



OHIO LEGISLATIVE SERVICE COMMISSION

Edward M. Millane and other LSC staff

Fiscal Note & Local Impact Statement

Bill: S.B. 266 of the 132nd G.A.

Status: As Introduced

Sponsor: Sen. Oelslager

Local Impact Statement Procedure Required: No

Subject: Capital appropriations and reappropriations for the FY 2019-FY 2020 biennium and other changes

State & Local Fiscal Analysis

Capital appropriations and reappropriations

The bill makes capital appropriations totaling \$2.63 billion for the FY 2019-FY 2020 biennium. LSC's [Capital Item Analysis](#)¹ provides summary reports and detailed information on capital appropriations. The bill also reappropriates approximately \$1.26 billion in capital funds for the FY 2019-FY 2020 biennium. This amount represents an estimate of available appropriations on July 1, 2018. Generally, the actual reappropriations will be equal to the actual appropriations available on July 1, 2018. These capital reappropriations are summarized in the tables at the end of this Fiscal Note. The first table presents the estimated amounts by fund. The second table presents the estimated amounts by fund and agency.

Distributions for SCIP grants and loans

The bill provides an additional \$350 million (\$175 million annually) in grant and loan funding for program years (PYs) 31 and 32 of the State Capital Improvements Program (SCIP) overseen by the Public Works Commission (PWC) under capital line item C15000, Local Public Infrastructure/State CIP. The bill changes the percentage of this funding that is distributed in the form of loans, local debt support, and credit enhancements from *exactly* 10% of the funding, as under current law, to *at least* 10% of the funding. Under current law, this means \$17.5 million (\$175 million × 10%) annually would be distributed for loans, local debt support, or credit enhancements and \$157.5 million annually would be distributed for grants. If PWC distributes more than 10% of annual funding for loans, local debt support, or credit enhancements, this would result in a corresponding decrease in funding available for grants.

Any potential increase in loan funding awarded as a result of this change would result in a rise in future revenue from loan repayments deposited into the State Capital Improvements Revolving Loan Fund (Fund 7040). This is the fund used to award

¹ LSC's *Capital Item Analysis* can be found on LSC's website: www.lsc.ohio.gov under Budget Central/Budget – 132nd General Assembly – Capital Appropriations and Reappropriations.

additional loans for SCIP-eligible projects through capital line item C15030, Revolving Loan. The bill appropriates \$89.0 million for revolving loans under this capital line item.

Cash transfer to the Public School Building Fund (Fund 7021)

The bill requires, on the effective date of the bill, or as soon as possible thereafter, the Director of Budget and Management to transfer up to \$45.0 million cash from the Research and Development Loan Fund (Fund 7010) and up to \$30.0 million cash from the Innovation Ohio Loan Fund (Fund 7009) to the Public School Building Fund (Fund 7021). The bill appropriates \$75.0 million from Fund 7021 appropriation item C23001, Public School Buildings, to be used, along with appropriations from the Lottery Profits Education Fund (Fund 7017) and the School Building Assistance Fund (Fund 7032), by the Facilities Construction Commission (FCC) to provide the state share of basic project costs to school districts participating in FCC's school facilities programs.

IT systems financing arrangements

The bill allows the state to enter lease-purchase agreements to finance or refinance certain IT systems operated by the Department of Administrative Services (DAS), the Department of Taxation (TAX), and the Ohio Department of Job and Family Services (ODJFS). Among all three systems, the total amount of such authorized financing is \$55.6 million. At the applicable agency's request, the bill requires the Office of Budget and Management (OBM) to make arrangements for the issuance of obligations, including fractionalized interests in public obligations to finance the systems provided that the obligations do not exceed certain amounts specified by the bill. These financial instruments are commonly referred to as Certificates of Participation (COPS). Those amounts and the applicable systems are shown in the table below.

Table 1. IT System Financing Allowances for COPS under H.B. 529		
Agency	System	Maximum Allowed
DAS	Enterprise Data Center Solutions (EDCS)	\$29,594,850
	Ohio Administrative Knowledge System (OAKS)	
TAX	State Taxation Accounting and Revenue System (STARS)	\$12,000,000
ODJFS	Unemployment Insurance System (UIS)	\$14,030,000
TOTAL		\$55,624,850

Montgomery County land conveyance

The bill allows state-owned real estate located in Montgomery County under the jurisdiction of the Ohio Department of Developmental Disabilities to be conveyed to the Montgomery County Alcohol, Drug Addiction, and Mental Health Services Board or an alternate purchaser. The bill requires the proceeds of the sale to be credited to the Mental Health Facilities Improvement Fund (Fund 7033) or another fund designated by the Director of Budget and Management.

