



**SOUTH CAROLINA
COUNCILS OF GOVERNMENTS**

FY26 BUDGET REQUEST
JANUARY 14, 2025

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Attachments:

**SC COGs
Comparative
Version of Budget Form A
and Form B1**

**SC COGs Government
Services Proposal**

ABOUT US

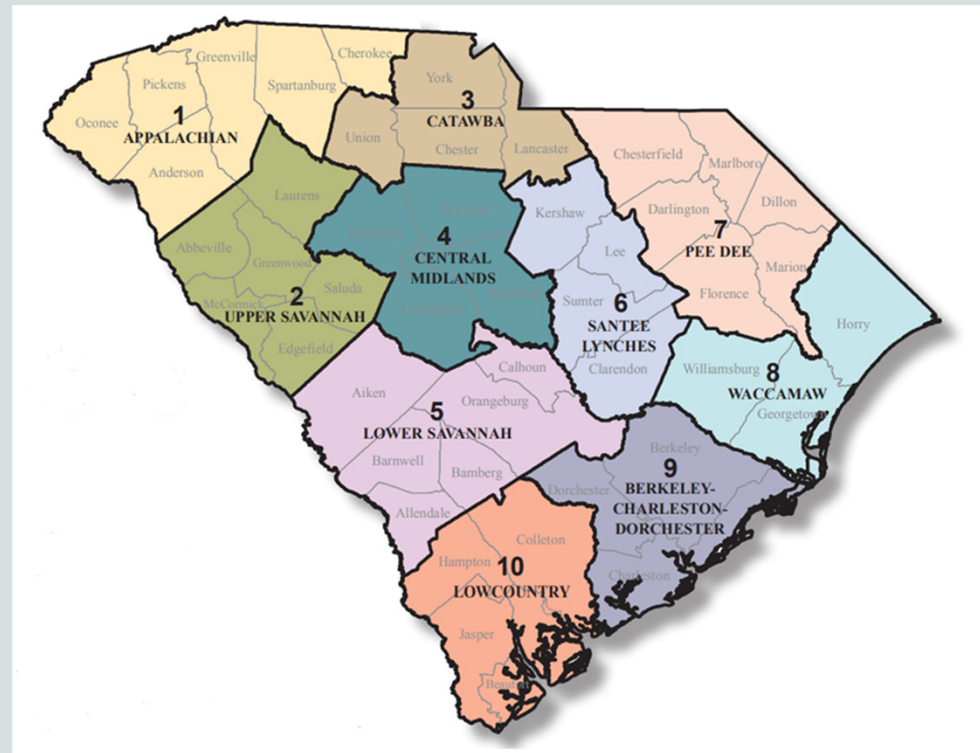
We are a network of 10 Councils of Governments (COGs) working to positively influence quality of life and economic development in South Carolina.

Created by state statute in 1967 following the federal Public Works and Economic Development Act of 1965, COGs were incorporated into the SC Constitution by referendum in 1971. SC COGs are governed by board of local officials, legislators, and community leaders

Councils of Governments are partnerships of – and provide resources to – the local counties, cities, and towns in their regions. In addition to local and regional partnerships, COGs partner with numerous federal and state agencies, obtaining and administering grants for a variety of community-based programs and economic development initiatives.

South Carolina Councils of Governments (SC COGs) know and understand our communities, so we are better able to provide creative solutions to their unique challenges.

We do this by functioning as a valuable extension of county and local governments, serving as a resource for technical assistance, securing state and federal dollars to address critical issues for our communities, and by advocating at a state and national level for economic and quality of life improvements for our state.



What We Do

ECONOMIC DEVELOPMENT



SC COGs play a vital role in ensuring that our workforce, our small business leaders and manufacturers, and our communities have the tools, training and financial support needed to become and remain economically competitive. We work with local governments to develop and implement strategies that will result in the creation of jobs and capital investment. COGs routinely utilize the financial resources of the Economic Development Administration to improve basic infrastructure to accommodate the needs of new or expanding industry.

TRANSPORTATION PLANNING



Each of the 10 COGs manages rural transportation planning, and four of the 10 serve as the Metropolitan Planning Organization (MPO) for urban transportation planning within their region. Working with transportation policy committees, COG Boards recommend and prioritize transportation projects in coordination with the SC Department of Transportation (SCDOT). COGs long-range transportation plans for each region and providing feedback and input regarding transportation and transit priorities.

