Office of Budget and Management

Mike DeWine, *Governor*
Jon Husted, *Lt. Governor*
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Capital Guidance

FY 2025-2026

CAPITAL GUIDANCE EXECUTIVE SUMMARY

All agencies that anticipate capital needs during FYs 2025-2030 must submit a long-term capital improvements plan for the period beginning July 1, 2024, and ending June 30, 2030***.***

The purpose of the capital improvements plan is to communicate in a clear and concise manner the capital needs of the agency. Capital improvement plans are used by The Office of Budget and Management (OBM), the Governor, and General Assembly to make allocation decisions on the next two-year capital budget.

While agencies have some discretion presenting capital needs, all requirements contained in these guidelines must be met. Agencies may meet with OBM budget analysts to discuss alternative formats to facilitate analyst review and agency preparation. Additionally, OBM may consult with the Ohio Facilities Construction Commission (OFCC) to discuss and evaluate submissions from agencies and formulate recommendations.

Agencies must complete and upload the following into the budget application:

- Introductory Narrative / Director’s Letter
- Institutional Profile and/or Community Project Profile (Institutional Agencies Only)
- Appropriate Supporting Documents
- Narrative for Each Project
- For each narrative, doclets must be created within the report package

The following documents will autogenerate after information is entered into the budget application:

- Capital Plan Summary and Detail Reports

Agencies must save all requests under the appropriate folder in the budget application after publishing the budget request package. Agencies should notify their OBM budget analyst when the request is published.

CAPITAL IMPROVEMENTS PLANNING AND BUDGETING TARGET DATES

September 22, 2023	Distribution of guidelines and instructions for preparation of the Capital Budget and long-term Capital Improvements Plan.
November 3, 2023	Capital Improvement Plan requests due to OBM from all agencies.
November 3, 2023 – January 2024	OBM reviews and analyzes agency requests and works with the Governor's Office to develop recommendations.
Early 2024	Capital improvements budget legislation for fiscal years 2025 and 2026 submitted to and considered by the Ohio General Assembly.
90 days after filing 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 with capital funding needs 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 capital planning 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 509.02 of H.B. 687 of the 134th General Assembly, the most recent capital appropriations bill.

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

Online Budget and Narrative Entry Agencies will enter numeric and narrative data into the Budget Enterprise Application (BEA). Portions of the Capital Agency Budget Request Report Package, including numeric and narrative reports, will be generated automatically. Other supporting documents can be uploaded into the report package. Details and information about training and assistance will be forthcoming. Please email your OBM Budget Analyst or BEA.Support@obm.ohio.gov with budget application questions.

Multi-Agency Projects Occasionally, capital projects that involve more than one agency are requested. 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 November 3, 2023**

Appropriations for capital projects are effective 90 days after the bill is signed by the Governor and filed with the Secretary of

State. It is anticipated that the next capital bill will be introduced in early 2024 with an effective date in the summer of 2024.

Capital Reappropriations The capital reappropriations process involves identifying which *current* (previously appropriated) capital projects need to be reappropriated. OBM will issue instructions regarding the reappropriations process in October.

II. KEY POINTS

There are several key points to consider when preparing requests.

Many projects are not appropriate for capital funding. The Ohio Revised Code and federal tax law contain several 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. Questions regarding the allowability of an expense should be discussed with OBM prior to request submission. Agencies that did not receive capital appropriations during the FY 2023-2024 capital biennium should not prepare a capital plan for the upcoming period unless directed to by OBM.

Administrative office space process. All agencies seeking funding for additional administrative office space (excluding administrative office space on institutional property) must 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 November 3rd capital budget request due date.

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.

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 in the narratives for each project. OBM will calculate this amount after funding recommendations are finalized (see Appendix C for a summary of the Percent for Arts Program).

