has fourth-largest state road system in the country, even though we are ranked 24th in population and 40th in land area
- Since 1987, the state system has increased by 7,425 lane miles (83,173 to 90,598)
- These additional lane miles can be the result of capacity projects that add extra lanes to existing roads, but can also be the result of newly-constructed roads (often from local MPO/COG projects)
- Capacity needs continue to grow as population increases, and maintenance needs also grow accordingly
- According to LAC report, of all states, SC dedicates the smallest amount of revenue to state roads relative to the size of the system and amount of traffic it carries

3. Road funding has NOT kept pace with growth.

- SC motor fuel user fee has not been increased since 1987, putting us at a disadvantage compared to neighboring states
- LAC report states that "revenue sources are not increasing enough to cover rising costs due to inflation" (\$1 in 1987 = \$0.47 today) - If revenues aren't even keeping pace with inflation, they certainly can't keep pace with the state's growth and the additional stress it puts on our roads
- SCDOT has been living on a fixed income since 1987--even as the number of SCDOT employees has decreased by nearly 10% since 1994, employer costs have more than doubled due to increases implemented by the General Assembly, and cost of materials has increased
- Of the 16.75 Motor Fuel User Fee, there is less than ONE CENT left to fund state system needs after required transfers to other entities, matching money for federal highway dollars, and daily highway maintenance costs [SEE ATTACHED CHART]

4. We have implemented significant reforms to SCDOT, with further improvements in H. 3516.

- **Act 114 of 2007**
 - ✓ **Governance** - Clarified SCDOT Commission selection process and instituted term limits for Commissioners
 - ✓ **Project Prioritization** - Established a requirement to evaluate, prioritize, and select projects based on set criteria, bringing a greater deal of objectivity and transparency to the project selection process; these lists can viewed on the SCDOT website today
 - ✓ **Auditing** - Established a Chief Internal Auditor under the Commission and required two hours of ethics training every other year for all staff and Commissioners
- **Act 275 of 2016**
 - ✓ **Governance** - Allowed Governor to appoint all Commissioners with advice and consent of Legislative delegations and provided additional term limits for Commissioners
 - ✓ **Lines of Authority** - Required all Infrastructure Bank projects to be ranked according to Act 114 criteria and receive SCDOT Commission approval
 - ✓ **Auditing** - Moved the SCDOT Chief Internal Auditor under the State Auditor for increased accountability
- **Reform proposed in H. 3516**
 - ✓ **Governance** - Streamlines appointment process by allowing the Governor to appoint Commissioners with advice and consent of the General Assembly, eliminates the Joint Transportation Review Committee, and allows the Commission to appoint the Secretary
 - ✓ **Financial** - Establishes the **Infrastructure Maintenance Trust Fund** at the SCDOT, which may only be used for *“repairs, maintenance, and improvements to the existing road system”* and directs all new revenue raised by H. 3516 to be deposited into this fund

5. We must address funding needs to fix our roads--it IS the last resort.

- SCDOT needs an additional \$1.1 B per year for 23 years (\$25.3 B) to bring all existing pavements to a state of good repair
- As the state grows, additional investment will be required to address capacity improvements like widening and expansion to relieve congestion and aid in freight mobility
- The State has poured hundreds of millions of general fund dollars into our roads since 2014--this is unsustainable in light of other statewide needs such as unfunded pension liability and rising education and healthcare costs
- If we do not increase the dedicated revenue provided to SCDOT through the Motor Fuel User Fee and other non-general fund sources, our roads continue to decline
- The cost of inaction--as roads continue to decline, the cost to repair them increases at least \$385 M each year

Use of the 16.75¢ State Motor Fuel User Fee



≈5¢ for required transfers to other entities

- 2.66¢ to County Transportation Committees for use on local roads
- 1¢ to State Transportation Infrastructure Bank
- 1.34¢ for items including DHEC SUPERB Fund, DNR Watercraft Fund, Dept. of Agriculture for fuel pump inspection, and International Fuel Tax Agreement transfer



≈4¢ required to match federal highway dollars

- average reimbursement rate of 84%
- funds resurfacing, widenings, and improvements on federal aid-eligible roads/bridges
- only half of SC roads are federal aid-eligible



≈4¢ for highway maintenance worker salaries and benefits

- number of employees has decreased, but employer contributions have more than doubled since 1994 due to increases implemented by the General Assembly



