

<b>AGENCY NAME:</b>	<b>SC CONSERVATION BANK</b>		
<b>AGENCY CODE:</b>	<b>P400</b>	<b>SECTION:</b>	<b>53</b>



**Fiscal Year 2020-21  
Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

<b>OPERATING REQUESTS (FORM B1)</b>	<b>For FY 2020-21, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

<b>NON-RECURRING REQUESTS (FORM B2)</b>	<b>For FY 2020-21, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

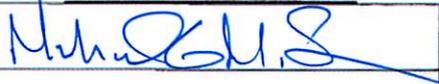
<b>CAPITAL REQUESTS (FORM C)</b>	<b>For FY 2020-21, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>PROVISOS (FORM D)</b>	<b>For FY 2020-21, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	J. Raleigh West	803-734-3986	<a href="mailto:Raleigh.West@sccbanc.sc.gov">Raleigh.West@sccbanc.sc.gov</a>
<b>SECONDARY CONTACT:</b>	Amber J. Larck	803-734-3883	<a href="mailto:Amber.Larck@sccbanc.sc.gov">Amber.Larck@sccbanc.sc.gov</a>

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
<b>SIGN/DATE:</b>	 9/19/19	
<b>TYPE/PRINT NAME:</b>	J. Raleigh West III	Michael G. McShane

This form must be signed by the agency head - not a delegate.

Fiscal Year 2020-21 Budget Request Executive Summary

Agency Code: P400  
 Agency Name: S.C. Conservation Bank  
 Section: 53

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Conservation Grant Funding	2,000,000				2,000,000					0.00
2	B2 - Non-Recurring	Conservation Grant Funding	7,500,000				7,500,000					0.00
3							0					0.00
4							0					0.00
5							0					0.00
6							0					0.00
7							0					0.00
8							0					0.00
9							0					0.00
10							0					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
TOTAL BUDGET REQUESTS			9,500,000	0	0	0	9,500,000	0.00	0.00	0.00	0.00	0.00

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**FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>1</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Conservation Grant Funding</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$2,000,000</b> <b>Federal:</b> <b>Other:</b> <b>Total: \$2,000,000</b>
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*What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>N/A</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark “X” for all that apply:</b>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience
	<input type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/> Non-mandated program change in service levels or areas
	<input type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input checked="" type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
<input checked="" type="checkbox"/> Related to a Non-Recurring request – If so, Priority # <u>2</u>	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark “X” for primary applicable Statewide Enterprise Strategic Objective:</b>
	<input type="checkbox"/> Education, Training, and Human Development
	<input type="checkbox"/> Healthy and Safe Families
	<input type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input type="checkbox"/> Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/> Government and Citizens

<b>ACCOUNTABILITY OF FUNDS</b>	<p>This funding request supports all agency goals and objectives. This funds request advances the agency’s objectives by allowing the Conservation Bank to permanently conserve, preserve and protect significant natural resources, farmlands, forestlands, wetlands, open lands, historic and archaeological sites, and urban parks statewide through conservation easements, low interest loans and purchase of land for the purpose of improving the quality of life in SC for current and future generations.</p>
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*What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding*

