



Office of Budget and Management

John R. Kasich
Governor

Timothy S. Keen
Director

MEMORANDUM

TO: Directors and Fiscal Officers of All Departments, Agencies, Boards and Commissions

FROM: Timothy S. Keen, Director *TK*

DATE: November 14, 2011

RE: Emergency Capital Appropriation Request Process

Background

Section 503.95 of HB 153 (see attachment) permits the Director of Budget and Management to request and the Controlling Board to authorize emergency capital appropriations to meet critical capital funding needs of state agencies and institutions. This memorandum identifies the process that has been established for agencies and institutions to submit requests as well as the required supporting information.

Process for Application and Supporting Materials

- 1) Any state agency which has historically received appropriations from any of the funds identified in the attachment may submit to the Director of Budget and Management a request for consideration to recommend to the Controlling Board a request to establish appropriations to meet urgent or emergency capital facilities needs which inhibit the ability of the agency or institution to properly carry out its mission and for which it is determined by the Director of Budget and Management that no reasonable alternative source of funding exists to support the facility need. In making such an application the eligible agency or institution shall make its request in writing to the Director of Budget and Management and provide the following information with the request:
 - a. A detailed description of the request, including the estimated cost, and the specific urgent or emergency capital facilities need that exists. Included in this detailed description should be rationale as to why funding for the request cannot wait to be taken up as part of the regular capital planning and funding consideration process.
 - b. A detailed explanation of how the current state of the facility or facilities or project in question inhibits the ability of the agency or institution in effectively carrying out its responsibilities/mission and how it is impractical or impossible to wait and address the facility need through the regular capital planning and appropriation process.

- c. A detailed explanation of why no other resources are available for addressing the urgent or emergency capital facility needs. This explanation should include, but not be limited to, an explanation of why existing capital appropriations to the agency or institution could not be redirected in order to address the urgent or emergency need with the project from which the funds were redirected receiving replacement appropriations through the regular capital planning and appropriation process.
 - d. Such other information that the Director of Budget and Management requests following the initial submission of the written request or such other information that the agency or institution believes will fully inform the Director of Budget and Management in his consideration of the application.
- 2) Following a review of the application, including all information required or requested under items 1a through d, the Director of Budget and Management will inform the agency of his decision and if appropriate, submit a request to the Controlling Board to authorize the establishment of the appropriation at the Controlling Board's next regularly scheduled meeting.

Establishment of Appropriation and Completion of Project

Once the Director of Budget and Management makes a recommendation for funding and the Controlling Board acts favorably on this recommendation, appropriations will be established for the agency to undertake the emergency actions necessary. Once the urgent or emergency project identified in the application is complete, the balance of the appropriation will lapse, unless the agency can satisfactorily demonstrate to the Director of Budget and Management that it should be used for other purposes, including, but not limited to replenishing appropriations previously redirected to address urgent capital needs.

Attachment

C: Randy Cole, Controlling Board President
Christopher A. Whistler, Assistant Director, OBM
OBM Budget Analysts

SECTION 503.95. EMERGENCY CAPITAL APPROPRIATIONS AND AUTHORIZATION TO ISSUE OBLIGATIONS

Notwithstanding any provision of law to the contrary, the Director of Budget and Management may establish a process for, and receive from state agencies or institutions, applications for funding emergency or critical capital facilities needs that may be paid from the funds identified in this section. Upon review of any such application, if determined necessary to address emergency or critical capital needs identified in an application, the director may request Controlling Board approval to establish additional capital appropriations, from the following funds in an aggregate amount not to exceed \$50,000,000 for the FY 2011 - FY 2012 capital biennium: the Administrative Building Fund (Fund 7026), the Adult Correctional Building Fund (Fund 7027), the Juvenile Correctional Building Fund (Fund 7028), the Ohio Cultural Facilities Fund (Fund 7030), the Ohio Parks and Natural Resources Fund (Fund 7031), the Mental Health Facilities Improvement Fund (Fund 7033), the Parks and Recreation Improvement Fund (Fund 7035), and any other capital fund from which emergency capital facilities funding is deemed necessary by the Director as a result of any natural disaster occurring between July 1, 2010, and September 30, 2010, that resulted in damages to a facility of a state-assisted institution of higher education. Reference is made to Section 221.20.30 of Am. Sub. H.B. 562 (as to Fund 7026), Section 223.11 of Am. Sub. H.B. 562 (as to Fund 7027), Section 225.11 of Am. Sub. H.B. 562 (as to Fund 7028), Section 227.11 of Am. Sub. H.B. 562 (as to Fund 7030), Section 229.11 of Am. Sub. H.B. 562 (as to Fund 7031), Section 231.40.10 of Am. Sub. H.B. 562 (as to Fund 7033), Section 233.60.30 of Am. Sub. H.B. 562 (as to Fund 7034), and Section 235.12 of Am. Sub. H.B. 562 (as to Fund 7035), each of which authorizes the issuance and sale of original obligations, pursuant to the applicable constitutional and statutory authority indicated therein, in a principal amount indicated therein. In addition to those amounts previously authorized for each of those purposes, the Ohio Public Facilities Commission or the Treasurer of State, as applicable, are each hereby authorized to issue and sell additional original obligations, pursuant to the applicable constitutional and statutory authority, in an aggregate principal amount equal to any additional capital appropriations approved by the Controlling Board under the authority of this section for that purpose, plus amounts necessary to cover the costs of issuance of those additional original obligations. Sections 518.10 and 518.20 of Am. Sub. H.B. 153 of the 129th General Assembly apply to the debt service on any additional obligations issued and sold under this paragraph.