

Fiscal Years
2021 - 2026

Capital Planning and Budget Guidance



STATE OF OHIO

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CAPITAL GUIDANCE EXECUTIVE SUMMARY

All agencies that anticipate capital needs during FYs 2021-2026 must submit a long-term capital improvements plan for the period beginning July 1, 2020 and ending June 30, 2026.

The purpose of the capital improvements plan is to communicate in a clear and concise manner the capital needs of the agency. It is used by OBM and the Governor to make allocation decisions.

While agencies have some discretion as to how they present their six-year capital plans, all requirements contained in these guidelines must be met. Agencies may meet with OBM analysts to discuss alternative formats to facilitate analyst review and agency preparation. Additionally, OBM may consult with the Ohio Facilities Construction Commission to discuss and evaluate an agency's submission and formulate recommendations.

As in the past, OBM may schedule follow-up meetings after agencies have submitted their requests.

Agencies must complete and submit:

- *Introductory Narrative*
- *Institutional Profile and/or Community Project Profile (Institutional Agencies Only)*
- *Table C-1 or C-2 for Each Project*
- *Narrative for Each Project*
- *Appropriate Supporting Documents*
- *Agency Priorities Report*
- *Response to Capital Facilities Management Survey*

Once the capital improvements plan has been reviewed by OBM for completeness, agencies will be notified to submit five additional copies. These copies are for internal OBM use and for distribution to the Legislative Service Commission, Ohio Senate, Ohio House of Representatives, and the Ohio Facilities Construction Commission.

CAPITAL IMPROVEMENTS PLANNING AND BUDGETING TARGET DATES

September 23, 2019	Distribution of guidelines and instructions for preparation of the Capital Budget and long-term Capital Improvements Plan (CIP).
October 28, 2019	CIP requests due to OBM from all agencies.
October 28, 2019 – January 2020	OBM reviews and analyzes agency requests and submits recommendations to the Governor.
Early 2020	Capital Improvements Budget Legislation for FYs 2021 and 2022 submitted to and considered by the Ohio General Assembly.
90 days after filing the signed bill with the Secretary of State	Anticipated effective date of new capital budget.

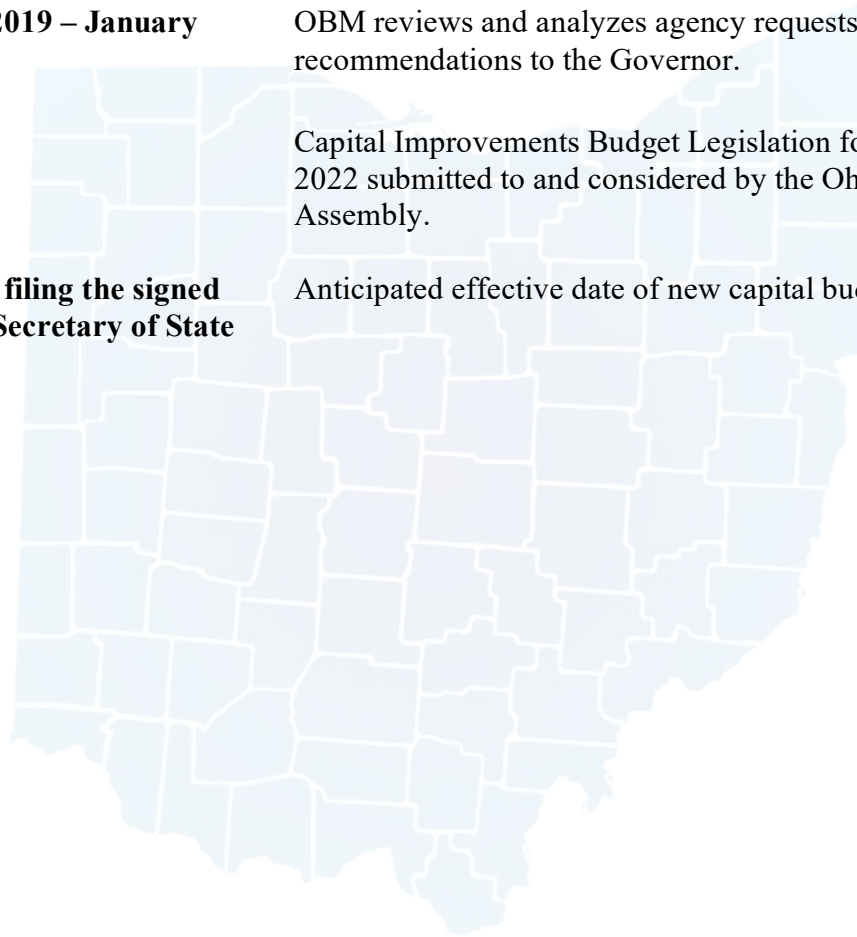


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I. Introduction

Every two years, state agencies must submit to the Office of Budget and Management (OBM), in accordance with Section 126.03 of the Ohio Revised Code, a six-year capital improvements plan and a two-year capital budget request. The capital improvements plan and the capital budget request are intended to ensure that the state's previous investments in existing infrastructure are maintained and to address the need for new, high-priority capital projects. The capital budgeting process is designed to allocate limited resources for the construction, rehabilitation and/or renovation of facilities that are integral to the operations of state government.

For the purpose of this process, "capital" is defined as the cost of acquiring, constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, improving, and/or equipping facilities. A more specific explanation of how capital appropriations can be used is found in Section 509.20 of H.B. 529 of the 132nd General Assembly, the most recent capital appropriations bill. If an agency is not sure whether a specific project qualifies as a capital project, the agency should consult with its OBM budget analyst.

The following guidelines provide both a general framework and detailed instructions for agencies' use in preparing their capital improvements plans. The plan should clearly, completely, and effectively document and communicate the agency's capital needs.

Online Budget Entry

As was the case with the FY 2019-2020 capital budget process, the OAKS Budget and Planning Module (BPM) will be used to enter biennial capital budget requests. Data may be entered directly online or via a budget data upload spreadsheet. OAKS BI reports using BPM capital data will be included as part of the agency's hard copy budget request submission. Training for BPM users is available. Please email OBM.BPM@OBM.ohio.gov with BPM-related questions and for information about training opportunities.

Multi-Agency Projects

From time to time, capital projects that involve more than one agency are raised for consideration. Agencies interested in pursuing or continuing projects that involve multiple agencies should inform their OBM budget analyst as soon as this information is available. OBM will then coordinate discussions to determine the proper submission of the request.

Due Dates and Effective Dates

All Agencies: Capital Plans and Capital Budget Requests are Due October 28, 2019

Appropriations for capital projects are effective 90 days after the bill is signed by the Governor and filed with the Secretary of State. The most recent capital bill went into effect July 2018 (signed by the Governor on

March 30, 2018). It is anticipated that the next capital bill will be introduced in early 2020 with an effective date in the summer of 2020.

Capital Reappropriations The capital reappropriations process involves identifying which *current* (previously appropriated) capital projects need to be reappropriated. OBM will be sending instructions to agencies regarding the reappropriations process later this year.

II. KEY POINTS

There are several key points that agencies should pay particular attention to when preparing requests.

Tables C-1 and C-2 cover all biennia. Tables C-1 and C-2, which are described in more detail in Appendices B and C, respectively, cover all three capital planning biennia. Funding requests for projects that span more than one biennium should be made on one table.

Not all projects are appropriate for capital funding. The Ohio Revised Code and federal tax law contain a number of provisions that govern the allowable uses of bond proceeds for capital projects, including the types of projects and expenditures, and the extent to which non-governmental entities can benefit from the project. The allowable capital expenditures guideline document can be found on OBM's website through the following link:

[Allowable Capital Expenditures](#)

Table C-2 should be used for all information technology capital project requests. As was the case for the FY 2019-2020 capital request submission process, agencies requesting capital funding for IT projects must complete a Table C-2 and narrative for each discrete project.

Administrative office space is requested by DAS. All agencies seeking funding for additional administrative office space (excluding administrative office space on institutional property) should submit the administrative office space requests to the Department of Administrative Services (DAS). DAS will then review and submit the requests to OBM. Agencies considering the need for additional space should contact the DAS Office of Real Estate and Planning at (614) 466-7319 well in advance of the October 28 capital budget request due date.

Cost estimates should include all funding sources in FY 2020 dollars. Estimated cost information provided on Tables C-1 and C-2 should include all funding sources for the project. The cost estimates, which include all costs relevant to the project, should be given in FY 2020 dollars. As OBM may consult the OFCC in its analysis and evaluation of agency requests, it is strongly recommended that agencies use the OFCC to evaluate the proposed project scope and develop cost estimates. Cost estimate methodologies need to be included in the project description narratives.