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*request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	<p>The funds would be distributed to the qualified entities that have submitted applications to the Conservation Bank seeking funds as established by criteria in the statute and by Board decision. The funds would be allocated only after all required due diligence items have been submitted to the Conservation Bank.</p>
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>JUSTIFICATION OF REQUEST</b>	<p>The Conservation Bank only has one program and purpose which is to conserve significant properties in SC by conservation easements, low interest loans, and purchase of title and the administration of routine office operations associated with completing this program and purpose. The Conservation Bank previously only received funds from the Documentary Deed Stamp Tax so there would be no other matching funds source. Beginning in FY 17-18, the Conservation Bank received General Fund appropriations.</p> <p>There are currently \$12,843,480 grant applications submitted to the Bank for review and \$10,000,000 in forecasted requests expected within the next year. The Bank staff has been in conversation with agencies such as SCDNR and SCPRT, in which we have been notified of several potential large funding requests in the near future. For the Bank to fund conservation efforts for these properties, the Bank is requesting a total of \$9,500,000.</p> <p>Below is a summary of the total applications received in comparison to our available grant funds over the past two fiscal years.</p> <table border="1" data-bbox="430 1213 1446 1465"> <thead> <tr> <th><b>Applications Reviewed vs Grant Funds</b></th> <th><b>FY 2019</b></th> <th><b>FY 2020</b></th> </tr> </thead> <tbody> <tr> <td>Applications Reviewed</td> <td>\$ 19,091,547</td> <td>\$ 12,843,481</td> </tr> <tr> <td><i>Forecasted FY2020 Applications (Round 2)</i></td> <td></td> <td>\$ 10,000,000</td> </tr> <tr> <td><b>Total Applications Reviewed</b></td> <td><b>\$ 19,091,547</b></td> <td><b>\$ 22,843,481</b></td> </tr> <tr> <td>Less: Available Grant Funds</td> <td>\$ (5,527,509)</td> <td>\$ (12,058,779)</td> </tr> <tr> <td><b>Grant Funding Shortage</b></td> <td><b>\$ 13,564,038</b></td> <td><b>\$ 10,784,701</b></td> </tr> </tbody> </table> <p>If funds are not received, the impact would be that the Conservation Bank would not be able to preserve and conserve more significant properties for future generations to enjoy and the Conservation Bank would no longer be able to accomplish its mission to improve the quality of life in South Carolina through the conservation of significant natural resource lands, wetlands, historical and archaeological properties and urban park.</p>	<b>Applications Reviewed vs Grant Funds</b>	<b>FY 2019</b>	<b>FY 2020</b>	Applications Reviewed	\$ 19,091,547	\$ 12,843,481	<i>Forecasted FY2020 Applications (Round 2)</i>		\$ 10,000,000	<b>Total Applications Reviewed</b>	<b>\$ 19,091,547</b>	<b>\$ 22,843,481</b>	Less: Available Grant Funds	\$ (5,527,509)	\$ (12,058,779)	<b>Grant Funding Shortage</b>	<b>\$ 13,564,038</b>	<b>\$ 10,784,701</b>
<b>Applications Reviewed vs Grant Funds</b>	<b>FY 2019</b>	<b>FY 2020</b>																	
Applications Reviewed	\$ 19,091,547	\$ 12,843,481																	
<i>Forecasted FY2020 Applications (Round 2)</i>		\$ 10,000,000																	
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Less: Available Grant Funds	\$ (5,527,509)	\$ (12,058,779)																	
<b>Grant Funding Shortage</b>	<b>\$ 13,564,038</b>	<b>\$ 10,784,701</b>																	

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

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**FORM B2 – NON-RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>2</b> <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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<b>TITLE</b>	<b>Conservation Grant Funding</b> <i>Provide a brief, descriptive title for this request.</i>
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<b>AMOUNT</b>	<b>\$7,500,000</b> <i>What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input type="checkbox"/> Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/> Non-mandated program change in service levels or areas
	<input type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input checked="" type="checkbox"/> Request for Non-Recurring Appropriations
	<input type="checkbox"/> Request for Federal/Other Authorization to spend existing funding
<input checked="" type="checkbox"/> Related to a Recurring request – If so, Priority # <u>1</u>	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>
	<input type="checkbox"/> Education, Training, and Human Development
	<input type="checkbox"/> Healthy and Safe Families
	<input type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input type="checkbox"/> Public Infrastructure and Economic Development
<input checked="" type="checkbox"/> Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	This funding request supports all agency goals and objectives. This funds request advances the agency’s objectives by allowing the Conservation Bank to permanently conserve, preserve and protect significant natural resources, farmlands, forestlands, wetlands, open lands, historic and archaeological sites, and urban parks statewide through conservation easements, low interest loans and purchase of land for the purpose of improving the quality of life in SC for current and future generations.
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*What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

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**RECIPIENTS OF FUNDS**

These funds would be distributed to the qualified entities that have submitted applications to the Conservation Bank seeking funds as established by criteria in the statute and by Board decision. The funds would be allocated only after all required due diligence items have been submitted to the Conservation Bank.

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF REQUEST**

The Conservation Bank only has one program and purpose which is to conserve significant properties in SC by conservation easements, low interest loans, and purchase of title and the administration of routine office operations associated with completing this program and purpose. The Conservation Bank previously only received funds from the Documentary Deed Stamp Tax so there would be no other matching funds source. Beginning in FY 17-18, the Conservation Bank received General Fund appropriations.

