

**House Finance Subcommittee on Primary and Secondary Education
Ohio Facilities Construction Commission Testimony
David Williamson, Executive Director
Thursday, February 23, 2017**

Chairman Cupp, Ranking Member Miller, and members of the finance subcommittee, thank you for the opportunity to speak with you regarding the Ohio Facilities Construction Commission (OFCC) and our budget priorities and requests for fiscal years '18 and '19. I am David Williamson, Executive Director for the Commission.

From its inception, OFCC has maintained its objective of providing uniform rules, procedures, and documents for the procurement and management of public facility construction for state agencies, state-supported institutions of higher education, public K-12 schools, and state-supported cultural facilities projects. The Ohio School Facilities Commission (OSFC) continues to exist within the consolidated Commission to focus on the funding and oversight of K-12 construction projects.

I would like to share some interesting statistical and financial information about the OFCC for your benefit:

- We like to say that we're a *Small Commission* that makes a *Big Impact* throughout the state.
- Planning-wise: Our Planning Division actively supports K-12 schools, state agencies and numerous state-supported colleges and universities by helping them develop master plans. We're currently in the active planning stages with 56 school districts, 4 state agencies and 1 community college.
- Scope-wise: Since 2011, the Commission has *completed* all work in 78 school districts, *opened* 270 new or renovated school buildings, *completed* 175 state agency projects from state highway garage facilities to HVAC and Energy projects in state prisons and detention facilities, to dorms, classrooms, and support facilities at higher education institutions.
- Dollars-wise: Since 2011, we have overseen the investment of \$2 billion in state and local funds in K-12 school projects, \$124 million in higher education projects, \$513 million in state agency projects, and \$113 million in cultural grants.
- Program-wise: We have facilitated the investment of \$343.6 million in contracts for EDGE (Encouraging Diversity, Growth and Equity) certified companies; and provided energy cost savings of over \$65 million through close collaboration with state agencies to provide more energy-efficient HVAC, lighting, and power distribution projects.
- Staff-wise: The Commission's staff of 100 are dedicated to their jobs and priorities of the Commission - to be good stewards of the public's investment by effectively overseeing and managing the state's capital dollars that are entrusted to our supervision.

The operational budget and programmatic requests outlined here will continue OFCC's and Governor Kasich's commitment to *Building for Ohio's Next Generation* by further streamlining our operations to run more effectively and efficiently.

- The majority of our operational budget request will pay for the debt service on K-12 and cultural facility bond projects – \$398.3 million in FY2018 and \$437.9 million in FY2019.
- Our operational GRF requests total \$8.25 million for FY2018 and \$8 million for FY2019 to be utilized to conduct daily programmatic oversight and management.
- Our state agency and higher education rotary fund is supported by fees charged to state agencies for project oversight and management. We expect this fund will see slight increases from \$9 million in FY2018 to \$9.3 million in FY2019 as a direct result of the increases in projects from the capital budget.

In our programmatic requests, we are seeking three (3) changes in the Ohio Revised Code that we believe are essential to our continued success in streamlining our operations and carrying out the Commission's priorities.

- Our first request is a proposal to sunset the Ohio School Facilities Commission (OSFC) structure and transfer its daily duties and operations into the OFCC so that there would be only one operational Commission. There are several reasons for this request.
 - The Commission within a Commission structure breeds confusion among stakeholder groups when trying to figure out with which Commission to deal and has contributed to operational inefficiencies and costs.
 - Under current law, OSFC has no staff. All members of the staff are simply employees of OFCC, and I serve as the executive director of both commissions.
 - Under current law, the operations and activities specified for OSFC are currently performed by the OFCC organization and staff.
 - The abolishment of the OSFC *will not* impact our K-12 projects, state agency projects, higher education projects, or field operations. It is an effort to provide more efficient administration, and to streamline our service to our three primary customer and stakeholder entities (K-12 schools, state agencies, and higher education institutions).
 - It has an additional advantage of alleviating the potential complicated legal issues that arise from having two legal entities – with confusing areas of authority – to engage in legal actions or file suit against, or on behalf of, if and when such conditions arise.
 - It will also significantly streamline Commission operations by eliminating the need for duplicative quarterly meetings, meeting minutes, and administrative rules.

- Under the proposed language, K-12 school construction program would continue under the OFCC and the volume of work will depend, as it has in the past, on the amount of funds allocated by the General Assembly.
- The approval of K-12 district master plans and funding offers would still be voted upon by the Commission, and would still need Controlling Board approval before moving forward.
- The OFCC would still consist of the directors of OBM and DAS, but the proposal changes the third member from a governor's appointee to a governor's appointee that is a current cabinet member.

Our other two requests are rather technical in nature.

- The first is proposed language that gives three additional state entities the ability to seek approval from OFCC to manage their own capital improvement projects under \$1.5 million dollars: Department of Administrative Services, the Ohio School for the Deaf and the State School for the Blind.
 - The approval of this language would allow these entities to manage their small dollar projects under applicable laws and rules without the supervision or control of the Ohio Facilities Construction Commission.
 - It would bring consistency with the practices found in other state agencies.
- The final item would allow the Executive Director of the Facilities Construction Commission to debar not only construction firms, but also specific individuals associated with those firms from seeking work on state contracts based upon standards already in Revised Code.
 - Currently, if a construction firm is debarred, there is nothing that prohibits the owners of that company from simply starting a new company and then competing for work, which effectively negates the purpose of the debarment.
 - The request would not be unique to state government. The director of ODOT already has authority to debar both firms and individuals, and this language mirrors that current authority.

The operational budget and programmatic requests outlined here will continue OFCC's and Governor Kasich's commitment to a stronger Ohio.

- Behind each completed project supported by state dollars is a team of hard-working OFCC staff members who make each project possible. Planners, project managers, project coordinators and support staff work to ensure that these buildings fulfill their public purpose, whether it is a lodge that makes state park visits more enjoyable, a correctional facility that promotes rehabilitation, or a school that fosters the education of the next generation.

- These projects provide for the creation of jobs with the attendant economic benefits for the local community.
- All of these buildings are a carefully considered investment by Ohio citizens, intended to improve our lives in some way.

We are proud of the work our staff has accomplished thus far, and are eager to continue the programs and responsibilities entrusted to us by the General Assembly and Administration.

I'm happy to answer any questions that you may have.