Ohio Facilities Construction Commission fees are on a sliding scale. Fees charged by OFCC are assessed on a sliding fee schedule. Agencies must include these fees in their project cost estimates. Refer to the Estimated Costs Section in Appendix B for more detailed information concerning these charges.

Contingency costs vary by project type. Contingency costs as a percentage of the construction costs for new construction usually amount to 5 percent of construction costs and range from 8 to 10 percent for renovation projects. The OFCC can assist agencies in evaluating contingency costs for their specific projects. Contingency costs for technology projects vary by project type but are typically 10 to 15 percent of total project costs.

Agencies should not include Percent for Arts costs in project requests. Funding for the Percent for Arts program (see Ohio Revised Code Section 3379.10) should not be included on the Table C-1. OBM will calculate this amount after funding recommendations are finalized (see Appendix G for a summary of the Percent for Arts Program).

III. REQUEST COMPONENTS

Agencies should prepare their capital improvements plans to cover the information outlined below.

CAPITAL BUDGET REQUEST COMPONENTS

- Introductory Narrative
 - Issues, strategies and goals
 - Priorities, decisions and tradeoffs
- Institutional Profile (*Institutional Agencies Only*)
 - Physical facilities (map)
 - Population served
 - Operating costs
- Community-Based Capital Projects (*Institutional Agencies Only*)
 - Program overview
 - Service needs
 - Proposed new projects
- Table C-1 and Narrative for each Construction Project
- Table C-2 and Narrative for each Information Technology Project (if applicable)
- Priority Summary Report
- Capital Facilities Management Survey

Early in the process, agencies and their OBM analyst will discuss whether there is any additional information that should be provided as part of the agency's capital request. Analysts may ask that information be presented in alternative formats, or in aggregated formats that will facilitate understanding the request. Any supplemental information that an analyst and agency agree is beneficial should be submitted as part of the request.

Introductory Narrative

The introductory narrative should be written to help OBM understand the thought process involved in the agency's capital budget request and priorities. The introductory narrative should include the information listed below:

<i>Issues, Strategy and Goals</i>	Describe the strategy behind the agency's capital request. What are the agency's immediate issues and essential capital needs? What are the long-term goals for the capital budget? What policy priorities are aligned with the project goals?
<i>Priorities, Decisions and Trade-offs</i>	Describe the decisions, choices, and tradeoffs the agency made in developing its capital request and in assigning priority rankings to projects. What will be the consequences of these decisions and choices for the agency? What factors were considered in prioritizing projects?

Institutional Profile (*Institutional Agencies Only*)

An institutional profile should be completed for each institution and should include a description of the physical facilities, the client population served by the facility, and annual costs associated with operating the facility. The OFCC can assist agencies in developing or updating their facilities assessment. Agencies needing assistance in developing or updating their institutional profiles should contact Melanie Drerup, Chief of Planning, at the OFCC at melanie.drerup@ofcc.ohio.gov or (614) 466-6461.

<i>Physical Facilities</i>	<p>This section should describe the institution's physical facilities and provide the information listed below:</p> <ul style="list-style-type: none">• The year the institution was created and its original purpose.• The current design capacity of the institution.• The number of buildings, their current use, age, general condition, and the type of construction. For example: The facility includes six buildings. The administration and foodservice building is a brick structure with a flat roof constructed in 1975 and is in good overall condition. The two dormitories and the gymnasium are pre-fabricated concrete block and metal structures with gable (slanted) roofs constructed in 1972 and need a roof replacement. The remaining two buildings are small wood structures constructed in 1988, are in good condition, and used for counseling and education.• A brief description of the major capital renovations or additions currently underway at the facility or completed during the last six years. For example: "A new roof is currently being installed on the administration building. Two new pre-fabricated dormitories were completed in 2016."• A map of each institution's grounds and buildings. A key that identifies all major buildings should accompany the maps.
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Population Served

This section should describe the institution's client composition and provide the information listed below:

- The average daily client population for each facility during FY 2019 and identify any changes in the number and type of clients served. If the average daily population is not available, cite the population as of July 1, 2019.
- The type of client served. Note factors that would distinguish clients in the institution from clients in the agency's other institutions. For example: "The institution is a short-term transitional facility, serving clients who are expected to begin living independently."

Operating Costs

This section should describe the costs involved in operating the facility.

- The actual FY 2019 per diem cost at the facility. (Per diem = FY 2019 total operating expenses divided by FY 2019 average daily population divided by 365)
- If the per diem is significantly higher or lower than other facilities explain why. For example: Costs at this facility are higher than other facilities because it is a maximum-security institution requiring a high staff-to-inmate ratio.

Community-Based Capital Projects (*Institutional Agencies Only*)

The Departments of Rehabilitation and Correction, Youth Services, Mental Health and Addiction Services, and Developmental Disabilities should submit the following information for any agency community based programs included in the capital budget submission such as Community-Based Correctional Facilities, Local Juvenile Community Correctional Facilities, Local Juvenile Detention Centers, Local Jails; Halfway Houses, and Community Assistance Projects.

Program Overview

- State the goal(s) of the program and the type of clients served.
- Outline the implications that each program has for its respective agency in terms of the number of clients to be diverted or transferred to community-based facilities.
- Summarize the qualifications necessary for community agencies to participate in the programs.
- Describe how annual operating costs are covered and implications for future state subsidies.

- Provide an inventory of community facilities funded under the program that are currently operating or will be built with existing appropriations. Include their capacity (number of beds and/or annual number of clients served) and location (by county).
- For community-based residential facilities, state the average occupancy rate of existing facilities in FY 2019 (or use the most recent data available) and compare the operating cost of maintaining a client in community-based facilities with the cost of maintaining a client in a state-owned and operated facility.

Outstanding Needs

- Provide an estimate by county or region of the number of people that need services but will not receive them due to a lack of capacity in existing facilities and facilities to be built with existing appropriations.
- Summarize the data and assumptions used in generating the above estimate of community capital needs.

Proposed New Projects

- Agencies are reminded that very limited resources will be available for new capital projects. Funding will likely be focused on the repair and maintenance of current facilities and the continuation of existing projects. OBM requires the use of the OFCC to evaluate new construction versus renovation for capital projects for all agencies not specifically exempted in statute.
- For proposed new projects, estimate the amount of the requested funding that will go to each facility each biennium. Describe the type of facility, the number of beds and/or clients the facility serves or will serve, the type of work to be completed, the current condition of buildings to be renovated, and the location of the facility (by county).
- Estimate the effect of the proposed community project on state subsidies.

Project Statements (Tables C-1 and C-2)

Tables C-1 and C-2 provide detailed information on each capital construction or information technology project requested by an agency. Detailed instructions on completing Tables C-1 and C-2 are provided in Appendices B and C, respectively.

Tables C-1 and C-2 are available online in Excel format at OBM's website under the capital budget tab, capital budget materials FY 2021-2022. Agencies may also contact their OBM budget analyst to obtain the file.

Agencies will need to print the completed tables and submit them to OBM as part of their capital plan submission.

Tables C-1 and C-2 Narratives

Agencies must complete a narrative for each Table C-1 and C-2. Each narrative should consist of a project description and a project justification, which are described below. In addition to the information requested below, agencies should use the narrative to inform OBM of anything else that should be known and considered when evaluating the project. Since agency capital needs vary in size, complexity, and type, agencies should work with their OBM budget analyst to clarify what needs to be included in the narratives.

Description:

What is the purpose, dimension, components, capacity, and location of the project?

The project description should be a general description of the project that includes the purpose(s), the overall dimensions, a list of the major components, some indications of the capacity (number of beds, work stations, etc.), and the specific location of the project. For a renovation project, the description should also include the age and current condition of the building as well as the date of the last renovation.

For example: *Construction of a three-story 36,000 square foot classroom facility on the southeastern portion of the campus which includes sixteen 50 seat classrooms, 5,000 square feet of laboratory space, and 1,000 square feet of administrative office space.*

Justification:

What is the need for, benefits of, funding impact of, and alternatives to the project?

The project justification should answer the following questions: Why is the project needed? What are the benefits of the project? What will be the impact of not funding the project? If the proposed project represents one of several possible solutions to a need or problem, what other alternatives were considered and why were these not chosen?

