



Office of Budget and Management

John R. Kasich
Governor

Timothy S. Keen
Director

Capital Budget Bill

Providing Fiscally Responsible Investments to Meet Ohio's Important Infrastructure Needs

Governor John R. Kasich's capital spending plan provides fiscally responsible investments to maintain and improve the state's educational and public-service infrastructure. The capital bill focuses on the most pressing needs of state government, schools, higher education and local governments with particular emphasis given to each investment's impact on jobs and economic growth.

Since the capital budget ultimately impacts the state operating budget through General Revenue Fund debt service, these recommendations are consistent with Gov. Kasich's commitment to prudent, restrained government spending that strategically targets state dollars in ways that help improve the lives of Ohioans and keep our state a leader in the competitive world economy.

ABOUT THE PROCESS: In the fall of 2015, the Office of Budget and Management issued capital budget planning guidance to state agencies, asking them to identify their most pressing priorities for infrastructure maintenance, renovation, improvement and construction. In addition, this planning utilized a widely applauded process Gov. Kasich pioneered for preparation of his first capital budget, calling upon the state's 37 public college and university presidents to collaborate on a single list of projects of most importance to the higher education system.

Also, the administration continues to believe that a small portion of the capital budget can support targeted projects of local or regional importance. During the last several months, community representatives throughout the state worked with the administration and their legislators to identify priority projects from across the state. As a result of this process and collaboration with state legislators and the administration, this bill includes a number a projects that have strong community support, most of which also include commitments of local resources.

The capital bill focuses on the following areas:

REBUILDING OHIO'S SCHOOLS

As in past years, the largest portion of capital appropriations (\$650 million) supports repairs, renovations and new primary and secondary education facilities through the Ohio School Facilities Commission. The \$650 million will continue to fund 49 districts with projects currently in progress as well as offering funding to 40 new school districts in the next two years.

HIGHER EDUCATION

Miami University president Dr. David Hodge and Lorain County Community College president Dr. Roy Church led a commission of university presidents to recommend a list of priority projects for consideration in the new capital budget. Ohio's college presidents unanimously approved a unified list of recommended

projects totaling \$428.2 million. Another \$56 million will support projects of statewide benefit to the University System of Ohio.

SUPPORTING LOCAL INFRASTRUCTURE

The capital budget will provide \$425.4 million for local infrastructure projects – an increase compared to previous years administered by the Ohio Public Works Commission through bond-backed funding as well as revolving loan funding for local infrastructure projects in communities throughout Ohio. Examples include upgrades, replacement or new construction of roads and bridges, water supply and wastewater treatment systems, storm water collection, and solid waste disposal. An additional \$100 million in the capital budget – the maximum biennial amount authorized by the constitution – supports the Clean Ohio program, funding preservation of green space, farmland, and expanded recreational trail opportunities.

STATE AGENCIES' CRITICAL INFRASTRUCTURE NEEDS

The Capital Bill will support critical infrastructure needs across state agencies. The largest proposed appropriations to state agencies in the capital bill include:

- \$323.1 million to the Department of Natural Resources to support renovations, improvements and major maintenance at dams, state parks, and forests.
- \$150.9 million to the Department of Rehabilitation and Correction to support several major facility renovations as well as general improvements at the 27 state-owned adult correctional institutions.
- \$68.6 million to Department of Administrative Services to address their most urgent priorities for maintenance, renovations and cost-saving efficiencies at state facilities.
- \$34.7 million to the Department of Youth Services to support general facility renovations at the state's three juvenile correctional facilities, and to complete funding for housing unit replacements at the Circleville facility.

COMMUNITY PROJECTS

A small portion of the capital budget has been targeted to support economic development projects of local or regional importance. During the last several months, local economic development groups facilitated collaborative processes to seek recommendations from local stakeholders and prioritize those projects that would have the greatest impact on their communities. As a result of this and input from state legislators, the bill includes \$160 million for a number of community projects that have the backing of local leaders, most of which also include commitments of local resources.