

Capital Reappropriation Guidance



Capital Reappropriations Guidance – Fiscal Years 2021-2022

The Director of the Office of Budget and Management (OBM) is charged with the task of developing a biennial capital budget plan and, with the concurrence of the Governor, submitting that plan to the General Assembly (ORC 126.03). Due to a constitutional prohibition against appropriations extending beyond two years and a recognition that many capital improvement projects take several years to complete, capital appropriations must be reauthorized, or reappropriated, by the General Assembly to enable agencies to fund their capital projects through completion without interruption or delay.

As a part of the capital reappropriation process, OBM works with agencies to review capital appropriation line items (ALIs) to identify ongoing capital projects that require reappropriation. In addition to reappropriating available balances, the reappropriations process provides an opportunity to review long standing encumbrances and to consider repurposing or canceling unused capital appropriations.

OBM Provided Documents

1. Capital Appropriation Balances Report as of October 4, 2019
2. Old Capital Encumbrances Report as of October 4, 2019 (if applicable)
3. Agency Capital Reappropriations Request spreadsheets:
 - a. Reappropriations Request (formatted for OAKS BPM upload)
 - b. Repurpose Request
 - c. Old Encumbrance Review (if applicable)
4. Agency Capital Reappropriation Justification template (Exhibit A)
5. Agency Capital Repurposing Justification template (Exhibit B)
6. Community Project Status Update spreadsheet

Agency Requirements

1. COMPLETE the Agency Capital Reappropriations Request spreadsheets and the associated justification documents.
 - a. Complete an Agency Capital Reappropriation Justification template for each request (See Exhibit A) and submit to OBM the BI/Cognos BPM-0023, Reappropriation Request Detail report after uploading or manually entering reappropriation requests into OAKS BPM (per the instructions provided below).
 - b. Complete the Old Encumbrance Review spreadsheet, if applicable.
 - c. Complete the Repurpose Request spreadsheet and Agency Capital Repurposing Justification template, if applicable (See Exhibit B).
2. COMPLETE the Community Project Status Update spreadsheet, if applicable.

Deadline

All information must be submitted to your OBM budget analyst via email **no later than 5:00 p.m. on Friday, November 15, 2019.**

Capital Reappropriation Requests

The capital reappropriation process provides OBM and agencies the opportunity to review the status of all capital ALIs, including capital appropriations established in the current capital bill, by the Controlling Board, or by any other act of the General Assembly. Agencies must complete an Agency Capital Reappropriation Justification (see Exhibit A) for each request for reappropriation and submit to OBM a BI/Cognos BPM-0023, Reappropriation Request Detail report after uploading or manually entering reappropriation requests into OAKS BPM.

With respect to ongoing capital improvement projects, agencies should request reappropriation for every line item expected to have available balances as of June 30, 2020. If an ALI is not included in the reappropriations bill, then any unencumbered appropriation amounts may lapse at the end of fiscal year 2020. If your agency anticipates the full amount will be disbursed or encumbered by June 30, 2020, then your agency does not need to request reappropriation.

Agencies should be aware that the reappropriation amounts contained in the reappropriations bill are not the actual amounts that will be reappropriated. Rather, the dollar values contained in the bill function as placeholders that are reasonable estimates based on agency requests and OBM's subsequent analysis. Using estimates in the bill is necessary due to the time lag between the bill's development, introduction, and passage. Language in the bill stipulates that the actual amount to be reappropriated for each line item is the unexpended/unencumbered and unallotted balance at the end of the fiscal year plus any adjustments that may be made by the General Assembly.

Special Circumstances

The following situations may or may not impact your agency:

Capital Appropriation Established After December 16, 2019

The reappropriation of line items created by the Controlling Board or other legislation after December 16, 2019 and before June 30, 2020 will be addressed with general language in the reappropriations bill. Agencies should maintain a list of capital line items created during this period to reconcile with OBM during June 2020.

Language Review

Recurring language for the Capital Reappropriations bill is highly technical and impacts only few agencies. Current language from the fiscal years 2019-2020 capital and reappropriation bill will be shared with agencies later in October. Please review this language carefully. Agencies will be asked to submit to their OBM budget analyst either a confirmation that the draft language is correct, or to submit language corrections/additions as needed.

