



Office of Budget and Management

John R. Kasich
Governor

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

ABOUT THE PROCESS: In the fall of 2017, the Office of Budget and Management issued capital budget planning guidance to state agencies, asking them to identify their most pressing priorities for infrastructure construction, renovation, improvement and maintenance. 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 supported the allocation of a small portion of the capital budget to targeted projects of local or regional importance. Starting in the fall 2017, community representatives worked with the administration and their legislators to identify priority projects 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 (\$625 million) supports repairs, renovations and new primary and secondary education facilities through the Ohio School Facilities Commission. The \$625 million will continue to fund 75 districts with projects currently in progress as well as offering funding to 20 new school districts in the next two years.

HIGHER EDUCATION

Cleveland State University president Dr. Ronald Berkman and Stark State College president Dr. Para Jones 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 \$400 million. Additional funding was appropriated to the Department of Higher Education that will support projects of statewide benefit to Ohio's public colleges and universities including \$6.1 million to the Ohio Super Computer Center and \$10.2 million for OARnet, the state's technology network that gives businesses and researchers a competitive advantage in advancing high-tech discoveries.

In addition, \$8 million was allocated to bring higher education institutions and employers together to provide shared equipment to be used for local in-demand workforce training needs through the Regionally Aligned Priorities in Delivering Skills (RAPIDS) program.

SUPPORTING LOCAL INFRASTRUCTURE AND THE CLEAN OHIO PROGRAM

The capital budget will provide \$439 million for local infrastructure projects administered by the Ohio Public Works Commission – an increase compared to previous years – 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.

MENTAL AND BEHAVIORAL HEALTH

In keeping with Gov. Kasich's commitment to improving mental health resources, the capital budget included two significant projects:

- Ohio will build a new behavioral healthcare facility on the Twin Valley Behavioral Healthcare campus in Columbus, replacing the main hospital there, the busiest in the state. The new \$112 million facility will replace the existing facility, which was constructed in 1977 to serve geriatric patients but is no longer optimal for serving its patient population of younger individuals with more severe needs. The new facility will ensure high-quality care and improved safety for patients, staff and the community. The new hospital builds upon Ohio's recent investments in other mental health facilities, including renovations and new construction at Northcoast Behavioral Health in northeast Ohio.
- Other new efforts to help address mental health needs will include the Community Resiliency initiative that will invest \$20 million to improve and expand the infrastructure in local communities (community centers, facilities for youth program, etc.) that can be so valuable in providing programming that helps young people develop resiliency, learn positive social engagement skills and be mentored, especially high-risk youth or those in under-served areas.

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:

- The bill provides \$220 million in new appropriations for the Department of Rehabilitation and Correction to support ongoing major facility renovations as well as general improvements at the 27 state-owned adult correctional institutions.
- The bill appropriates a total of \$105.7 million for the Department of Administrative Services facility projects, including \$50 million to complete the Rhodes Tower exterior, window replacement, and insulation project, \$16 million to upgrade end-of-life building infrastructure for the State of Ohio Computer Center, \$9.4 million for infrastructure upgrades for the Riffe Center, and \$7 million for infrastructure replacements at MARCS tower sites
- New capital appropriations for the Department of Natural Resources totaling \$234.6 million, with \$52 million recommended for renovation and repair of dams and \$82 million for improvements at state parks, \$31.6 million that supports land acquisition and capital improvements at wildlife areas across the state. An additional six dam renovation projects at state wildlife areas are being funded by GRF bonds supporting the Parks and Natural Resources fund, continuing Ohio's historic funding commitment to repair and maintain Ohio's aging dams

COMMUNITY PROJECTS

A small portion of the capital budget has been targeted to support economic development projects of local or regional importance. Starting in the fall of 2017, 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 of projects that have strong community support, most of which also include commitments of local resources. At the same time, 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.