Certain projects will be readily justifiable because the need will be immediately apparent. For example, if a plumbing system needs to be replaced because it is 30 years old, leaking, and replacement would be more cost effective than repair, then a justification stating those facts would suffice. Energy efficiency projects may be justified by meeting the criteria for capital funding by demonstrating how the project will help achieve operational cost savings (see *Special Project Information* below).

Project Phasing:

Can the project be completed and funded in phases?

When OBM must recommend funding levels that are less than what an agency requested, phasing certain projects is offered as a solution. These projects are typically large renovations and new facilities. The agency should identify in its request which of those projects being requested in the first biennium could be phased in over two or more capital biennia. The agency should answer the following questions: Could this project be completed in phases? Does it make sense to approach the project this

way? What is the impact of this project being phased over more than one biennium?

Cost Estimate Methodology:
What method is being used to estimate project costs?

To properly allocate and effectively utilize capital dollars, cost estimates must accurately reflect complete project costs. Unless an agency has a specific statutory exemption, OBM requires the use of the OFCC as a resource for determining project costs and selecting a reasonable cost estimate methodology.

Two suggested cost estimating techniques are detailed construction cost and historical cost estimating, briefly described below:

Detailed estimating methods are employed whenever adequate design information is known or can be reasonably assumed. Detailed construction estimates are calculated knowing that the sum of the cost of the parts must equal the cost of the whole. Therefore, every cost associated with the project is estimated and the results are totaled.

When such information is not available, historical cost estimating can be utilized. When details cannot be reasonably assumed, then prices for similar work already completed can be updated using published factors to account for inflation and applied to new estimates. Adjustments should be made using professional judgment to account for various factors such as differences in construction site location and significant variations in magnitude.

Operating Cost Impact:
What are the anticipated operating costs or savings associated with this project?

Capital projects often have direct impacts on personnel, maintenance, and other operating costs. This section should outline anticipated costs or savings associated with the project following its completion. For instance, if a project would replace an existing facility, how will staffing needs be impacted? Will new equipment need to be purchased? How will utility bills change?

Not all project types will have a discernable operating cost impact; however, all requests for new construction or major renovation should identify anticipated operating costs or savings.

Additional Information:
Is there anything else that needs to be known?

There may be additional information that is important to understand the value of the project. If applicable, include it in the justification section of the narrative. Some examples of pertinent information include job creation, economic development, and contribution to program goals and objectives.

Special Project Information

If any box in the ***Special Project Information*** section of the Table C-1 is marked, the justification should explain how the project addresses these special conditions. See Appendix B for a detailed description of each

Special Project Information box. Certain Special Project Information categories should include specific information in the narrative and are listed below.

Energy Efficiency: If the Energy Efficiency box is marked, document how operating costs will be affected over the period of the investment and indicate when payback through energy savings will occur. These projects should be coordinated with the OFCC Energy Services Office. Agencies planning energy efficiency projects should contact the OFCC Energy Services at (614) 466-6290.

Life and Safety: If the Life and Safety box is marked, provide details on how current conditions pose imminent threats to the health and safety of Ohio's citizens, and how the project will remedy them.

Legally Mandated: If the Legally Mandated box is marked, attach supporting documentation (e.g., copy of the mandate).

ADA Funding: The ADA box should be checked if an agency is requesting a project exclusively for compliance with the requirements of the Americans with Disabilities Act (ADA) and provide supporting information in the Table C-1 narrative.

Prior Funding: If the Prior Funding box is checked, the narrative should include: the fiscal year in which the first appropriation for this project was made, total funds appropriated for the project since the original appropriation, and how these funds were or will be used.

For example: *Funds were originally appropriated in the FY 2019-20 biennium. A total of \$3.4 million has been appropriated, including transfers. These funds were used to complete Phase 2, which involved replacing all the chillers and streamlines in the North Building.*

Priority Summary (Submitted via BPM)

As in past years, agencies must submit their requested projects in priority order. Once agencies have entered and submitted their Priority Summary in BPM, they will then be able to generate a hard copy version in OAKS BI (report BPM-002, Capital Improvement Plan Summary Report) and submit that as part of their capital plan submission. Training for BPM users is available. Please email OBM.BPM@OBM.ohio.gov with BPM-related questions and for information about training opportunities.

Capital Facilities Management Survey

Appendix F consists of several questions that agencies should answer as part of their capital budget submission. The questions pertain to the agency's facility inventory, condition assessment practices, and how the agency determines and schedules facility maintenance.





APPENDICES

Appendix A - Appendix I

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APPENDIX A

ELEMENTS OF AN EFFECTIVE REQUEST

This appendix highlights common elements found in effective capital budget requests. It has been written especially for agencies and staff preparing a capital budget request for the first time, however, agencies and staff with considerable capital experience may also find it useful. While some factors outside the agency's control determine whether or not a request or project is funded, including the elements discussed below in your agency's request will likely increase the chance that a proposal will be considered favorably.

It is important that your proposal be timely, complete, informative, and concise. Succinctness and clarity are key factors. If it takes lengthy documentation to identify the public need and justify your solution, provide the detail as clearly cross-referenced attachments.

- Give the request a succinct descriptive project name. It is helpful to have an easily identifiable project name for reference purposes for questions and discussions. This name is used by OBM and in various levels of the Administration's budget discussions.
- Provide a clear and concise summary of the request. This should be a brief statement of what is being requested and why. This description should provide the minimum level of detail necessary for request discussion and decision meetings. An effective request summary is brief, yet clear enough so that it can stand-alone. Additional detail should be contained in the request documentation.
- Request documentation provides additional information needed by OBM and others to effectively evaluate the request. Items that should be included in the detailed analysis and documentation of the request include:

A. Nature of Request

- What is the public need for the request?
- What is being done now by your agency and others to address the problem/need?
- What resources are being expended currently in the budget related to the request, i.e., dollars and positions?
- Why can the problem not be resolved via reallocation of existing resources?
- What are the specific adverse impacts if this proposal is not approved? (Be realistic in this assessment.)
- Why are current efforts insufficient?
- How will the project be coordinated with other similar activities?

-
- What is the priority of this request versus other activities in which the agency is involved?

B. Background/History

- What is the authority (state/federal law, regulation, master plan, etc.) for the program activity/service?
- What capital appropriations have previously been authorized for this project/activity and what is the status of the project if it is ongoing in nature?
- What other federal or local funding is available for the project/activity. Identify the amounts of non-State funding that have been and/or will be committed to the project.
- What clientele are being served?
- What other (similar) activities, past and present, address this general area and are they effective/efficient?
- How does this project/activity relate and fit into the agency's broader capital plan over the next six years?

C. Justification

- Will this proposal solve a problem, if so, how?
- Is each component in the proposal essential or desirable (i.e., needs versus desires)?
- Is this a high-priority long-term need, if so, how does the proposal affect the long-term problem?
- Why is the recommended program level the correct one? Why does this have to be done now?
- Are or can other non-state funding sources be made available?
- Are there any legal considerations?
- Is the proposal technologically sound?
- What type of cost estimation methodology was used?
- Has the Ohio Facilities Construction Commission been consulted about the project?
- Will the proposal result in operational efficiencies and/or savings? If so, please provide a detailed description of these operational efficiencies/savings.

The request should identify what goal/objective is to be achieved and include a discussion or provide the criteria by which the success of benefits of the request can be judged.

(NOTE: *This may be more relevant for some projects than others but certainly should be a consideration.*)

A well-documented proposal also provides alternatives and presents an analysis on why the selected recommendation best meets the problem/need, and indicates what, if any, adverse action would result if the request were not funded. Such analysis should incorporate the assumptions/constraints, impact on benefits or quantifiable measures of effectiveness, risks, and uncertainties.

➤ **Common pitfalls to avoid include the following:**

- Untimely submission of requests.
- Lack of detail relating to actual needs.
- Insufficient quantification of project need and benefit.
- Objectives unachievable, unreasonable, or not feasible.
- Expected results are too general/not specific.
- No/little discussion of viable, alternative options.
- Insufficient documentation and cost justification.
- Lack of overall planning or coordination.
- Lack of a sound cost estimate methodology.
- No indication of priority of the request.
- Too many technical or esoteric terms.

APPENDIX B

INSTRUCTIONS FOR COMPLETING TABLE C-1

Agency Name: Enter the agency name.

Agency Code: Enter the three-digit agency code. (e.g., DNR for Department of Natural Resources)

Division/Institution Name: Enter the agency's division or institution name, if applicable.