III. REQUEST COMPONENTS

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

Capital Budget Request Components

- ☐ Introductory Narrative / Director's Letter
  - 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
- ☐ Project Statement Narratives
  - Project Description
  - Project Narrative
- ☐ Reports
  - BEA-0021, Capital Improvement Plan Summary
  - BEA-0021, Capital Improvement Plan Detail by Fund and Priority Report

Early in the process, agencies and OBM budget analysts will discuss whether any additional information should be provided with the request. Any supplemental information that analysts and agencies agree are beneficial must be submitted as part of the request.

Introductory Narrative / Director's Letter

The introductory narrative should include:

Issues, Strategy and Goals	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?
Priorities, Decisions and Trade-offs	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 reference Appendix D or contact OFCC at (614) 466-6461.

Physical Facilities

Describe the institution's physical facilities and provide the information listed below:

- 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 prefabricated 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 prefabricated dormitories were completed in 2018."
- A map of each institution's grounds and buildings. A key that identifies all major buildings should accompany the maps.

Population Served

Describe the institution's census and provide the information listed below:

- The average daily population for each facility during FY 2023 and identify any changes in the number and type of individuals served. If the average daily population is not available, cite the population as of July 1, 2023.
- Describe the population of individuals served. Note factors that would distinguish this population from those in other institutions. For example: "The institution is a short-term transitional facility, serving individuals who are expected to begin living independently."

Operating Costs Describe the costs involved in operating the facility.

- The actual FY 2023 per diem cost at the facility. (Per diem = FY 2023 total operating expenses divided by FY 2023 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 must 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 individuals served.
- Outline the implications that each program has for its respective agency in terms of the number of individuals 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 2023 (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.

Service 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

- 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 Statement Narratives

Agencies must complete a narrative for each capital project request. Narratives should consist of a project description and a project justification, which are described in more detail below. Agencies should also use the narrative to inform OBM of other key considerations to make when evaluating the project.

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

The project description should be a general description of the project request that includes the purpose(s), the overall dimensions, a list of the major components, type of capital improvement (project types are defined in Appendix A), some indications of the capacity (number of beds, workstations, 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*.

***Project Phasing:* Can the project be completed and funded in phases?**

When available funding levels are less than what an agency requested, phasing certain projects is offered as a solution. The agency should identify in its request which 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. In this section, 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 must 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 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__

Special project information may be important when evaluating capital requests. If a project is needed for one or more of the reasons listed below, include an explanation under the justification narrative. See descriptions below for each Special Project category.

Energy Efficiency: If the project or a project component is intended to increase energy efficiency of the building or facility, document how operating costs will be affected over the period of the investment and indicate when payback through energy savings will occur. Energy Efficiency 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 project addresses imminent threats to the health and safety of Ohio citizens, provide details on how current conditions pose imminent threats, and how the project will remedy them. Projects that are needed to correct safety code violations or to protect against asbestos exposure are possible examples of life and safety projects.

Legally Mandated: If the project is a result of a legal mandate, include supporting documentation (e.g., copy of the mandate).

ADA Funding*:* If the requested project exclusively addresses compliance requirements under the Americans with Disabilities Act (ADA), provide supporting information.

Prior Funding: If prior funding has been used for a requested project the justification narrative should include: the fiscal year in which the first appropriation for the project was made, total funds appropriated for the project since the original appropriation, and how funds were or will be used.

For example: *Funds were originally appropriated in the FY 2023-2024 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.*

IT Project Statement Narratives

When considering submissions of a capital request for an Information Technology (IT) project, first consider whether the cost is truly capital or if it is more appropriately categorized as an operating budget cost. In recent years, IT has largely shifted away from installed, on-premises capital investments and towards ongoing service costs. Appropriate capital IT project expenditures may include long-term systems developed for internal use, whether built by agency personnel or contracted through a third-party. All capital IT and cybersecurity projects and expenses must adhere to NIST Cybersecurity Framework principles and ORC 125.183 regarding downloading and using Chinese-owned applications on state devices.

Capital IT expenditures may include off-the-shelf software, provided it was tailored or customized to a specific agency function or purpose and has a long-term useful life. 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 $10 million.