There are currently \$12,843,480 grant applications submitted to the Bank for review and \$10,000,000 in forecasted requests expected within the next year. The Bank staff has been in conversation with agencies such as SCDNR and SCPRT, in which we have been notified of several potential large funding requests in the near future. For the Bank to fund conservation efforts for these properties, the Bank is requesting a total of \$9,500,000.

Below is a summary of the total applications received in comparison to our available grant funds over the past two fiscal years.

<b>Applications Reviewed vs Grant Funds</b>	<b>FY 2019</b>	<b>FY 2020</b>
Applications Reviewed	\$ 19,091,547	\$ 12,843,481
<i>Forecasted FY2020 Applications (Round 2)</i>		\$ 10,000,000
<b>Total Applications Reviewed</b>	<b>\$ 19,091,547</b>	<b>\$ 22,843,481</b>
Less: Available Grant Funds	\$ (5,527,509)	\$ (12,058,779)
<b>Grant Funding Shortage</b>	<b>\$ 13,564,038</b>	<b>\$ 10,784,701</b>

If funds are not received, the impact would be that the Conservation Bank would not be able to preserve and conserve more significant properties for future generations to enjoy and the Conservation Bank would no longer be able to accomplish its mission to improve the quality of life in South Carolina through the conservation of significant natural resource lands, wetlands, historical and archaeological properties and urban park.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. Does this non-recurring appropriation request create an annualization or need for recurring funds?*

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**FORM D – PROVISIO REVISION REQUEST**

<b>NUMBER</b>	<b>NEW</b>
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*Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").*

<b>TITLE</b>	<b>Conservation Grant Funding Carryforward Authority</b>
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*Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	<b>I. Administration</b>
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	
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*Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.*

<b>REQUESTED ACTION</b>	<b>Add</b>
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	N/A
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>Prior to 2018, a portion of the proceeds from the deed stamp tax funded the SC Conservation Bank ("Bank"), and Section 48-59-60 provided that its unexpended revenues would be carried forward in its trust fund account. In 2018, the Bank began receiving its funding from General Appropriations, from which unexpended funds generally cannot be carried forward between fiscal years.</p> <p>The Bank's principal operating activity is funding third parties' conservation real estate transactions. These conservation projects are opportunistic in nature and their timelines do not always coincide with the Bank's fiscal year. This incongruence between the Bank's fiscal year deadline and the timelines associated with the third parties' conservation real estate transactions creates timing challenges with the Bank's administration of grants.</p> <p>The following proviso is intended to relieve the timing challenges described above. By allowing the Bank to carry-over any unexpended funds, the Bank would have more flexibility to support conservation projects that may operate on a timeline that falls after the Bank's fiscal year. It would also allow the Bank to redeploy funding to other important projects in the event that an approved grant cannot close due to circumstances outside of the Bank's control. The chief aim of this proviso is to moderate the timing challenges associated with funding independent conservation real estate transactions and the Bank's fiscal year deadlines.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state*

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<b>AGENCY CODE:</b>	<b>P400</b>	<b>SECTION:</b>	<b>53</b>

*of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	None
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

<b>PROPOSED PROVISOR TEXT</b>	The Bank shall be allowed to carry-forward all unexpended funds into the following fiscal years to support its conservation grant program. Any unexpended funds carried over shall accrue to the Bank's current fiscal year budget, from which the Bank may use to support additional conservation projects.
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*Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

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**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION  
CONTINGENCY PLAN**

<b>TITLE</b>	<b>Agency Cost Savings and General Fund Reduction Contingency Plan</b>
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<b>AMOUNT</b>	272,104 <i>What is the General Fund 3% reduction amount (minimum based on the FY 2019-20 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>
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<b>ASSOCIATED FTE REDUCTIONS</b>	None <i>How many FTEs would be reduced in association with this General Fund reduction?</i>
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<b>PROGRAM/ACTIVITY IMPACT</b>	The General Funds identified support many activities including general operating expenses as well as funding grants that the SC Conservation Bank Board approves.  <i>What programs or activities are supported by the General Funds identified?</i>
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<b>SUMMARY</b>	A reduction in General Fund Appropriations would inhibit the SC Conservation Bank from further fulfilling its mission to improve the quality of life in South Carolina through the conservation of significant natural resource lands, wetlands, historical properties, archeological sites, and urban parks.  <i>Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.</i>
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<b>AGENCY COST SAVINGS PLANS</b>	The SC Conservation Bank does not have any costs or operating expenses that exceed \$50,000.  <i>What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?</i>
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