Fund: Enter the four-character code for the fund from which funding for the project is being requested. (e.g., 7026, or 7034, or 7035)

Line Item Number: Enter the appropriation line item (ALI) number in the form CXXXXX. The "X" characters are determined by the agency code and which of the following applies with respect to the project:

- **Previously Funded Line Item** - Funding is requested for a project that has an ALI already established in the Ohio Administrative Knowledge System (OAKS). For these requests use the number that is established in OAKS. For example, if a project in the Department of Youth Services already has an existing line item of C47001 that is the line item that should be used.
- **No Existing Line Item** - Funding is requested for a project that does not have an ALI established in OAKS. For these requests an agency should request new line item numbers from your OBM Budget Analyst at least two business days before needing to enter the ALIs into BPM.

Line Item/Project Name: Enter a name that describes the project. Please keep the project name short. Do not exceed 30 characters. The name should describe the project being requested (e.g., Renovate Central Power Plant). Please avoid non-descriptive project names such as "Phase IV Construction."

Appropriation Requested: Specify the state appropriation being requested for each biennium.

Department Priority Number: Assign a different priority to each project requested.

Institution Priority Number (Institutional Agencies Only): Each institution should prioritize its projects.

County Name: Enter the county name.

County Location Code: Use the number in Appendix E that corresponds to the location of the proposed project. Code multi-county and statewide projects as "C0089".

Category of Capital Improvement for 1st Biennium that Funding is Requested:

Check the one category that best describes the project in the first biennium in which appropriations are requested. Those categories are listed below and described in more detail in Appendix H.

New Construction

Subsidy Capital

Basic Renovation

Site Development/Land Acquisition

Capital Equipment

Planning

Major Renovation

*Other _____

* When using the “Other” category, please briefly explain in the space provided or as a separate attachment if needed.

Special Project Information for 1st Biennium that Funding is Requested:

Special project information provides OBM with additional information that may be important when evaluating capital requests. This section of the form will not apply to all projects and the absence of “special information” will not reduce the chance of a project being funded. If a project is needed for one or more of these reasons listed under special project information, check the appropriate boxes and ***include an explanation of the special information in the narrative portion of the Table C-1 request.***

Agencies should use the descriptions listed below to determine whether a box should be checked.

- ***Energy Efficiency:*** This box should be checked if a project or a project component is intended to increase the energy efficiency of the building or facility. These projects should be coordinated with the Ohio Facilities Construction Commission (OFCC) Office of Energy Services.
- ***Legally Mandated:*** This box is for projects that are the result of a legal mandate. Examples of legally mandated projects may include Ohio Environmental Protection Agency -related, disability access, and court-ordered capital improvements.
- ***Community Project:*** This box applies mainly to the Department of Mental Health and Addiction Services and Department of Developmental Disabilities but may apply to other institutional agencies as well. These are projects that are partially or fully-funded by state appropriations, but will be owned by the local community.
- ***Life and Safety:*** Life and safety projects must address imminent threats to the health and safety of Ohio's citizens. Projects that are needed to correct safety code violations or protect against asbestos exposure are possible examples of life and safety projects.
- ***Other Funds:*** Agencies that can leverage federal or other non-state funds as a result of this project should check the "Other Funds" box.
- ***Prior Funding:*** The Prior Funding box should be marked if the project received an appropriation during the current capital biennium (FYs 2019-20), either in the capital bill

(H.B. 529) or any other bill, as well as during previous capital biennia. If the Prior Funding box is checked, the C-1 narrative should include: the fiscal year in which the first appropriation was made, total funds appropriated for the project since the original appropriation, and an explanation of how existing funds were or will be used.

- **ADA:** This box should be marked only if the project is being requested *exclusively* to comply with the requirements of the Americans with Disabilities Act.

Estimated Project Target Dates - Month and Year:

Estimate (a) the month and year that contracts for the project will be awarded; (b) the month and year that construction will be completed; and (c) the month and year of full operation of the project. Assume the appropriations bill will become effective July 1, 2020. The OFCC is available to assist with determining project target dates based on project size and complexity. Contact Melanie Drerup at the OFCC at (614) 466-6461 for further assistance.

Operating Impact for First Full Year of Operation:

- A. “Savings” Column - Estimate and enter the savings expected to result from reduced operating costs for personnel, maintenance, and equipment associated with the project in the savings column. Enter the total on the total line.
- B. “Cost” Column - Estimate and enter the normal, continuing, and additional operating costs for personnel and maintenance/equipment associated with the project in the cost column. Enter the total on the total line.
- C. “Funding Source” Line - Identify the source (the ALIs) of additional operating costs, if applicable. If operating costs will be saved, indicate the agency's ALIs where the savings will occur.
- D. Indicate the number of additional full-time and part-time employees that will be needed as a result of the project. If the number of employees will decrease as a result of the project, indicate that loss by using parentheses [e.g., (3) FTEs].

Estimated Costs: Indicate all costs in the biennium for which the appropriation is being requested.

All capital requests should be in FY 2020 dollars. Estimated costs should include all funding sources. The OFCC is available to assist agencies in estimating the planning, design, and construction costs with consideration of appropriate related costs and contingencies. Contact Melanie Drerup at the OFCC at (614) 466-6461 for further assistance.

- A. Include all design and planning costs (including feasibility studies, engineering analyses, and all architectural work) in this item.

- B. Indicate the amount of OFCC project fees. For projects administered by OFCC, the first \$4,000,000 of the project costs is billed at 3.0 percent, the next \$16.0 million (\$4.0 million to \$20.0 million) is billed at 1.00 percent, and any amount above \$20.0 million spent for construction is billed at 0.75 percent. The local administration fee of 1.00 percent will be assessed on agency local administration projects. Under the OFCC program, colleges and universities that are certified are not assessed a local administration fee; however, colleges and universities may voluntarily use OFCC services at the new fee schedule. The OFCC fee is subject to change with each capital planning cycle.
- C. Indicate the costs for site acquisition. Include amount of land to be purchased and the cost per acre.
- D. Site preparation and improvement costs including the expenses of connecting, placing, or moving utilities, razing structures, and any other activities necessary to prepare a site for construction.
- E. Indicate the costs associated only with the actual construction.
- F. Indicate the costs associated only with the actual renovation. Do not include architectural, engineering, and equipment costs.
- G. Indicate the cost of all equipment.
- Fixed equipment should include all permanently attached fixtures.
 - Movable equipment should include all items except permanently attached fixtures.
- H. Indicate any other costs that have not been listed.
- I. Indicate the contingency cost percentage and the total contingency amount. Contingency costs for new construction usually amount to 5 percent of construction costs. Contingency costs for renovation projects range from 8 to 10 percent of construction costs.

Indicate the total. This total may not match the appropriation request, because the total represents all funds, while the appropriation request represents only those funds appropriated by the state.

Total Estimated Project Costs by Source of Funds:

- Indicate the requested state appropriation for each biennium.
- If the total estimated project cost is more than the requested state appropriation, indicate the other source(s) of the funds (e.g., federal or local entities) and the dollar amount that will be contributed by those sources.

Reminder: Attach a narrative to each Table C-1. The content of the narrative is described in the section titled "Table C-1 Narrative" and is located on page 8 of the guidance document.

APPENDIX C

INSTRUCTIONS FOR COMPLETING TABLE C-2

Background Information Regarding Capital IT Projects

Appropriate capital IT project expenditures include systems developed for internal use, whether built by agency personnel or contracted through a third-party, that have a useful life of five or more years. Capital IT expenditures include off-the-shelf software, provided it was tailored or customized to a specific agency function or purpose. Likewise, it includes related hardware, such as computers, servers, peripherals, and network equipment. Agencies should consider an IT project as a potential capital expenditure only when the cost of application development is at least \$1 million.

For new and replacement systems, capital expenditures usually occur after the preliminary project phase is completed and when management implicitly or explicitly authorizes funding of the project (i.e., management has demonstrated a commitment to purchase).

System upgrades with a useful life of five or more years may be considered a capital project when they add significant functionality or are necessary to postpone obsolescence. Agencies should ensure that the postponement of obsolescence is generated by the upgrade, not simply by ongoing maintenance or the maintenance component of the upgrade. For example, a system upgrade that included technical upgrades, security enhancements, and significant additions of functionality would be considered an appropriate capital expenditure while an upgrade that included only routine technical and/or security improvements would be an appropriate operating expenditure. Likewise, an upgrade that involved re-platforming an existing system even without enhancing functionality would clearly postpone obsolescence and, therefore, be an appropriate capital expenditure.