Reappropriations of Less Than \$1,000

OBM will not reappropriate any amounts less than \$1,000, unless there are extenuating circumstances. Agencies should contact their OBM budget analyst to pursue this exception.

OAKS Budget Planning Module (BPM) Entry for Reappropriation Requests

Requests will be entered into OAKS BPM and reports will be run out of BI/Cognos. Refer to Capital Budget under the Budget Planning Module topic in the [FIN Process Manual](#) for instructions on how to enter data online and upload data using the Budget Data Load spreadsheet as well as information on the capital BPM-related BI/Cognos reports. Agencies should contact their OBM budget analyst or the BPM mailbox at OBM.BPM@obm.ohio.gov with questions.

Reappropriation of Encumbrances Established Prior to July 1, 2016

There is no statutory limit on the life of capital encumbrances. However, the reappropriations process provides an opportune time to review whether an encumbrance is still necessary and to clean up those encumbrances that are no longer needed. To that end, agencies must identify which encumbrances are needed and which are not. Each encumbrance should be marked with “Keep,” “Cancel,” or “Redirect” with a brief descriptive justification (e.g., outstanding invoices remain on the project) on the Old Encumbrance Review spreadsheet. Requests to redirect old encumbrance balances to different ALIs will be considered on a case-by-case basis and will only be eligible if the total amount redirected is greater than \$1,000. Encumbrances identified for cancelation or redirection must be canceled by agencies before the end of June 2020. Agencies may cancel unnecessary encumbrances at any time.

Repurposing Existing Capital Appropriations

Consideration and review of requests to repurpose existing capital appropriation will be done on a case-by-case basis. The agency should coordinate such requests with their FYs 2021-2022 capital budget request and their FYs 2021-2026 capital plans to the greatest extent possible. Agencies must complete the Repurpose Request spreadsheet, and an Agency Capital Repurposing Justification (see Exhibit B) for each request to repurpose an existing capital appropriation.

Community Project Status Update

The fiscal years 2019 and 2020 capital budget authorized over \$150 million in community projects spread out amongst numerous agencies and institutions. In addition, some community projects authorized in prior capital budgets remained unexpended and were reappropriated to the current biennium. As part of your reappropriation request, agencies must complete the Community Project Status Update spreadsheet. This spreadsheet must include all community projects that had unspent appropriations as of October 30, 2019, even if the project is expected to be complete prior to the end of fiscal year 2020.

Exhibit A – Agency Capital Reappropriation Justification Template

Office of Budget and Management
Agency Capital Reappropriation Request Justification
FYs 2021-2022

Agency:

Fund:

ALI:

ALI Description:

Original Appropriation Amount:

Estimated Balance (As of June 30, 2020):

- 1) When were these appropriations first made and why have the funds not been obligated/encumbered during the FY 2019-2020 capital biennium? Please provide a timeline for the expected utilization of this appropriation.

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- 2) If reappropriated, what projects/activities would be supported by these funds and how would these projects/activities contribute to satisfying administration and agency objectives?

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- 3) What would be the impact on agency operations and its capital facilities plan should the requested amounts not be reappropriated?

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- 4) Please provide any additional information that the agency believes would further justify reappropriating the requested funds.

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Exhibit B – Agency Capital Repurposing Justification Template

Office of Budget and Management
Agency Capital Appropriations Repurpose Request Justification
FYs 2021-2022

Agency:

Fund:

ALI:

ALI Description:

Original Appropriation Amount:

Estimated Balance (As of June 30, 2020):

- 1) Provide a detailed description of why the funds are no longer needed for the purpose for which they were originally appropriated.

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- 2) What would be the benefit of repurposing the existing appropriation, in terms of either agency operational improvements or budgetary savings?

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- 3) What would be the impact on agency operations and the agency capital plan if the request to repurpose the appropriation is not approved?

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- 4) Will approval of the request to repurpose this appropriation result in a reduction in the amount of capital funding needed for this purpose in the FYs 2021-2022 capital budget request? If so, please describe the impact on the agency request.

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- 5) Please provide any additional information that the agency believes would further describe the justification for approving the request.

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