Capital reappropriations tables

Table 2. FY 2019-FY 2020 Reappropriations by Fund		
Fund Code	Fund Name	Amount
3190	Nursing Home – Federal Fund	\$14,876,330
3420	Army National Guard Service Contract Fund	\$500,000
5460	State Fire Marshal Fund	\$4,185,565
5A10	Capital Donations Fund	\$1,826,810
5KZ0	Building Improvement Fund	\$5,812,000
6040	Veterans Home Improvement Fund	\$7,307,129
7015	Wildlife Fund	\$25,501,000
7021	Public School Building Fund	\$34,989,174
7024	Higher Education Improvement Taxable Fund	\$75,000
7026	Administrative Building Fund	\$44,098,125
7027	Adult Correctional Building Fund	\$71,246,978
7028	Juvenile Correctional Building Fund	\$7,849,361
7029	Transportation Building Fund	\$20,000,000
7030	Cultural and Sports Facilities Building Fund	\$19,600,631
7031	Ohio Parks and Natural Resources Fund	\$6,795,498
7032	School Building Program Assistance Fund	\$127,934,863
7033	Mental Health Facilities Improvement Fund	\$30,665,000
7034	Higher Education Improvement Fund	\$320,376,205
7035	Parks and Recreation Improvement Fund	\$39,630,944
7036	Highway Safety Fund	\$1,741,006
7038	State Capital Improvements Fund	\$230,613,305
7040	State Capital Improvements Revolving Loan Fund	\$103,092,820
7046	Coal Research and Development Fund	\$2,500,000
7056	Clean Ohio Conservation Fund	\$93,827,835
7057	Clean Ohio Agricultural Easement Fund	\$23,500,000
7061	Clean Ohio Trail Fund	\$1,335,928
7086	Waterways Safety Fund	\$4,742,890
7100	Service Station Cleanup Fund	\$18,500,000
Total Reappropriations, All Funds		\$1,263,124,397

Table 3. FY 2019-FY 2020 Reappropriations by Fund and Agency		
Fund Code	Fund Name	Amount
3190	Nursing Home – Federal Fund	\$14,876,330
	<i>Department of Veterans Services</i>	\$14,876,330
3420	Army National Guard Service Contract Fund	\$500,000
	<i>Adjutant General</i>	\$500,000
5460	State Fire Marshal Fund	\$4,185,565
	<i>Department of Commerce</i>	\$4,185,565
5A10	Capital Donations Fund	\$1,826,810
	<i>Facilities Construction Commission</i>	\$1,826,810
5KZ0	Building Improvement Fund	\$5,812,000
	<i>Department of Administrative Services</i>	\$5,812,000

Table 3. FY 2019-FY 2020 Reappropriations by Fund and Agency

Fund Code	Fund Name	Amount
6040	Veterans Home Improvement Fund	\$7,307,129
	<i>Department of Veterans Services</i>	\$7,307,129
7015	Wildlife Fund	\$25,501,000
	<i>Department of Natural Resources</i>	\$25,501,000
7021	Public School Building Fund	\$34,989,174
	<i>Facilities Construction Commission</i>	\$34,989,174
7024	Higher Education Improvement Taxable Fund	\$75,000
	<i>Northwest State Community College</i>	\$75,000
7026	Administrative Building Fund	\$44,098,125
	<i>Adjutant General</i>	\$315,004
	<i>Attorney General</i>	\$1,409,263
	<i>Department of Agriculture</i>	\$696,400
	<i>Capitol Square Review and Advisory Board</i>	\$641,669
	<i>Department of Administrative Services</i>	\$30,314,920
	<i>Department of Natural Resources</i>	\$2,288,889
	<i>Department of Public Safety</i>	\$85,276
	<i>Expositions Commission</i>	\$567,000
	<i>Facilities Construction Commission</i>	\$2,743,330
	<i>School for the Blind</i>	\$1,661,352
	<i>School for the Deaf</i>	\$3,375,022
7027	Adult Correctional Building Fund	\$71,246,978
	<i>Department of Rehabilitation and Correction</i>	\$71,246,978
7028	Juvenile Correctional Building Fund	\$7,849,361
	<i>Department of Youth Services</i>	\$7,849,361
7029	Transportation Building Fund	\$20,000,000
	<i>Department of Transportation</i>	\$20,000,000
7030	Cultural and Sports Facilities Building Fund	\$19,600,631
	<i>Facilities Construction Commission</i>	\$19,600,631
7031	Ohio Parks and Natural Resources Fund	\$6,795,498
	<i>Department of Natural Resources</i>	\$6,795,498
7032	School Building Program Assistance Fund	\$127,934,863
	<i>Facilities Construction Commission</i>	\$127,934,863
7033	Mental Health Facilities Improvement Fund	\$30,665,000
	<i>Department of Mental Health and Addiction Services</i>	\$28,435,000
	<i>Department of Developmental Disabilities</i>	\$2,230,000
7034	Higher Education Improvement Fund	\$320,376,205
	<i>Department of Higher Education</i>	\$23,728,398
	<i>Belmont Technical College</i>	\$347,777
	<i>Bowling Green State University</i>	\$6,091,516
	<i>Broadcast Educational Media Commission</i>	\$368,474
	<i>Central Ohio Technical College</i>	\$675,000
	<i>Central State University</i>	\$1,498,835
	<i>Cincinnati State Community College</i>	\$9,260,219
	<i>Clark State Community College</i>	\$2,106,043

