

Agency Name:	Office of Resilience		
Agency Code:	D300	Section:	92D



Fiscal Year FY 2024-2025

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
	<input type="checkbox"/>	

PROVISOS <i>(FORM D)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input checked="" 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>
PRIMARY CONTACT:	Andrew DeRienzo	(803) 737-2584	Andrew.DeRienzo@scor.sc.gov
SECONDARY CONTACT:	Eric Fosmire	(803) 822-9580	Eric.Fosmire@scor.sc.gov

I have reviewed and approved the enclosed FY 2024-2025 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE: TYPE/PRINT NAME:	<u>Agency Director</u>	<u>Board or Commission Chair</u>
	 Benjamin L. Duncan	

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

Fiscal Year 2024-2025 Executive Summary

Agency Code:	D300
Agency Name:	Office of Resilience
Section:	92D

Agency Priority	Request Type	Title	General Dollars	Federal Dollars	Earmarked Dollars	Restricted Dollars	Total Dollars	General FTEs	Federal FTEs	Earmarked FTEs	Restricted FTEs	Total FTEs
1	B1 - Recurring	General Operating Expenses Increase	\$4,256,047	\$0	\$0	\$0	\$4,256,047	40.00	0.00	0.00	0.00	40.00
2	B2 - Non-Recurring	Disaster Relief and Resilience Reserve Fund Increase	\$43,000,000	\$0	\$0	\$0	\$43,000,000	0.00	0.00	0.00	0.00	0.00
Subtotal:			\$47,256,047	\$0	\$0	\$0	\$47,256,047	40.00	0.00	0.00	0.00	40.00

Agency Name:	Office of Resilience		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	General Operating Expenses Increase
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$4,256,047 Federal: \$0 Other: \$0 Total: \$4,256,047
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	40.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<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 checked="" 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"/>	Related to a Non-Recurring request – If so, Priority # 2	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<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	

ACCOUNTABILITY OF FUNDS	<p>The general fund request is for general office expenses, 29 TGE to FTE conversions and new FTE positions. Federal CDBG-DR and CDBG-MIT funds have traditionally covered the general office and TGE positions but as those grants end, these recurring costs will need to be covered by another source for the office to continue operating. This request also includes funds required to appropriately staff departments to update, maintain, and implement the statewide resilience plan.</p>
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What specific strategy, as outlined in the most recent 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?

RECIPIENTS OF	<p>These funds will be used to pay vendors and cover the costs associated with staff maintaining the statewide resilience plan.</p>
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FUNDS

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 general fund dollars will cover existing and additional operating costs for the Office of Resilience such as rent, insurance, DTO expenses, Shared Services expenses, and other general operating expenses. A steady recurring source of funding is critical for SCOR to effectively deploy and implement its substantial statutory disaster recovery, mitigation, and resilience obligations. Many of the SCOR's programs depend on grant funding. While grant funding opportunities are expected to continue to be available, the lack of dedicated funding jeopardizes the agency's long-term ability to carrying out its statutory missions. Without a dedicated source of funding, SCOR will not have programmatic capacity to fund and deploy all of its required missions and the state would lose a wealth of institutional knowledge equipped to coordinate resilience to natural disasters, mitigation of these risks, and long-term disaster recovery caused by natural disasters. The lack of dedicated funding also makes it difficult to plan long-term or reliably sequence needed resilience or mitigation projects.

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.

Agency Name:	Office of Resilience		
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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Disaster Relief and Resilience Reserve Fund Increase
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Provide a brief, descriptive title for this request.

AMOUNT	\$43,000,000
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<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 checked="" 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 type="checkbox"/>	Related to a Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<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	

ACCOUNTABILITY OF FUNDS	<p>1.1 Install flood reduction infrastructure</p> <ul style="list-style-type: none"> • Funding allows infrastructure projects that mitigate future flooding that reduces risk of loss of life and damaged properties. <p>1.2 Voluntary Acquisition of homes in the floodplain.</p> <ul style="list-style-type: none"> • Voluntary buyout of at risk or repetitive loss homes in the floodplain. <p>2.1 Develop, implement and maintain the Statewide Resilience Plan.</p> <ul style="list-style-type: none"> • 2.1.2 Develop a statewide watershed-based resilience planning program. Assist local communities in resilience planning, coordinating hazard mitigation activities and infrastructure, and identifying funding sources for these solutions. • 2.1.6 Coordinate Statewide conservation for flood reduction <p>3.1 Housing repair and replacement for declared disasters.</p> <p>Maintain sufficient balance in Reserve Fund to recover from disasters.</p>
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What specific strategy, as outlined in the most recent 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?

RECIPIENTS OF FUNDS

Recipients of the funds depend on the disaster relief, mitigation, or resilience purposes being served. Recipients could include local governments, individual citizens, grantees, vendors, or contractors.

