

**Testimony of Michael Miller, Director
Ohio Public Works Commission**

**Senate Finance – General Government and Agency Review
Subcommittee
Thursday, March 18, 2017**

Chair Jordan, and members of the Senate Finance – General Government and Agency Review Subcommittee, good morning. I am Michael Miller, Director of the Ohio Public Works Commission. I would like to thank you for the opportunity to testify on behalf of the Ohio Public Works Commission=s Fiscal Year 2018-2019 operating and debt service request contained in House Bill 49.

The Ohio Public Works Commission budget represents a continuation budget to maintain existing programs and staff. The FY 18-19 budget request is designed to maintain the program objectives for the State Capital Improvement, Local Transportation Improvement, and Clean Ohio Conservation Programs. It includes our operating and debt service request for the State Capital Improvement and Clean Ohio Conservation Programs. This will allow the Commission to continue to respond to the needs of Ohio=s local governments and maintain existing services.

The Commission=s operating budget is modest when compared to the size of the capital programs it administers. For FY 18, the Commission=s operating request is below its FY 17 appropriation level and for FY 19 we are requesting a total operating budget that is about equal to our FY 17 appropriation. It is important to note that the administrative costs to deliver all of these programs are paid from interest income, bond and motor fuel tax proceeds and not the General Revenue Fund.

The Commission's budget request is based on a few principles. The first is retention of our existing staff. Second, the Commission aligned its budget request to reflect the administrative effort necessary to manage all of our programs. Administrative, maintenance, and equipment costs incurred by the Commission are shared between our various programs with 60% (SCIP), 20% (LTIP), and 20% (COCP).

The State Capital Improvement Program operating line item experienced some minor cuts in the House of Representatives which we feel we can live with. In addition to this, the State Capital Improvement Program and Clean Ohio debt service line items were reduced by nearly \$4 million over the biennium. These debt service line items are used to support the general obligation bonds issued under Article VIII of the Ohio Constitution. Most of our debt service payments are based on fixed rate bonds that have already been issued and only a small amount depends on prevailing interest rates, variable rate bonds, and future annual bond sales. We would like to request that these Office of Budget and Management funding levels be returned to the As Introduced version of House Bill 49.

The Commission's Local Transportation Improvement Program capital and operating requests are contained in the Transportation Budget Bill. The programs State Capital Improvement and Clean Ohio Program capital request was contained in last General Assemblies Capital Bill.

Given this is a continuation budget, it is important to note the portfolio of active projects. We currently have over 1,800 active infrastructure and Clean Ohio projects and over 2,400 active loans. I expect this number to increase as we continue to process district submissions. The Commission stands committed to working with our local partners in seeing these projects to completion with the resources contained in this legislation.

Thanks again for giving me the opportunity to appear before you today. I would be happy to respond to any questions or concerns that you may have.