Table 3. FY 2019-FY 2020 Reappropriations by Fund and Agency

Fund Code	Fund Name	Amount
	<i>Cleveland State University</i>	\$20,738,458
	<i>Columbus State Community College</i>	\$14,215,547
	<i>Cuyahoga Community College</i>	\$2,474,665
	<i>Eastern Gateway Community College</i>	\$2,558,343
	<i>Edison State Community College</i>	\$1,970,589
	<i>Hocking Technical College</i>	\$3,207,660
	<i>James Rhodes State College</i>	\$11,856,002
	<i>Kent State University</i>	\$10,393,283
	<i>Lakeland Community College</i>	\$5,745,327
	<i>Lorain Community College</i>	\$2,000,000
	<i>Marion Technical College</i>	\$1,002,223
	<i>Miami University</i>	\$892,325
	<i>North Central Technical College</i>	\$176,000
	<i>Northeast Ohio Medical University</i>	\$153,000
	<i>Northwest State Community College</i>	\$2,415,998
	<i>Ohio State University</i>	\$100,575,599
	<i>Ohio University</i>	\$11,788,270
	<i>Owens Technical College</i>	\$372,857
	<i>Rio Grande Community College</i>	\$1,801,968
	<i>Shawnee State University</i>	\$6,280,646
	<i>Southern State Community College</i>	\$7,197,683
	<i>Stark Technical College</i>	\$1,250,000
	<i>Terra Technical Community College</i>	\$926,000
	<i>University of Akron</i>	\$14,165,032
	<i>University of Cincinnati</i>	\$19,197,914
	<i>University of Toledo</i>	\$82,603
	<i>Washington State Community College</i>	\$2,097,055
	<i>Wright State University</i>	\$17,099,073
	<i>Youngstown State University</i>	\$11,891,440
	<i>Zane State College</i>	\$1,774,383
7035	Parks and Recreation Improvement Fund	\$39,630,944
	<i>Department of Natural Resources</i>	\$39,630,944
7036	Highway Safety Fund	\$1,741,006
	<i>Department of Public Safety</i>	\$1,741,006
7038	State Capital Improvements Fund	\$230,613,305
	<i>Public Works Commission</i>	\$230,613,305
7040	State Capital Improvements Revolving Loan Fund	\$103,092,820
	<i>Public Works Commission</i>	\$103,092,820
7046	Coal Research and Development Fund	\$2,500,000
	<i>Development Services Agency</i>	\$2,500,000
7056	Clean Ohio Conservation Fund	\$93,827,835
	<i>Public Works Commission</i>	\$93,827,835
7057	Clean Ohio Agricultural Easement Fund	\$23,500,000
	<i>Department of Agriculture</i>	\$23,500,000

Table 3. FY 2019-FY 2020 Reappropriations by Fund and Agency		
Fund Code	Fund Name	Amount
7061	Clean Ohio Trail Fund	\$1,335,928
	<i>Department of Natural Resources</i>	\$1,335,928
7086	Waterways Safety Fund	\$4,742,890
	<i>Department of Natural Resources</i>	\$4,742,890
7100	Service Station Cleanup Fund	\$18,500,000
	<i>Development Services Agency</i>	\$18,500,000
Total Reappropriations, All Funds		\$1,263,124,397

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