Capital Budget IT Project Activities/Expenditures
<ul style="list-style-type: none">• Application development, configuration, or deployment
<ul style="list-style-type: none">• Software licenses for commercial off-the-shelf products that have been modified for internal use (purchased during the development phase)
<ul style="list-style-type: none">• Software licenses for cloud-based products provided the agency has a contractual right to take possession of the software <u>and</u> it is feasible for agency to run the software on its own hardware
<ul style="list-style-type: none">• Software licenses for cloud-based products related to application build
<ul style="list-style-type: none">• Integrations (bringing together multiple systems to function as one)
<ul style="list-style-type: none">• Data conversion required to make the system operational
<ul style="list-style-type: none">• Hardware and peripherals needed to operate the system

Chargeback (ISA) Models Related to New Projects and Services

For a new project that will encompass a rated service or operate as a chargeback service, rate modeling should be included with the initial capital budget request. This model should forecast baseline run costs and utilization and should include downside/upside projections (e.g. +/-20%). IT project sponsors and managers are expected to carefully research operating cost models and utilization rates to ensure as accurate a forecast as possible for inclusion in the budget materials. Agencies planning a rated service should also include a competitive analysis including why the agency should provide the service versus an external provider and identify the most comparable market rates for the service.

Debt Funding of Capital IT Project Expenditures

In recent capital biennia, the State of Ohio has utilized Certificates of Participation (COPs) as its primary funding vehicle for major enterprise-wide and agency-specific IT projects.¹ The State utilizes COPs to finance the application development and deployment (including project management) phase of large IT systems of statewide benefit and importance. This also includes the initial purchase of hardware and related equipment that have a useful life of at least five years and are necessary to bring the system up to its intended use.² Debt funding generally may not be used to cover expenses of State employees involved in development of an IT project.

To offset the fixed, upfront financing costs, COPs funded IT projects should be of a substantial cost with a targeted minimum of about \$5 million. The amortization period or ‘term’ of the COPs must be equal to or less than the life of the financed IT system or asset and generally range from no less than 5 years to 10 years.

The authority to issue COPs for an IT project must be specifically provided for by law and include a description of the purpose and components of the project to be financed and a maximum proceeds or issuance amount. Whenever possible, agency requests for COPs financed IT project funding should be integrated within the agency’s capital budget request. Unlike year’s past, COPS spending will be tracked using an OBM designated account code. Additional information on the proper account code will be provided at a later date.

¹ COPs are fixed income securities, like bonds. COPs proceeds are held by a trustee bank and expenditures are not subject to appropriation. Debt service is paid by the benefiting state agency pursuant to a lease agreement.

² IT project components eligible for COPs financing are set forth in OBM’s [Allowable Capital Expenditures](#).

Instructions for Completing Table C-2

Agency Name: Enter the agency name.

Agency Code: Enter the three-digit agency code. (e.g., DNR for Department of Natural Resources)

Division/Institution Name: Enter the agency's division or institution name, if applicable.

Fund: Enter the four-character code for the fund from which funding for the project is being requested. (e.g., 7026, 7034, or 7035)

Line Item Number: Enter the appropriation line item (ALI) number in the form CXXXXX. The "X" characters are determined by the agency code and which of the following applies with respect to the project:

- **Previously Funded Line Item:** Funding is requested for a project that has an ALI already established in the Ohio Administrative Knowledge System (OAKS). For these requests use the number that is established in OAKS. Therefore, if a project in the Department of Youth Services already has an existing line item of C47001 that is the line item that should be used.
- **No Existing Line Item -** Funding is requested for a project that does not have an ALI established in OAKS. For these requests an agency should request new line item numbers from your OBM Budget Analyst at least two business days before needing to enter the ALIs into BPM.

Line Item/Project Name: Enter a name that describes the project. Please keep the project name short. Do not exceed 30 characters. The name should describe the project being requested (e.g., Business Gateway Modernization). Please avoid non-descriptive project names such as "Phase IV Modernization."

Project Sponsor: Enter the name of the project sponsor. When selecting the executive sponsor, agencies shall ensure the sponsor has the appropriate experience and authority to represent and commit the agency as well as business interests and needs throughout the project. The executive sponsor should be an executive or senior leader within the organization to provide the authority and credibility needed. The executive sponsor should be a visible and active participant in the project responsible for ownership, oversight, and resources to successfully implement and support the project.

The executive sponsor has ultimate responsibility for the success of the project. The responsibilities of the executive sponsor are: providing clear direction for the project and how it links with the organization's overall strategy; driving timely decision-making, change management, and issue resolution; securing project resources; ensuring the project is on time, on budget and on scope; providing feedback on status reports and making sure they reach the necessary stakeholders, and championing the project at the executive level to secure buy-in. The executive sponsor creates an environment that allows the project manager to manage the project.

Project Manager: Enter the name of the project manager. The project manager is responsible for ensuring the project is delivered on time, to budget and to the required quality standard. The project manager's responsibilities include: project planning and scope definition, task planning and sequencing, resource planning, developing schedules, and time estimation, cost estimation and budget development, risk analysis and managing and reporting on risks and issues, progress monitoring and reporting, team leadership, working with Vendors, quality control, and benefits realization.

When selecting a project manager, agencies shall ensure:

- The project manager's experience is similar to the scope, size, and complexity of the major project;
- Must be highly organized, an effective communicator, be detail oriented, a good delegator, and recognize and facilitate the resolution of issues quickly;
- Is given the appropriate level of authority and access within the agency;
- Understands scope, impacts and importance to the agency;
- Has availability and is committed to the duration of the project; and
- Understands the procedures for major project escalation and change control.

Appropriation Requested: Specify the state appropriation being requested for each biennium.

Department/Institution Priority Number: Each department or institution should prioritize its projects.

County Name: Enter the county name, if applicable.

County Location Code: Use the number in Appendix E that corresponds to the location of the proposed project. Code multi-county and statewide projects as "C0089".

Category of Capital Improvement for 1st Biennium that Funding is Requested: Check the category that best describes the project in the first biennium in which appropriations are requested. Those categories are listed below.

- | | |
|---|---|
| <ul style="list-style-type: none">○ Major Business Project○ Policy Initiative○ IT Project – New System○ IT System Replacement○ Business Issue○ IT System Upgrade | <ul style="list-style-type: none">○ Grant Implementation○ *Other _____ * <p>When using the “Other” category, please briefly explain in the space provided or as a separate attachment if needed.</p> |
|---|---|

DEFINITIONS OF TECHNOLOGY PROJECT TYPE

Technology projects requested and or funded as part of the capital planning and budgeting process generally can be assigned to one of several categories that best describes the type of project that it is. Agencies and institutions should use these project types in completing the Table C-2 as well as the agency Priority Summary. The categories as assigned for the FY 2019-2024 capital planning process are identified and described below:

- 1) Major Business Project:** Appropriations for capital technology projects related to business process implementation or reengineering associated with ongoing operations or improved achievement of agency mission and/or goals. The focus of these projects is overall business process improvement and technology capital has a role in the overall project/program.
- 2) Policy Initiative:** These are capital appropriations that will be used to implement a specific, new agency policy initiative. Technology has a role in the policy implementation but is a component of a larger program.
- 3) IT Project – New System:** These are appropriations for the implementation of new IT systems to replace manual processes or enhance a current business process. Though there may be other non-IT components, the focus of this project is largely the IT implementation.
- 4) IT Project – IT System Replacement:** These are appropriations for the replacement of an existing legacy system to accomplish a specific business process. Though the focus of these projects is predominately the IT replacement, agencies should be prepared to demonstrate that an analysis of the process and business process reengineering has been completed prior to requirements gathering and that the replacement system is not a “recreation” of the existing legacy systems.
- 5) Business Issue:** Appropriations for technology implementation to address a specific business issue or concern. These projects are characterized by the immediacy of the need to resolve an operational, risk, or service problem. Agencies should anticipate demonstrating how business

processes also may be changed to address the issue, in conjunction with the technology implementation.

6) IT Project – IT System Upgrade: Appropriations to modernize or update an existing system. While predominantly technology focused, agencies should anticipate demonstrating opportunities to enhance operations or security or reduce risks or costs through the upgrade process.

7) Grant Implementation: Appropriations that would support planning, design, and implementation costs necessary to implement a federal grant. In addition to the technology implementation, these projects may have a significant program of implementation associated with them. These projects are characterized by the time delimitation of the grant and the need for implementation to meet the constraints of the funding period.

8) Other – Any project not sufficiently defined by any of the above project types.

Special Project Information for 1st Biennium that Funding is Requested: Special project information provides OBM with additional information that may be important when evaluating capital IT requests. It should tie to the project “business need”. If a project is needed for one or more of these reasons listed under special project information, check the appropriate boxes and include an explanation of the special information in the narrative portion of the Table C-2 request. Agencies should use the descriptions listed below to determine which box should be checked.