SERVING OUR AGING POPULATION



Seven of the 10 SC COGs are designated as their region's Area Agency on Aging (AAA), working with the South Carolina Department on Aging to deliver services like home-delivered and congregate meals, in-home care, transportation, health promotion and Medicare counseling, legal services and advocacy with long-term care providers, and a valuable network of care for some of South Carolina's most vulnerable population.



WORKFORCE DEVELOPMENT



SC COGs play a vital role in ensuring that our workforce, our small business leaders and manufacturers, and our communities have the tools, training and financial support needed to become and remain economically competitive. We offer comprehensive services designed to increase employment, retain jobs, and develop occupational skills for unemployed and underemployed South Carolinians of all ages and backgrounds.

COMMUNITY DEVELOPMENT



The COGs and the South Carolina Department of Commerce have had a long-standing relationship with the state's Community Development Block Grant (CDBG) program. The COGs help with project and application development, ranking, and grant administration at the local level. This is a beneficial service for smaller communities that do not have the internal capacity to prepare applications and administer grants. The COGs have also assisted the South Carolina Department of Commerce with statewide water and sewer mapping and provided databases on industrial sites and buildings and quality of life attributes. The 10 COGs are partnering with the federal Southeast Crescent Regional Commission, and two COGs are partnering with the Appalachian Regional

Commission, in order to facilitate the establishment of sustainable communities and the strengthening of economic growth through the use of their programs.

GRANT ADMINISTRATION AND DEVELOPMENT



State and federal grants obtained through COGs are used for a range of critical needs – infrastructure, community revitalization, downtown development, housing construction and rehabilitation, public safety, recreation, social services, education, historic preservation, energy conservation and environmental protection.

As facilitators, the COGs help develop projects, prepare applications, act as advocates, serve as liaisons with funding agencies and often administer the project funds after grants are awarded.



LOCAL AND REGIONAL PLANNING



SC COGs may work with local governments to complete comprehensive plans, update zoning ordinances, complete capital improvement plans and assist with planning-related services. SC COGs routinely provide Census and statistical data to agencies, organizations and individuals within their regions and beyond. In addition, most COGs maintain a Geographic Information System (GIS) that offers computer mapping services, data research, and analysis to help guide local land use policies for cities and counties. GIS mapping can give local governments insight into what their area will look like if present growth trends continue – a key component in planning for the future.

WATER QUALITY



Six of the SC COGs are charged by the South Carolina Department of Environmental Services (DES) with creating and maintaining regional water quality management plans. As such, the COGs review all applications requesting sewer discharge permits. These reviews, done to ensure compliance with the regional water quality plan, are necessary before DES will issue permits for new or expanded business, industry or residential development.

BUSINESS LOANS



Many South Carolina businesses benefit from COG Revolving Loan Funds which provide loans for business expansion and new job creation. Many COGs also facilitate small business lending through one or more additional loan programs sponsored by the Small Business Administration or other federal or state agencies. These programs represent an important source of capital. Generally, these loans are made in partnership with banks and other private lenders when conventional loan terms may undermine the feasibility of the project.



Our Impact in FY 2024

economic & community development federal & state grants

On behalf of our local governments, SC COGs pursue competitive grants for infrastructure and community revitalization projects. More than half of the grants secured are **Community Development Block Grants (CDBG)**. Others include **SC Rural Infrastructure Authority (RIA)** and **U.S. Economic Development Administration (EDA)** grants.



245 grants were secured, administered, and managed, totaling more than **\$256 million**.

access to capital

SC COGs are able to leverage valuable financial resources in the form of loans and private capital through federal partners like the **U.S. Economic Development Administration, Appalachian Regional Commission, U.S. Department of Agriculture, and the U.S. Small Business Administration.**

Since inception, SC COGs' lending programs have loaned more than **\$165 million**, creating **11,575 jobs**.



Since the early 1980s, SC COGs have leveraged **\$297 million** in private capital.

workforce training

Working with a variety of federal and state funding partners, SC COGs operate **SC Works Centers** to provide much needed workforce training throughout our state.



114,598 job seekers served through **38** SC Works offices.

WIOA clients, including youth, displaced workers and adults totaled 3,700.