≈3¢ for materials, supplies, contracts for daily repairs

- pothole patching, mowing, ditch cleaning, driveway installations, sign repairs, signal repairs, emergency response



≈<1¢ left to address current state system needs such as congestion, safety enhancements, bridges, and improving pavement conditions

STATE SECONDARY "C" PROGRAM
 APPORTIONMENT OF FUNDS FOR FISCAL YEAR 2016-17

County	AREA		POPULATION		RURAL ROADS		APPORTIONMENT	
	Sq. Mile	Percent	Number	Percent	Miles	Percent	Percent	Amount
Abbeville	508	1.69	25,417	0.55	945	1.45	1.23	913,900
Aiken	1,073	3.56	160,099	3.46	2,447	3.75	3.59	2,667,400
Allendale	408	1.35	10,419	0.22	507	0.78	0.78	582,000
Anderson	718	2.38	187,126	4.05	2,703	4.14	3.52	2,617,800
Bamberg	393	1.31	15,987	0.35	665	1.02	0.89	663,700
Barnwell	549	1.82	22,621	0.49	635	0.97	1.09	812,300
Beaufort	587	1.95	162,233	3.51	1,516	2.32	2.59	1,926,800
Berkeley	1,100	3.65	177,843	3.84	2,028	3.11	3.53	2,625,300
Calhoun	380	1.26	15,175	0.33	736	1.13	0.91	673,700
Charleston	917	3.05	350,209	7.57	862	1.32	3.98	2,957,100
Cherokee	393	1.31	55,342	1.20	1,042	1.60	1.37	1,018,000
Chester	581	1.93	33,140	0.72	965	1.48	1.38	1,022,900
Chesterfield	799	2.65	46,734	1.01	1,631	2.50	2.05	1,525,600
Clarendon	607	2.02	34,971	0.76	1,201	1.84	1.54	1,144,200
Colleton	1,056	3.51	38,892	0.84	1,442	2.21	2.19	1,624,700
Darlington	562	1.87	68,681	1.48	1,315	2.01	1.79	1,327,500
Dillon	405	1.35	32,062	0.69	867	1.33	1.12	834,600
Dorchester	575	1.91	136,555	2.95	1,115	1.71	2.19	1,627,200
Edgefield	502	1.67	26,985	0.58	857	1.31	1.19	881,700
Fairfield	687	2.28	23,956	0.52	996	1.53	1.44	1,072,400
Florence	799	2.65	136,885	2.96	1,819	2.79	2.80	2,080,400
Georgetown	815	2.71	60,158	1.30	1,344	2.06	2.02	1,503,300
Greenville	792	2.63	451,225	9.75	3,126	4.79	5.72	4,252,400
Greenwood	456	1.51	69,661	1.51	1,002	1.53	1.52	1,126,900
Hampton	560	1.86	21,090	0.46	706	1.08	1.13	842,100
Horry	1,134	3.77	269,291	5.82	3,252	4.98	4.86	3,608,500
Jasper	654	2.17	24,777	0.54	546	0.84	1.18	879,200
Kershaw	726	2.41	61,697	1.33	1,445	2.21	1.98	1,473,600
Lancaster	549	1.82	76,652	1.66	1,354	2.08	1.85	1,377,000
Laurens	713	2.37	66,537	1.44	1,502	2.30	2.04	1,513,200
Lee	410	1.36	19,220	0.42	708	1.09	0.96	710,900
Lexington	700	2.32	262,391	5.67	2,470	3.79	3.93	2,917,500
McCormick	360	1.20	10,233	0.22	736	1.13	0.85	631,600
Marion	489	1.62	33,062	0.71	879	1.35	1.23	911,400
Marlboro	480	1.59	28,933	0.62	910	1.39	1.20	891,600
Newberry	631	2.10	37,508	0.81	1,266	1.94	1.62	1,201,200
Oconee	625	2.08	74,273	1.61	2,064	3.16	2.28	1,696,500
Orangeburg	1,106	3.67	92,501	2.00	2,581	3.96	3.21	2,385,000
Pickens	497	1.65	119,224	2.58	1,663	2.55	2.26	1,679,200
Richland	757	2.51	384,504	8.31	2,112	3.24	4.69	3,482,200
Saluda	451	1.50	19,875	0.43	982	1.51	1.15	852,000
Spartanburg	811	2.69	284,307	6.15	2,935	4.50	4.45	3,303,900
Sumter	665	2.21	107,456	2.32	1,603	2.46	2.33	1,731,200
Union	514	1.71	28,961	0.63	740	1.13	1.16	859,400
Williamsburg	934	3.10	34,423	0.74	1,299	1.99	1.94	1,443,900
York	683	2.27	226,073	4.89	1,723	2.64	3.27	2,427,100
Total	30,111	100.00	4,625,364	100.00	65,242	100.00	100.00	74,300,000