- **Business Efficiency:** This category of projects represents business transformation efforts that reduce labor hours, costs, rework, wait time, etc. The business efficiency should be expressed in some degree of change from the current state to the future state.
- **Security:** This category represents security measures for technology and may include software, hardware, and implementation of monitoring processes.
- **Legally Mandated/Compliance:** These projects fulfill a statutory or regulatory requirement and can be directly tied to state, federal or third-party requirements.
- **Automation:** These projects reduce manual and paper-based work.
- **Constituent Services:** Projects in this category are directly related to services provided to constituents and may include other project types. The population of constituents served should be identified in the narrative for these projects.
- **Infrastructure:** these projects relate to hardware, network, or transitions to cloud based services.
- **Operational Enhancement:** This category of projects is related to improvements to existing services.
- **Other:** Project types with a business impact not represented above. Please define the impact of the project.

Estimated Project Target Dates - Month and Year: Estimate (a) the month and year that the contract for the project will be awarded; (b) the month and year that technology component of the project will be completed; (c) the month and year of full operation or implementation of the project, and (d) the month and year full benefits realization is assumed. Assume the appropriations bill will become effective July 1, 2018.

Prior Spending Associated with the Project/Program: If the project or program was initiated in a prior biennium, include the costs associate with the project to date and the year the project/program was initiated. Include internal (employee) costs and external (contracted) costs if known.

Operating Impact for First Full Year of Operation:

A. "Savings" Column: Estimate and enter the savings expected to result from reduced operating costs for personnel, contracted services, maintenance, and equipment associated with the project in the savings column. Enter the total on the total line.

B. "Internal Cost" Column: Estimate and enter the normal, continuing, and additional operating costs for personnel and maintenance/equipment associated with the project in the cost column. Enter the total on the total line.

C. "Contract Costs": Estimate the normal, continuing, and additional contracted costs for personnel, maintenance, equipment, licenses, and other support associated with the project. Enter the total on the total line

D. "Funding Source" Line: Identify the source (the ALIs) of additional operating costs, if applicable. If operating costs will be saved, indicate the agency's ALIs where the savings will occur.

Increase/(Decrease) in Number of Employees: Indicate the number of additional full-time and part-time employees that will be needed as a result of the project. If the number of employees will decrease as a result of the project, indicate that loss by using parentheses [e.g., (3) FTEs].

Estimated Costs: Indicate all costs in the biennium for which the appropriation is being requested. All capital requests should be in FY 2018 dollars. Estimated costs should include all funding sources. For definitions of the types of activities normally included in each phase, see <http://obm.ohio.gov/VMO/Framework/Default.aspx>.

A. Concept and Initiate: Include all preliminary planning costs associated with this phase of the project in this item. Include the cost of the Concept and Initiate effort even if these costs have been paid through operating dollars. Note the cost components and whether this phase has been completed in the narrative.

B. Plan: Include all estimated planning costs associated with the project. This includes business process reengineering, acquisition planning, administration of the related business improvement program within the agency (the collection of projects needed to achieve the desired outcomes), etc. See the Value Management Framework guidance for activities normally included in the Plan phase. Include the cost of the Plan phase effort even if these costs have been paid through operating dollars. Note the cost components and whether this phase has been completed in the narrative.

C. RFP Preparation and Award: Include internal and external costs associated with the RFP preparation, sourcing event, evaluation, negotiation and award. Include the estimated cost of the RFP preparation and award even if these costs have been paid through operating dollars AND/OR were assumed by another agency within the state. Note the cost components and whether this phase has been completed in the narrative.

D. Execute, Design and Build: Include actual design and build costs for the project. Include internal and external (contracted) costs.

E. Training and Organizational Change Management: Indicate the costs associated with the training and organizational change management components of the project/program. This should include amounts that will be paid through operating funds (please note in the narrative). Technology projects that contain business changes should incorporate at least a 10 percent organizational change management component. Infrastructure projects should include at least a 5 percent organizational change management component to address impacts to personnel and constituents. Only training and organizational change management associated with the technology project can be paid through capital funding.

F. Monitor, Control and Close: Indicate the costs associated with the monitoring and stabilization/control of the technology AND business change (where applicable) components of the project. Also include the costs to close the technology and business change (where applicable) components of the project.

G. Evaluate: Indicate the cost associated with monitoring the benefits of the project over the project/program “payback” period. These costs may fall in later biennia but should be represented in the cost estimates.

H. Other: Indicate any other costs that have not been listed.

I. Contingency: Indicate the contingency cost percentage and the total contingency amount. Contingency costs for technology projects usually amount to 10-15 percent of project costs.

Indicate the total. This total may not match the appropriation request, because the total represents all funds, while the appropriation request represents only those funds appropriated by

the state. Please include a breakout of costs paid through operating dollars and assumed by other organizations in the narrative.

Total Estimated Project Costs by Source of Funds:

- Indicate the requested state appropriation for each biennium.
- If the total estimated project cost is more than the requested state appropriation, indicate the source(s) of the funds (e.g., federal and local entities) and the dollar amount that will be contributed by those sources.

Attachments:

Required:

Business Case, including goals and desired outcomes, as well as strategic alignment with agency and state goals; business need and benefits; risks; estimated timeline and costs (+/- 50%); and a narrative project description. If an existing Business Plan is not available and a template is needed, please use the attached. [Business Case Template](#)

Market Research including identification of available products and the approaches taken by other states, including their lessons learned.

Lean Process Improvements or business process reengineering informed from other approaches and implemented in existing and new processes.

Not Required in Concept/Initiate, Required for Projects/Programs in Plan Phase:

Agency/Enterprise Readiness Assessment

Total cost of Ownership including estimated annual maintenance costs.

Alternatives Analysis including identified alternatives and their associated impacts, risks, costs, and benefits

Any other studies or analyses.

APPENDIX D

KEY CHARTFIELDS FOR OAKS BUDGET AND PLANNING MODULE (BPM) ENTRY

Agencies will enter capital budget request data into BPM using the AGYCAP scenario in the 2122 _CAP_AGY Planning Model. Only one person can enter budget data into an agency's scenario or activity at a time. Below is a list of key chartfields for BPM entry. For help, ask your OBM budget analyst or send an email to OBM.BPM@OBM.ohio.gov.

DeptID	Enter the agency three-character code.
Fund	Enter the four-character code for the fund as shown on Table C-1.
Agency Priority	Enter the agency priority number for each Table C-1.
Line Item/ALI	Enter the line item number as shown on Table C-1. Request new line item numbers from your OBM Budget Analyst at least two business days before needing to use the new ALIs.
Account	Use account 570.
Program	Enter the same agency three-character code as DeptID, except for the colleges and universities which will use "UNI."
Service Location	County Code, choose from "C0001" through "C0089" using the drop-down list provided in BPM.
Dimension 2 (Project Type)	Enter the project type code using the drop-down list provided in BPM: <ul style="list-style-type: none">• Site Development and Land Acquisition• Capital Equipment• Major Renovations• New Construction• Planning• Basic Renovation• Information Technology• Subsidy Capital• Other
Dimension 3 (Div/Inst. Priority)	Enter the division or institution priority number for the project as shown on Table C-1 as a number from "001" to "099."

See Appendix H for a definition of each type of project.

1st Biennium	Enter the requested appropriation for the 1st biennium as a value in whole dollars. Do not enter cents. Paste as values rather than pasting formulas into Budget Load Data Entry template.
2nd Biennium	Enter the requested appropriation for the 2nd biennium as a value in whole dollars. Do not enter cents. Paste as values rather than pasting formulas into Budget Load Data Entry template.
3rd Biennium	Enter the requested appropriation for the 3rd biennium as a value in whole dollars. Do not enter cents. Paste as values rather than pasting formulas into Budget Load Data Entry template.

OBM may give some agencies one or more funding scenarios for the first biennium. Agencies that receive alternative scenarios should use a different working version in BPM to fulfill the alternative scenario request. The agency can run reports for different working versions by copying to the Master Version.