Each SC COG has a Workforce Development Board that prioritizes how federal Workforce Innovation and Opportunity Act (WIOA) funds will be utilized - resulting in re-employment or job training for South Carolinians of all ages and backgrounds.



serving our aging population

Seven of the 10 SC COGs are designated as their region's Area Agency on Aging (AAA), working with the SC Department on Aging to deliver services like **in-home care, transportation, legal services and more** to the aging population throughout South Carolina.

- **84,517** clients were impacted by SC COGs' aging programs.

- **1,039,164** meals were served (in-home and at congregate meal sites) to a total of **12,131** seniors.

transportation planning & projects

Each COG engages in transportation planning. All manage rural transportation planning, and four of the 10 serve as the Metropolitan Planning Organization (MPO) for urban transportation planning. Working with transportation policy committees, COG Boards recommend and prioritize transportation projects in coordination with the SC Department of Transportation (SCDOT).



- **SC COGs completed 48 transportation plans.**
-

serving local governments

SC COGs work to benefit all of South Carolina by functioning as an extension of county and local governments, serving as a resource for technical assistance, and securing state and federal dollars to address critical issues for our communities. Support ranges from facilitating council retreats and training staff to providing governmental assistance in budgeting and human resources.

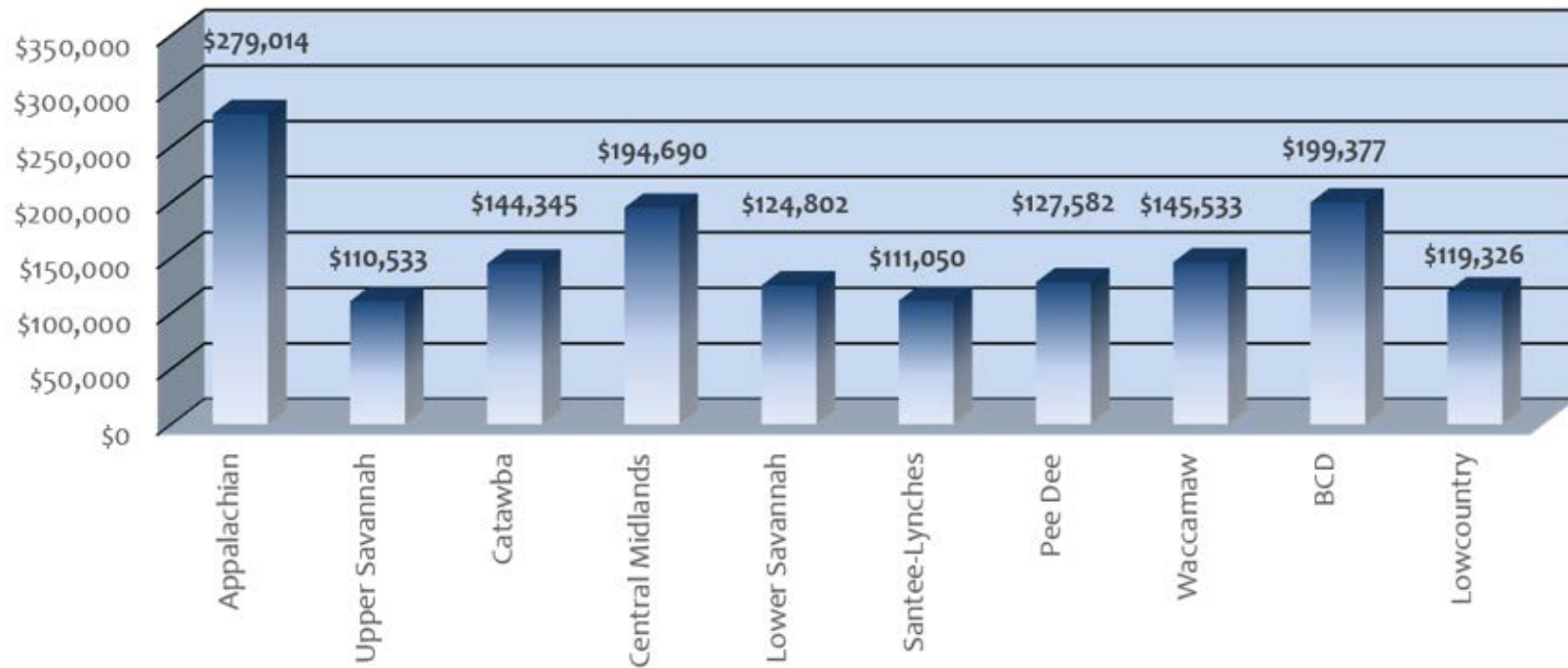
planning assistance

In fiscal year 2024, SC COGs assisted city and county governments in meeting statutory planning requirements for their jurisdictions and in filling gaps within staffing and management of services. SC COGs completed comprehensive plans, updated zoning documents, and assisted with large scale GIS projects.



