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Joint Capital Bond Study Committee
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Good Afternoon Mr. Chairman and Members. I'm Brenda Hart, Director of the Executive Budget Office in the Department of Administration. I was asked to provide a brief overview of the CPIP Process and Executive Budget Office's role.

CPIP stands for Comprehensive Permanent Improvement Plan and it is established in §2-47-55 of the SC Code of Laws. It provides the Joint Bond Review Committee and the State Fiscal Accountability Authority a comprehensive view of each agency's permanent improvement activities over a five-year period. The CPIP was suspended by a proviso in the Appropriations Acts for FY 2008-09 through FY 2012-13, during the economic downturn. However, that proviso has subsequently been removed and the CPIP process has started again.

The CPIP serves three purposes:

1. It serves as a planning process for each agency and higher education institution to review its facilities needs over the next five-year period.
2. It provides a mechanism for making agencies' permanent improvement funding needs for the next five years known.
3. For higher education institutions, it provides a mechanism by which projects can get approval at the beginning of the fiscal year, without having to bring each request separately to the Commission on Higher Education.

All state agencies, including the Universities and Colleges, which are responsible for providing and maintaining physical facilities are required to submit a plan each year. This plan should include all permanent improvement projects projected and proposed for the five-year period regardless of the source of funds expected to finance them. Each agency's individual plan is then compiled into one statewide Comprehensive Permanent Improvement Plan, or CPIP, by the Executive Budget Office.

Emphasis is placed on projects included in Years 1 and 2 of the CPIP. Projects for these years must be described in great detail to allow a reviewer of the CPIP to gain a clear idea of what the proposed projects involve and why they are needed. For Year 1, the agency must identify the source of funding for the project(s). Year 1 should include only projects that will be initiated in the upcoming fiscal year. Funding should be available or an agency must be reasonably certain that funding will be available. These projects should not be dependent upon receiving a state appropriation or capital improvement bonds.

For Years 2 through 5, agencies may or may not have a source of funding identified. Agencies may be requesting funding from the General Assembly where funds are not available or identified. It is anticipated that requests for appropriations will be included in the agency's

annual budget request. Projects to be initiated in Year 2 that will require State Appropriations or Capital Improvement Bonds should clearly show this. For Years 3 through 5, projects are listed with an estimate of their cost and an indication of the anticipated source of funds.

The Executive Budget Office works with the agencies in compiling the CPIP reports. In January, our Office provides agencies guidelines and templates to be used in completing their Annual CPIP Report. The reports are due to our Office in March and are published on our website.

The CPIP includes a cover sheet that is signed by the agency head and the chief financial officer to certify that all funds are available to the agency either within existing resources or the agency has other means of financing its permanent improvement projects – such as bonds or grants.

Summary information includes:

- The condition and adequacy of existing facilities, demand trends, and total amount of maintenance needs;
- Facility replacement and addition needs;
- How maintenance needs addressed; if there is an account dedicated to maintenance needs and if so, the uncommitted balance;
- How the CPIP address the agency's needs;
- A financial summary by year including the number of projects and proposed sources of funds;
- A form for each year with projects listed in priority order with project name, estimated cost, and proposed sources of funds; and,
- Years 1 and 2 require additional detailed information – Description of project, detailed estimated cost of project, source of funds, estimated beginning and completion dates, estimated costs for year one of the project and remaining years. Additionally, additional annual operating cost or savings and whether or not these can be absorbed by the agency.

When the universities and colleges submit their plans to the Executive Budget Office, the Commission on Higher Education will be copied. Our Office will work with the agencies to compile the CPIP submittals from the agencies for submission to JBRC and the State Fiscal Accountability Authority, upon request, and will post on our website.

<http://www.admin.sc.gov/budget/capital-budgeting-unit/CPIP>

- The CPIP process was suspended by proviso in the Appropriation Acts from FY 2008-09 through FY 2012-13.
- All State agencies including the Universities and Colleges which are responsible for providing and maintaining physical facilities are required to submit a CPIP to the Joint Bond Review Committee and the State Fiscal Accountability Authority.
- All projects that are anticipated or proposed over the next 5 years are to be included.

CHAPTER 47
Joint Bond Review Committee

SECTION 2-47-55. Comprehensive Permanent Improvement Plan.

Section effective July 1, 2015. See, also, section effective until July 1, 2015.

(A) All state agencies responsible for providing and maintaining physical facilities are required to submit a Comprehensive Permanent Improvement Plan (CPIP) to the Joint Bond Review Committee and the authority. The CPIP must include all of the agency's permanent improvement projects anticipated and proposed over the next five years beginning with the fiscal year starting July first after submission. The purpose of the CPIP process is to provide the authority and the committee with an outline of each agency's permanent improvement activities for the next five years. Agencies must submit a CPIP to the committee and the authority on or before a date to be determined by the committee and the authority. The CPIP for each higher education agency, including the technical colleges, must be submitted through the Commission on Higher Education which must review the CPIP and provide its recommendations to the authority and the committee. The authority and the committee must approve the CPIP after submission and may develop policies and procedures to implement and accomplish the purposes of this section.

(B) The State shall define a permanent improvement only in terms of capital improvements, as defined by generally accepted accounting principles, for reporting purposes to the State.

HISTORY: 1993 Act No. 178, Section 5, eff July 1, 1993; 2003 Act No. 5, Section 1; 2014 Act No. 121 (S.22), Pt VII, Section 18.B, eff July 1, 2015.

**H. 4813
PART IB**

**OPERATION OF STATE GOVERNMENT
SECTION 89 - X90-GENERAL PROVISIONS**

89.83. (GP: Printed Report Requirements) (A) For Fiscal Year 2012-13, state supported institutions of higher learning shall not be required to submit printed reports mandated by Sections 2-47-40, 2-47-50, and 59-103-110 of the 1976 Code, and shall instead only submit the documents electronically.

Submission of the plans or reports required by Sections 2-47-55, 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except institutions of higher learning must continue to report under 2-47-55 year one of the Comprehensive Permanent Improvement Plan, student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible.

(B) For Fiscal Year 2012-13, the Department of Agriculture shall not be required to submit printed reports mandated by Section 46-49-10 of the 1976 Code. The department shall provide these reports electronically and shall use any monetary savings for K5-12 agricultural education programs.

(C) For Fiscal Year 2012-13, the Department of Health and Human Services shall not be required to provide printed copies of the Medicaid Annual Report required pursuant to Section 44-6-80 of the 1976 Code and the Provider Reimbursement Rate Report required pursuant to Proviso 21.11, and shall instead only submit the documents electronically.

(D) For Fiscal Year 2012-13, the Department of Transportation shall not be required to submit printed reports or publications mandated by Sections 1-11-58, 2-47-55, and 58-17-1450 of the 1976 Code.

The Department of Transportation may combine their Annual Report and Mass Transit Report into their Annual Accountability Report.