BASE PAY AND AVERAGE MERIT INCREASES

FISCAL YEAR	BASE PAY INCREASE	AVERAGE MERIT	TOTAL
1994-95	3.06% (1)	1.30%	4.36%
1995-96	3.50% (2)	0.00%	3.50%
1996-97	3.40% (3)	0.00%	3.40%
1997-98	2.50% (4)	0.00%	2.50%
1998-99	2.50% (5)	0.00%	2.50%
1999-2000	3.00% (6)	1.00%	4.00%
2000-01	2.50% (7)	1.00%	3.50%
2001-02	1.50% (8)	1.00%	2.50%
2002-03	0.00%	0.00%	0.00%
2003-04	0.00%	0.00%	0.00%
2004-05	3.00% (9)	0.00%	3.00%
2005-06	4.00% (10)	0.00%	4.00%
2006-07	3.00% (11)	0.00%	3.00%
2007-08	3.00% (12)	0.00%	3.00%
2008-09	1.00% (13)	0.00%	1.00%
2009-10	0.00%	0.00%	0.00%
2010-11	0.00%	0.00%	0.00%
2011-12	0.00%	0.00%	0.00%
2012-13	3.00% (14)	0.00%	3.00%
2013-14	0.00%	0.00%	0.00%
2014-15	2.00% (15)	0.00%	2.00%
2015-16	0.00% (16)	0.00%	0.00%
2016-17	3.25% (17)	0.00%	3.25%

STATE HEALTH PLAN PREMIUM INCREASES

CALENDAR YEAR	PREMIUM INCREASES		
	EMPLOYER	ENROLLEE	OVERALL
1991	17.0%	10.0%	15.0%
1992	1.75%	0.0%	1.3%
1993	26.0%	0.0%	19.0%
1994	0.0%	0.0%	0.0%
1995	0.0%	0.0%	0.0%
1996	0.0%	0.0%	0.0%
1997	0.0%	0.0%	0.0%
1998	0.0%	0.0%	0.0%
1999	18.0%	0.0%	14.0%
2000	10.0%	0.0%	8.0%
2001	20.0%	10.4%	18.3%
2002	9.5%	22.6%	11.7%
2003	0.0%	36.9%	6.9%
2004	0.0%	27.6%	6.6%
2005	6.1%	29.7%	13.0%
2006	4.8%	0.0%	3.2%
2007	3.1%	0.0%	2.1%
2008	9.7%	0.0%	6.7%
2009	0.0%	0.0%	0.0%
2010	0.0%	0.0%	0.0%
2011	10.3%	0.0%	7.2%
2012	4.5%	4.5%	4.5%
2013	6.37%	0.0%	0.0%
2014	6.8%	0.0%	0.0%
2015	3.9%	0.0%	2.9%
2016	4.5%	0.0%	3.4%
2017	0.8%	0.0%	0.6%

RETIREMENT CONTRIBUTION RATES

FISCAL YEAR	SCRS		PORS	
	EMPLOYER	EMPLOYEE	EMPLOYER	EMPLOYEE
2004	6.85%	6.00%	10.70%	6.50%
2005	6.85%	6.00%	10.70%	6.50%
2006	7.70%	6.25%	10.70%	6.50%
2007	8.20%	6.50%	10.70%	6.50%
2008	9.21%	6.50%	10.70%	6.50%
2009	9.39%	6.50%	11.05%	6.50%
2010	9.39%	6.50%	11.05%	6.50%
2011	9.39%	6.50%	11.53%	6.50%
2012	9.54%	6.50%	11.76%	6.50%
2013	10.60%	7.00%	12.30%	7.00%
2014	10.60%	7.50%	12.84%	7.84%
2015	10.90%	8.00%	13.41%	8.41%
2016	11.06%	8.16%	13.74%	8.74%
2017	11.56%	8.66%	14.24%	9.24%