- **137 planning projects**
- **21 comprehensive plans**

Statewide Allocation of Recurring FY 25 Appropriation: \$1,556,253



Note: The COGs received a \$1,000,000 nonrecurring appropriation in FY 25, divided equally among the 10 COGs.

FY 26 Budget Request

Priority # 1: Continuation of Recurring Appropriation

➤ **\$1,556,253** Recurring

The SC COGs are requesting the continuation of their recurring appropriation for FY 2026. These funds would be allocated among the ten COGs by formula (50% population, 50% evenly divided) with each COG receiving between \$110,533 to \$279,014.

Priority # 2: Establishment of a **Government Services Program** at each of the ten SC Councils of Governments

➤ **\$2,000,000** Recurring for Three Years

The Councils of Governments are requesting a three-year recurring appropriation to support a senior professional (or professionals) to provide direct services to local governments (funding to be divided equally among the 10 COGs at \$200,000 per COG per year for 3 years). This proposed program is supported by the SC Association of Counties and the Municipal Association of South Carolina. **See attached SC Comparative EBO comparative budget form A and form B I and Proposal Summary.**

South Carolina Councils of Governments

FORM A – BUDGET PLAN SUMMARY

OPERATING REQUESTS:

Requesting General Fund Appropriations

NON-RECURRING REQUESTS:

None

CAPITAL REQUESTS:

None

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FORM B1: RECURRING OPERATING REQUEST

AGENCY/ORGANIZATION NAME:

South Carolina Councils of Governments (COGs)

PRIORITY NUMBER:

1

TITLE:

Establishment of a Government Services Program through the 10 South Carolina Councils of Governments

AMOUNT:

- **Year 1:** \$2,000,000*
 - **Year 2:** \$2,000,000*
 - **Year 3:** \$2,000,000*
- Total Amount:** \$6,000,000

** In order to address the difficulty of hiring knowledgeable public administration professionals without multi-year commitments, an initial 3-year recurring period is being requested. The requested amount will be divided equally per COG so that each receives \$200,000 per year for this activity.*

NEW POSITIONS:

10 FTEs – one in each of the state's COG regions

FACTORS ASSOCIATED WITH THE REQUEST:

Proposed establishment of a new program or initiative

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVE:

Government and Citizens

ACCOUNTABILITY OF FUNDS:

The requested funds will support multiple strategic activities designed to enhance the capacity and effectiveness of local governments. These include using trained public administration professionals to provide technical assistance, to develop training programs to elevate administrative and operational expertise, and to provide access to modern tools and technologies to improve overall efficiency.

The metrics for the measurement of the effectiveness of this program will be a detailed list of assistances rendered to small municipal and county governments in South Carolina that lie outside of the COGs' normal programmatic activities. These additional assistances will be documented and reported to demonstrate the program's impact on enhancing local government operations.

Expected results will include:

- Strengthened local government operations through enhanced administrative and technical support.
- Improved efficiency in service delivery and resource management.
- Increased capacity for economic development and community engagement initiatives.
- Reduced anxiety experienced by elected representatives at all levels of government, including the federal, state, and local levels.

RECIPIENTS OF FUNDS

The 10 South Carolina Councils of Governments

JUSTIFICATION OF REQUEST

Some of South Carolina's small municipalities and counties are experiencing a fiscal crisis, as demonstrated by the withholding of distributions from the Local Government Fund in the past due to non-compliance with financial audit requirements. Even though legislative changes have modified the financial reporting requirements for certain smaller municipalities, many local governments still require assistance in preparing financial statements and other fiscal documents.