APPENDIX E
COUNTY CODE SHEET

CODE	COUNTY	CODE	COUNTY
01	Adams	45	Licking
02	Allen	46	Logan
03	Ashland	47	Lorain
04	Ashtabula	48	Lucas
05	Athens	49	Madison
06	Auglaize	50	Mahoning
07	Belmont	51	Marion
08	Brown	52	Medina
09	Butler	53	Meigs
10	Carroll	54	Mercer
11	Champaign	55	Miami
12	Clark	56	Monroe
13	Clermont	57	Montgomery
14	Clinton	58	Morgan
15	Columbiana	59	Morrow
16	Coshocton	60	Muskingum
17	Crawford	61	Noble
18	Cuyahoga	62	Ottawa
19	Darke	63	Paulding
20	Defiance	64	Perry
21	Delaware	65	Pickaway
22	Erie	66	Pike
23	Fairfield	67	Portage
24	Fayette	68	Preble
25	Franklin	69	Putnam
26	Fulton	70	Richland
27	Gallia	71	Ross
28	Geauga	72	Sandusky
29	Greene	73	Scioto
30	Guernsey	74	Seneca
31	Hamilton	75	Shelby
32	Hancock	76	Stark
33	Hardin	77	Summit
34	Harrison	78	Trumbull
35	Henry	79	Tuscarawas
36	Highland	80	Union
37	Hocking	81	Van Wert
38	Holmes	82	Vinton
39	Huron	83	Warren
40	Jackson	84	Washington
41	Jefferson	85	Wayne
42	Knox	86	Williams
43	Lake	87	Wood
44	Lawrence	88	Wyandot
		89	Multi-county or Statewide

APPENDIX F

CAPITAL FACILITIES MANAGEMENT SURVEY

Agency: _____

Contact: _____

Phone: _____

Email: _____

Please answer the following questions pertaining to your agency's capital facilities management. You may provide answers directly on this form or on a document you create. If you create your own document, please be sure to include the agency name and the name and phone number of a person that can answer any questions about the agency's responses to the survey questions.

Does the agency maintain a complete inventory of capital facilities? Yes No

If so, how often is the inventory updated?

Does the inventory include information about the condition of the facilities? Yes No

Does the agency maintain a space utilization inventory of its facilities? Yes No

If so, how often is it updated?

Has the agency completed a master plan for its facilities, to include program, function, and occupancy needs? Yes No

If so, what is the date of this plan?

Does the agency have pre-determined maintenance schedules for capital facilities? Yes No

If so, how are such maintenance schedules determined?

How consistently is capital maintenance performed according to such schedules?

Does the agency track items that could be considered deferred maintenance? Yes No

If so, does the agency prepare a dollar estimate regarding the cost to perform such maintenance? Yes No

If the agency tracks estimates of deferred maintenance, what is the current estimate of the agency's total deferred maintenance?

If the agency has identified deferred maintenance, what are the primary factors driving it? (e.g. lack of funding, age of facilities, etc.)

Does the agency conduct regular condition assessments of capital facilities?

Yes No

If so, who conducts condition assessments (e.g. institutional personnel, central office, contractor)?

How often are condition assessments done?

When undertaking a project funded with capital appropriations, does the agency use performance measures to track progress (timelines, cost)? If so, please provide a recent example.



APPENDIX G

PERCENT FOR ARTS PROGRAM

Purpose of Percent for Arts Program

The General Assembly has declared it a policy of this state that a portion of the money to be spent by state agencies on the construction or renovation of public buildings pay for the acquisition of works of art to be placed in or on such buildings. In pursuit of this policy, the percent for arts program has been established under which quality works of art are to be sold to such agencies by the Ohio Arts Council and, in the process, qualified professional artists are to be recognized (Section 3379.10 of the Revised Code).

Provisions of Percent for Arts Program

Applicability

The program is applicable, unless otherwise exempted, whenever more than \$4.0 million of state money, whether obtained from the sale of bonds or otherwise, is to be spent by a state agency on the construction or renovation of a public building. Certain types of projects do not meet the definitions of public building or renovation listed below.

Responsibility of State Agency

The state agency shall contract with the Ohio Arts Council to use one percent of the state money to purchase works of art from the Ohio Arts Council for display in or on the public building and to make related outlays.

Calculation of \$4.0 Million

The calculation of whether \$4.0 million is to be spent shall not be cumulative but shall be based on the amount of each appropriation or each designation of non-appropriated state proceeds of bonds, notes, or other obligations authorized to be sold for a project.

Definitions

Appropriation does not include reappropriations.

Public Building means any building, facility, structure, or park built or renovated using state moneys, including any publicly owned lands or space surrounding or integral to the building, facility, structure, or park but not including:

- Parking lots, sidewalks, maintenance sheds, bridges, tunnels, sewers, trails, fishponds and fishways, or warehouses, unless such structures are adjuncts of the principal element of the project;
- Buildings of a temporary nature;
- Projects to correct any deficiencies or violations of a building or housing code enacted by law;

-
- Highway construction.

Renovation does not include a project of which the principal purpose is the rehabilitation of plumbing, heating, ventilating, air conditioning, or electrical systems.

***Determination/
Reconsideration***

No later than 45 days following the effective date of a capital bill, the OBM Director preliminarily determines which projects should fall under the Percent for Arts program. The Director, after consulting with the Ohio Arts Council, may determine that no state money or less than one percent shall be spent for the Percent for Arts program on the basis that:

- Works of art would be out of place in or on the public building or if there would be little opportunity for public appreciation of works of art in or on the public building.
- The value of some features or characteristics inherent in the architectural design of the public building should apply toward the one percent requirement.
- The public housing is or will be amply supplied with works of art even without works of art purchased from the Council.

Agencies have 30 days following the receipt of OBM's preliminary designations to request that the OBM Director reconsider a projects involvement in the program. Forty-five days after the release of preliminary designations, the OBM Director must send a final report to the Ohio Arts Council.

EXAMPLE: \$5.0 million is appropriated to a state agency for the construction or renovation of a public building.

\$50,000 of the appropriation shall be designated for the Percent for Arts program, unless the Director of OBM, after consulting with the Arts Council, determines that less than one percent or none of the appropriation shall be spent for the program.

Arts Council

Specific questions about the acquisition, commissioning, and installation of works of art under the Percent for Arts program should be directed to the Ohio Arts Council at 614-466-2613.

APPENDIX H

DEFINITIONS OF PROJECT TYPE

Projects requested and or funded as part of the capital planning and budgeting process generally can be assigned to one of several categories that best describes the type of project that it is.

Agencies and institutions should use these project types in completing the Table C-1 as well as the agency Priority Summary. The categories as assigned for the FY 2021-2026 capital planning process are identified and described below:

- 1) **New Construction** – Appropriations for new facilities or substantial additions to existing facilities. Examples are a new mental hospital, a wing added to a university library, or the construction of a new cell block at a state prison.
- 2) **Subsidy Capital** – These are general capital appropriations provided to non-state entities to undertake capital projects. These appropriations are not made specific to any individual project but are instead made in a lump sum with the agency then allocating the funds to other entities who undertake the project. Examples of this are Public Works Commission (PWC) Infrastructure, Ohio Facilities Construction Commission (OFCC) school building projects, Clean Ohio, and Third Frontier Wright Centers.
- 3) **Basic Renovations** – These are appropriations for improvements to existing facilities that are limited to renovations, enhancements, and security improvements necessary to keep the facility in good working order. Examples are roof replacement, window replacement, security upgrades, energy improvements, and plumbing and heating, ventilation, and air conditioning (HVAC) replacement.
- 4) **Site Development/Land Acquisition** – These are appropriations for acquisition of either real property or infrastructure. Examples of this are appropriations for the acquisition of major new equipment for existing facilities, site improvements (including utility lines replacement or installation), and land acquisition.
- 5) **Major Renovations to Existing Facilities** – Appropriations for major overhaul of existing facilities to enhance or increase their usefulness or to modify their use for a new purpose. An example is gutting and remodeling of an office building in order to change its uses.
- 6) **Capital Equipment** – Appropriations to acquire eligible capital assets necessary for a newly constructed or renovated facility or asset to function properly. This would include items such as HVAC systems, equipment and furnishings in a newly constructed facility.
- 7) **Planning** – Appropriations that would support planning and design costs necessary to undertake the acquisition or construction of a capital facility or asset.

8) **Other** – Any project not sufficiently defined by any of the above project types.



APPENDIX I

DIRECT AGENCY SUPPORT

OHIO FACILITIES CONSTRUCTION COMMISSION

The Ohio Facilities Construction Commission (OFCC) provides several supportive opportunities to agencies and institutions during the capital planning and budgeting process.

OFCC's assistance will help in creating a thorough request and in establishing consistency across all agencies to support a uniform review and prioritization process. While final priority selection and capital request approval will be determined by the Office of Budget and Management, OBM may consult with OFCC to discuss and evaluate specific submissions and formulate recommendations.