System upgrades 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 due to the upgrade – regular, planned, and ongoing maintenance or the maintenance component of the upgrade is an operating cost and not capital-allowable. For example, a system upgrade that included technical upgrades, security enhancements, and significant additions of functionality could be considered an appropriate capital expenditure, but an upgrade that included only routine technical and/or security improvements is an operating budget expenditure and should be planned accordingly. Likewise, an upgrade that involved re-platforming an existing system even without enhancing functionality would clearly postpone obsolescence and, therefore, may be an appropriate capital expenditure.

Capital Budget IT Project Activities/Expenditures

- Application development, configuration, or deployment
- Software licenses for commercial off-the-shelf products that have been modified for internal use (purchased during the development phase) and have a long-term useful life.
- Integrations (bringing together multiple systems to function as one)
- Data conversion required to make the system operational
- Hardware and peripherals needed to operate the system
- Additional capitalizable IT infrastructure, including cybersecurity enhancements, after review and analysis by OBM's budget and debt financing teams.

Like other capital projects, agencies must complete a narrative for each IT project request. Narratives should include the type of capital improvement being requested (e.g., policy initiative, IT system replacement, IT system upgrade, other), special project information (e.g., business efficiency, legally mandated, compliance, constituent services, security, automation, infrastructure, operational enhancement, or other), estimated project target dates (e.g., contract award date, contract completion date), number of full-time employees, and estimated costs for each stage of the project (e.g., concept, initiate, plan, RFP preparation and award, execute design and build, organizational change management and training, contingency).
Agencies are encouraged to complete a business plan. If a business plan template is needed, please use following link: Business Plan for New and Continuing Projects.

Project Priorities – Submitted via the budget application

Agencies must prioritize their requested projects by fund. Project priorities will display on the BEA-0021, Capital Improvement Plan Detail by Fund and Priority Report. This report will generate as part of the capital request report package.

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Appendices

Appendix A - Appendix D

APPENDIX A
CHARTFIELDS FOR BUDGET APPLICATION ENTRY AND PROJECT TYPE DEFINITIONS

Agencies enter capital budget request data into the Budget Enterprise Application via a spreadsheet upload or manual data entry. Below is a list of ChartFields used in the budget application. Contact your OBM budget analyst or email BEA.Support@obm.ohio.gov for assistance.

Dept The agency three-character code.

Fund The four-character code used in OAKS Financials.

Line Item (ALI) or PROD The six-digit appropriation line-item code. New line items may take up to three business days to process before they are ready to use. Please request new line items from your OBM budget analyst early.

Account The account code used for capital budget entry is 570. Enter the account code in the “Acct” column on the **spreadsheet upload template**. The application applies account code 570 in the online form so there is no need to enter an account code when **manually entering** data.

Service Location or LOC Each Ohio county is assigned a numeric County Code: “C0001” through “C0089” to indicate in which county the capital project will occur. The codes are assigned alphabetically by county name with C0089 representing statewide projects (see appendix B for more detail).

Project Type The project type categorizes the project. The categories are:

1. **Basic Renovation** – Improvements to existing facilities limited to renovations, enhancements, and security improvements necessary to keep the facility in good working order. Examples include roof replacement, window replacement, security upgrades, energy improvements, and plumbing and heating, ventilation, and air conditioning (HVAC) replacement.

2. **Capital Equipment** – Assets necessary for a newly constructed or renovated facility or asset to function properly such as HVAC systems, equipment, and furnishings.

3. **Information Technology** – Systems developed or upgraded for internal use. Note, to be eligible for potential capital expenditure, the cost of the system must meet or exceed $10 million.

4. **Major Renovations** – Significant 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 to change how the space will be used.

5. **New Construction** – New facilities or substantial additions to existing facilities. Examples include a new mental health hospital, a wing added to a university library, or the construction of a new cell block at a state prison.

6. **Planning** – Planning and design costs necessary to undertake the acquisition or construction of a capital facility or asset.

7. **Site Development and Land Acquisition** – Purchasing or acquiring of real property or infrastructure. Examples include the acquisition of major new equipment for existing facilities, site improvements including utility lines replacement or installation, and land acquisition.