Due to the limited or part-time administrative staff in these smaller local governments, this program will assist them in meeting this need, as well as other fiscally problematic issues, including the failure to submit federal withholding to the IRS, the failure to submit employer contributions to PEBA, failure to conduct financial audits, failure to fulfill FOIA requirements, etc. **The intent is to provide a dedicated Government Services Manager in each region to provide direct services such as budgeting assistance, interim administration, and compliance guidance.**

Additionally, training programs, workshops, and council retreats will be available to enhance governance skills, while modern tools, resources, and community engagement strategies will strengthen both decision-making and relationships between governments and their citizens.



A Proposal for a South Carolina Councils of Governments Government Services Program

The Challenge

Local governments across the state are facing increasing challenges in administering quality services. Operational administration, financial management, human resource management, capital investment planning, and regulatory compliance are among the challenges faced. The internal capacity to meet these challenges varies significantly from large counties and cities with extensive staff capabilities, to small towns whose administration might consist of a part-time mayor and clerk. Personnel issues within smaller communities are further exacerbated by a general inability to hire experienced staff that can assist with these challenges.

Proposal

The councils of governments are requesting an appropriation from the state of South Carolina to support a senior professional (or professionals) to provide direct services to local governments. Services could include, but are not limited to:

1. General Technical Assistance

- Budgeting and financial management assistance
- Hiring senior staff – job description development, advertising, and screen candidates for interviews
- Guidance, resources, and support to ensure adherence to various federal, state, and local laws and regulations
- Acting as interim administrator while a hiring process is underway
- Research on issues facing local governments
- Special projects

2. Training and Professional Development

- Council, Board, and Commission Training
- Facilitating Council Retreats
- Instruction in administration, finance, budgeting, records management, and other related areas
- Professional assistance and workshops on job roles, administration, human resources, and project management

- Instruction in effective communication with elected officials and citizens, customer service and public relations

3. Access to Resources and Tools

- Modern software, computers, and other office equipment to improve efficiency
- Access to relevant databases for informed decision-making.
- Help with identifying and applying for grants to secure additional funding

4. Communication and Collaboration

- Providing efficient internal and external communication tools, i.e., use of social media
- Information on employee recognition and reward programs

5. Community Engagement Support

- Tools and strategies for effective community engagement and public outreach
- Systems to gather and respond to feedback from residents and stakeholders

For a government services program to be effective, the program lead must have significant experience in local government administration. According to the most recent available data from the Municipal Association of South Carolina, the median salary for a city manager or administrator in South Carolina is approximately \$129,000. With benefits and expenses related to this position, each COG would need approximately \$200,000 to support a Government Services Manager position.

South Carolina Code Enabling Legislation for Councils of Governments

A primary mission of COGs, as identified in the South Carolina Constitution, is “continuing technical assistance, and information to the member local governments and other agencies and individuals” as a primary function of councils of governments. Under the enabling legislation, limited revenue sources were identified for COGs to undertake this mission.

Existing Conditions

South Carolina is divided into ten COG regions. Services provided by all of the COGs include assisting local governments and special purpose districts in obtaining and administering grants, operating a workforce development program under the federal WIOA (Workforce Investment and Opportunity Act), and partnering with SCDOT to conduct a planning and project prioritization process in non-urban portions of their regions. All ten COGs also offer local governments land use and comprehensive planning support.

Although the state Constitution identifies providing services to local governments and other public service providers as a core service of COGs, financial resources to support those services vary significantly across the state.

Since state law requires that half of the general appropriation to COGS is divided proportionate to population, the overall state allocation among COGs ranges from \$ 110,533 to \$ 279,014 (FY 2025 budget). Likewise, annual appropriations from local governments are based on the population of those governments. Therefore, COGs in larger regions can generate significantly more local funds than COGs in smaller areas. Another limitation to using general funds for government services is that a portion of those funds are required to match funding for federal programs. It is also the case that the smaller COGs have a disproportionate number of smaller local governments that require greater assistance. As a result, the COGs with the smallest resources to support a government services program tend to be located in parts of the state with the greatest need for the program.

Performance Evaluation

The Councils of Governments understand that the state already provides COGs with an annual general fund allocation. It would be reasonable to ask what new and unique services this additional funding would generate. It is also reasonable for the General Assembly to want to ensure that this funding would exclusively support dedicated and direct local government services and would not be absorbed into a COG's general operations.

The Councils of Governments already provide an annual report of our activities for legislators to track the important work done statewide. This report could be modified to track the efforts of the Government Service Managers in each region and provide legislators with assurance as to the program's impact.