The level of OFCC support may likely vary between agencies and institutions and types of capital requests. The opportunities described below can be utilized individually to provide specialized support for a specific capital request development need or concurrently to provide a comprehensive level of support throughout the capital planning and review process.

Six-Year Capital Improvements Plan Development

OFCC can review and update the agency or institution's current six-year capital improvements plan. This review and support will be accomplished through the following activities:

- Review the age and useful life of the building/facility. This review will determine if the building's age and infrastructure would support long-term capital improvements or if the building is nearing or at the end of its useful life.
- Evaluate the scope of the capital budget requests contained in the agency or institution's plan. This review will determine the impact to the existing facilities and infrastructure and confirm that all necessary related activities (for example, ceiling tile and light replacement where mechanical systems are being replaced above ceiling, site preparation for new construction, etc.) have been included.
- Confirm that the capital requests within the plan meet the criteria of "capital construction" versus "maintenance or repair."
- Evaluate and recommend cost and schedule revisions.

Capital Request Technical Support

OFCC staff can provide technical assistance during the development of the capital budget request. This assistance can include the following:

- Complete a cursory assessment of the facility addressed in the capital request to determine appropriateness for work requested, completeness of scope, and impact to the facility.

***Prioritization
Assistance***

- Confirm completeness of capital request documentation, including description of the scope to be completed, schedule for completion, justification of the work, and inclusion of supporting documentation.
- Evaluate the capital request against the agency's six-year capital improvements plan to confirm appropriateness and recommend where additional justification is needed
- Assist Agencies in aligning capital needs with Agencies mission. Conduct demographic studies to review expected utilization rates and validate capital needs.
- Confirm cost estimates and schedule timelines and advise where revisions and adjustments of requests are required. Evaluate cost estimates to determine the complete project costs, including demolition costs (if applicable), project fees and assessments, furniture and equipment, and program specific costs.
- Assist the agency when requested.

OFCC can assist with technical and professional support to develop project selection criteria during the prioritization process. The criteria will be made based on several factors, including:

- Projects that present the best long-term value, through extending or supporting the current useful life of the facility where the project will be completed. This may be achieved through improving the efficiency of the facility, operation and/or program that the project will support, or other factors as presented within the justification of the capital request.
- Projects that take advantage of shared sites and facilities within current agency or other agencies, thereby reducing capital infrastructure and project costs. The project may also provide opportunities for increased efficiencies in operations and program costs within or between agencies.
- Projects that improve the energy and utilities efficiencies for the facilities and improved space and occupancy utilization.
- Projects that protect the asset such as roofing and building envelope.
- Projects that ensure the safety of the occupants.

Many capital planning and assessment projects can take many months to complete thoroughly. Agencies are encouraged to contact the OFCC early in the capital planning process.

**TABLE C-1
FISCAL YEARS 2021-2026**

Agency Name	_____
Agency Code	_____
Division/Institution Name	_____
Fund	_____
Line Item Number	_____
Line Item/Project Name	_____

Appropriation Requested (amount requested)	FYs 21-22	FYs 23-24	FYs 25-26
Department Priority Number	_____	_____	_____
Institution Priority Number	_____		
County Name	_____		
County Location Code	_____		

Type of Capital Improvement (Check 1 only)

For the First Biennium that Appropriation is Requested

New Construction.....	<input type="checkbox"/>	Equipment/Machinery.....	<input type="checkbox"/>
Basic Renovation.....	<input type="checkbox"/>	Planning.....	<input type="checkbox"/>
Site Development/Land Acquisition.....			<input type="checkbox"/>
Major Renovation.....	<input type="checkbox"/>	Subsidy Capital.....	<input type="checkbox"/>
Other (Please Explain).....	<input type="checkbox"/>		

Special Project Information (Check all that apply)

For the First Biennium that Appropriation is Requested

Energy Efficiency	<input type="checkbox"/>	Life & Safety	<input type="checkbox"/>
Legally Mandated	<input type="checkbox"/>	Other Funds	<input type="checkbox"/>
Community Project	<input type="checkbox"/>	Prior Funding	<input type="checkbox"/>
Other (Specify)	<input type="checkbox"/>	ADA	<input type="checkbox"/>

Estimated Project Target Dates - Month/Year

Contract Award Date	_____
Construction Completion Date	_____
Full Operation Date	_____

Operating Impact for First Full Year of Operation

	Savings	Cost
Personnel	_____	_____
Maintenance/Equip.	_____	_____
Total	\$0	\$0
Funding Source	_____	_____

Increase/(Decrease) in Number of Employees

Number of Full-Time	_____
Number of Part-Time	_____

Estimated Costs	FYs 21-22	FYs 23-24	FYs 25-26
A. Design Planning (architect, engineer)	_____	_____	_____
B. OFCC Fees	_____	_____	_____
C. Site Acquisition number of acres _____ cost per acre _____	_____	_____	_____
D. Site Preparation	_____	_____	_____
E. Construction (gross sq. ft. _____ cost per sq. ft. \$____)	_____	_____	_____
F. Renovation	_____	_____	_____
G. Equipment Fixed Equipment	_____	_____	_____
Movable Equipment	_____	_____	_____
H. Other	_____	_____	_____
I. Contingency ____ %	_____	_____	_____
TOTAL	\$0	\$0	\$0

Total Estimated Project Costs by Source of Funds

Req. State Appropriation	_____	_____	_____
Other (Specify Sources)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

TABLE C-2 for MAJOR INFORMATION TECHNOLOGY PROJECTS
FISCAL YEARS 2021-2026

Agency Name and Division	_____
Agency Code	_____
Division/Institution Name	_____
Fund	_____
Line Item Number	_____
Line Item/Project Name	_____
Project Sponsor	_____
Project Manager	_____

Appropriation Requested	FYs 21 - 22	FYs 23 - 24	FYs 25 - 26
(amount requested)	_____	_____	_____
Department/Institution Priority Number	_____		
County Name	_____		
County Location Code	_____		

Type of Capital Improvement (Check up to 2 only)
For the First Biennium that Appropriation is Requested

Major Business Project	<input type="checkbox"/>	Policy Initiative	<input type="checkbox"/>
IT Project - New System	<input type="checkbox"/>	IT System Replacement	<input type="checkbox"/>
Business Issue	<input type="checkbox"/>	IT System Upgrade	<input type="checkbox"/>
Grant Implementation	<input type="checkbox"/>	Other (Please Explain).....	<input type="checkbox"/>

Special Project Information (Check all that apply)
For the First Biennium that Appropriation is Requested

Business Efficiency	<input type="checkbox"/>	Security	<input type="checkbox"/>
Legally Mandated/Compliance	<input type="checkbox"/>	Automation	<input type="checkbox"/>
Constituent Services	<input type="checkbox"/>	Infrastructure	<input type="checkbox"/>
Other (Specify)	<input type="checkbox"/>	Operational Enhancement	<input type="checkbox"/>

Estimated Project Target Dates - Month/Year

Contract Award Date	_____
Contract Completion Date	_____
Full Operation/Implementation Date	_____
Full Adoption and Benefits Realization Date	_____

Prior Spending Associated with the Project/Program

Total Costs	_____
Investment Dates	_____
Benefits (if applicable)	_____

Operating Impact for First Full Year of Operation	Savings	Internal Cost	Contract Costs
Personnel	_____	_____	_____
Contract	_____	_____	_____
Maintenance/Equip.	_____	_____	_____
Total	\$0	\$0	\$0
Funding Source	_____	_____	_____

Increase/(Decrease) in Number of Employees

Number of Full-Time	_____
Number of Part-Time	_____

Increase/(Decrease) in Annual Operating Cost

Internal Expenses	_____
External Expenses	_____

Estimated Costs	FYs 21-22	FYs 23-24	FYs 25-26
A. Concept and Initiate	_____	_____	_____
B. Plan	_____	_____	_____
C. RFP Preparation and Award	_____	_____	_____
D. Execute Design and Build	_____	_____	_____
E. Organizational Change Mgmt.	_____	_____	_____
and Training	_____	_____	_____
F. Monitor, Control, Close	_____	_____	_____
G. Evaluate	_____	_____	_____
H. Other	_____	_____	_____
I. Contingency ____%	_____	_____	_____
	\$0	\$0	\$0

TOTAL

Total Estimated Project Costs by Source of Funds	FYs 21-22	FYs 23-24	FYs 25-26
State Appropriation	_____	_____	_____
Other (Specify Sources)	_____	_____	_____
	_____	_____	_____

BUSINESS CASE AND REQUIRED DOCUMENTATION ATTACHED