8. **Subsidy Capital** – 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, which then allocates the funds to other entities who undertake the project. Examples include Public Works Commission (PWC) Infrastructure, Ohio Facilities Construction Commission (OFCC) school building projects, and Clean Ohio.

9. **Other** – A project undefined by the above project types.

Priority	Each requested project must have a unique priority number assigned within a fund.
Project Name	Each project must have a unique name. The project name must be manually entered; it cannot be uploaded via spreadsheet.
Budget Period	For **manual entry**, each fiscal year listed represents a full biennium. For example, “FY2025” represents FY 2025-2026. When **uploading a spreadsheet**, enter the budget periods of “CAP2025AGY”, “CAP2027AGY” or “CAP2029AGY” into the “'CAP'||SUBSTR(A.BUDGET_PERIOD,1,4)||'AGY'” column.
Amounts Requested	**For manual entry,** enter the requested appropriation as whole dollars without cents. On the **spreadsheet upload template,** enter the requested appropriation as whole dollars without cents into the

“BP_AMT_MTHD” column. Paste as values rather than pasting formulas into upload template.

APPENDIX B
COUNTY CODE SHEET

CODE	COUNTY	CODE	COUNTY
C0001	Adams	C0045	Licking
C0002	Allen	C0046	Logan
C0003	Ashland	C0047	Lorain
C0004	Ashtabula	C0048	Lucas
C0005	Athens	C0049	Madison
C0006	Auglaize	C0050	Mahoning
C0007	Belmont	C0051	Marion
C0008	Brown	C0052	Medina
C0009	Butler	C0053	Meigs
C0010	Carroll	C0054	Mercer
C0011	Champaign	C0055	Miami
C0012	Clark	C0056	Monroe
C0013	Clermont	C0057	Montgomery
C0014	Clinton	C0058	Morgan
C0015	Columbiana	C0059	Morrow
C0016	Coshocton	C0060	Muskingum
C0017	Crawford	C0061	Noble
C0018	Cuyahoga	C0062	Ottawa
C0019	Darke	C0063	Paulding
C0020	Defiance	C0064	Perry
C0021	Delaware	C0065	Pickaway
C0022	Erie	C0066	Pike
C0023	Fairfield	C0067	Portage
C0024	Fayette	C0068	Preble
C0025	Franklin	C0069	Putnam
C0026	Fulton	C0070	Richland
C0027	Gallia	C0071	Ross
C0028	Geauga	C0072	Sandusky
C0029	Greene	C0073	Scioto
C0030	Guernsey	C0074	Seneca
C0031	Hamilton	C0075	Shelby
C0032	Hancock	C0076	Stark
C0033	Hardin	C0077	Summit
C0034	Harrison	C0078	Trumbull
C0035	Henry	C0079	Tuscarawas
C0036	Highland	C0080	Union
C0037	Hocking	C0081	Van Wert
C0038	Holmes	C0082	Vinton
C0039	Huron	C0083	Warren
C0040	Jackson	C0084	Washington
C0041	Jefferson	C0085	Wayne
C0042	Knox	C0086	Williams
C0043	Lake	C0087	Wood
C0044	Lawrence	C0088	Wyandot

APPENDIX C
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 D

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. OBM may consult with OFCC to discuss and evaluate specific submissions.

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

A full assessment project or a master facility plan takes many months to complete. Agencies are encouraged to contact the OFCC early in the capital planning process, understanding the time needed to complete an assessment project or a master facility plan may extend beyond the submission date. OFCC can be reached at (614) 466-6461.

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 include 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 capital budget requests contained in the agency or institution's plan. This review will determine the impact to existing facilities and infrastructure and confirm 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 the work requested is appropriate, the scope is complete, and impact to the facility.
- Confirm the capital request documentation is complete, including description of the scope, schedule for completion, justification of the work, and 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 their 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.

Prioritization Assistance

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 utility efficiency for the facility and improved space and occupancy utilization.
- Projects that protect the asset such as building envelope.
- Projects that ensure the safety of the occupants.