Based on current needs, requested funds will be allocated as follows:

- \$10mil - Reserve Relief
- \$23mil - Mitigation Projects
- \$10mil - Resilience Projects

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 Disaster Relief and Resilience Reserve Fund was created to support the Resilience Plan, respond to disasters, and undertake certain qualifying flood or disaster impact mitigation projects. Most of the current \$44M balance of the Reserve Fund is set aside to respond to potential disasters. The 2015 Flood, 2016 Hurricane Matthew, and 2018 Hurricane Florence were disasters that resulted in hundreds of millions of dollars in unmet needs. The Reserve Fund is not designed to make every single loss whole; however, one major disaster would exhaust the fund which would not allow for the other required resilience planning and mitigation project missions.

The mitigation needs are overwhelming. In the most recent application period for a one-time only HUD CDBG-MIT program, SCOR received \$90M in applications for approximately \$20M in funding. The referenced program only covers 17 counties and was not available statewide per HUD limitations. There are hundreds of millions of dollars in present stormwater needs in the state without even considering the ongoing growth in South Carolina and without considering those lower-resourced communities that do not have the capacity to effectively study and price their needs.

To increase the ability to support implementation of the Resilience Plan, respond to disasters, and carry out flood mitigation projects, SCOR has developed proposals to secure recurring streams of income. Because the Strategic Statewide Resilience and Risk Reduction plan deals in large part with reducing risks and lessening impacts of disasters on this state's communities and citizens, our proposal is to fund SCOR and the Disaster Relief and Resilience Reserve Fund with a portion of the insurance premium tax that is collected from property and casualty insurers doing business in SC. The proposal was introduced by Senator Goldfinch in S.731 on April 13, 2023. The proposal will provide for the long-term viability of the relief portion of the fund as well as provide for the effective implementation of the Resilience Plan and mitigation projects.

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 D – PROVISO REVISION REQUEST

NUMBER

92D.1

Cite the proviso according to the renumbered list (or mark "NEW").

TITLE

Catastrophic Weather Event

Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM

HUD CDBG-DR (disaster recovery) federal dollars

Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST

Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.

REQUESTED ACTION

Amend

Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED

None

Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION

Homes assisted by disaster recovery funds keep same property tax basis as before disaster so as not to substantially increase homeowner's taxes when post disaster home repair or replacement assistance may actually increase the value of the home. Tax basis is kept the same because nearly all those assisted in the CDBG-DR program are low to moderate income. The program does not want to replace housing and then have the property reassessed at a substantially higher rate, thereby putting the low to moderate income person at risk of losing their repaired or replaced home. If the assisted owner later sells the home after the lien period, then property is no longer subject to the protection provided by this proviso. Proviso has existed since FY 2016-2017. Request is to amend the end date to the end of FY 25 because recovery operations are still ongoing.

Summarize the existing proviso. If requesting a new proviso, describe the current state 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.

FISCAL IMPACT

Neutral, taxable basis remains the same as before the disaster.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

Any improvements made to real property or personal property used as a residence, such as a mobile home or manufactured housing unit, damaged during the catastrophic weather event in October 2015, Hurricane Matthew of 2016, or Hurricane Florence of 2018, after the event and before June 30, ~~2024~~ **2025**, is not considered an improvement and may not be reassessed at a higher rate as a result of the assistance provided. This provision only applies if as a result of the catastrophic weather event, the improvements made to the property were funded by the United States Department of Housing and Urban Development Block Grant - Disaster Recovery program implemented by the Office of Resilience, or its predecessor the Disaster Recovery Office. This provision also applies if, at the discretion of the county and using qualifications determined by the county, the improvements were made with the assistance of a volunteer organization active in disaster, or a similar volunteer organization.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Office of Resilience		
Agency Code:	D300	Section:	92D

FORM D – PROVISO REVISION REQUEST

NUMBER	92D.2
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	Leave Balances
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	Office of Resilience D300, Budget Part 1A, Sec 92D
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	
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Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>The leave balance saving provision protects leave balances for any temporary grant employee of the former SC Disaster Recovery Office or the Office of Resilience who moves into a full time equivalent (FTE) position with the SC Office of Resilience. While most of such transfers have occurred during or prior to FY2023-2024, SCOR's federally funded disaster recovery programs are maturing or reaching completion. This provision saves the leave balance of such employee(s) who are hired into an FTE position with SCOR from their TGE position.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state 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.

FISCAL IMPACT

Neutral

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

Any temporary grant employees (**TGEs**) transferred from the ~~Department of Administration's~~ **former South Carolina** Disaster Recovery Office to the Office of Resilience who become full time **equivalent (FTE)** employees **with SCOR** shall retain any leave accrued prior to the transfer.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Office of Resilience		
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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$79,514
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	2
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	The \$79,514 identified would be reduced by not filling 2 open FTE positions (Program Coordinator II) with an estimated salary of \$45,000 each.
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What programs or activities are supported by the General Funds identified?

SUMMARY	This reduction could impact service delivery and quality of mitigation or resilience services if the agency needs to make such cuts or if there are current FY grants secured or an increase in other federal funding.
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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.

**AGENCY COST
SAVINGS PLANS**

The Office of Resilience runs a lean operation in terms of general fund expenditures and utilizes more federal funded TGE positions than general fund FTE positions. As federal grants wind down, the office reduces the number of TGE employees that are funded through those federal dollars. This does not result in a true savings but prevents the use of general fund dollars to supplement federal recovery programs.

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?