



Mike DeWine, Governor  
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Office of Budget  
and Management

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**Ohio Senate Finance Committee**

*Capital Reappropriations for Fiscal Years 2021 and 2022*

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Chairman Dolan, Vice Chair Burke, Ranking Member Sykes, and members of the Finance Committee, my name is Kim Murnieks, and I am Director of the Office of Budget and Management and I am pleased to be here today to discuss capital reappropriations for fiscal years 2021 and 2022.

**Reappropriations Background**

Senate Bill 316 contains capital reappropriations for the upcoming capital biennium. “Reappropriations” reauthorize the appropriation of unexpended balances from previously approved capital projects to ensure that they can continue uninterrupted toward their completion. This “reappropriation” is necessary due to the constitutional provision prohibiting appropriations from being made for a period of more than two years. To reconcile this constitutional limitation with the reality that many capital projects require several years to complete, the reappropriation of the unspent balance of capital projects is necessary each biennium.

This reappropriations process is not intended as a vehicle for new capital appropriations nor is it intended to raise new issues. Rather, it is designed to keep previously approved capital projects on schedule. Since most of the capital projects presented in the bill are already underway, the reappropriation of unexpended balances ensures those projects can continue without interruption or delay. In addition, the reappropriations process has historically served as a mechanism to deal with projects for which circumstances have changed since the time when funds were originally appropriated. This is the case for a limited number of items in this bill, where funds in such instances have been redirected to other projects.

The amounts presented in S.B. 316 are not necessarily the exact amounts that will be reappropriated. Instead, the dollar values contained in the bill are reasonable placeholders developed by OBM based on our review of agency requests. Section 510.10 of the bill stipulates that the amount to be reappropriated for each capital project

is the unencumbered and unexpended balance as of the end of the fiscal year (i.e., June 30, 2020). The use of estimates in the bill is necessary due to the inability to know as of the date of the bill's introduction or passage, the exact unencumbered balance of the various capital appropriations. In the final analysis, it is the actual unencumbered amounts as of June 30, 2020, plus any adjustments between line items the General Assembly may authorize in the bill, that will be reappropriated. As you know, capital appropriations, unlike operating appropriations, require a 90-day delay before they are effective. To ensure that the reappropriations contained in this bill become effective by July 1, 2020, so existing projects may proceed without delay, the bill would need to pass with an emergency clause, and that clause is included in the bill as introduced.

### **Reappropriations Request**

S.B. 316 includes an estimated \$1.28 billion in reappropriations, which is roughly the same as the last capital reappropriation bill (H.B. 529 for the fiscal 2019-20 biennium) that identified \$1.26 billion in estimated reappropriations.

Table 1 details the reappropriation amounts included by agency and by fund type. Please note that while two dozen agencies receive reappropriations, three agencies – the Public Works Commission, the Facilities Construction Commission, and the Department of Higher Education – account for \$986.6 million, or 77% of the total estimated reappropriations

### **Conclusion**

Mr. Chairman, members of the Committee, I thank you for your time and consideration and I am happy to answer any questions you may have.

### **Attachment:**

Table 1 – Summary of Capital Reappropriations – FYs 2021-2022

**Table 1**  
**Summary of Capital Reappropriations in S.B. 316**  
**FYs 2021-2022**

Proposed Capital Reappropriations for FYs 2021-2022 by Agency and Source of Funding  
 Actual reappropriations will be the unencumbered and unallotted balances as of June 30, 2020

<b>State Agency</b>	<b>GRF-Backed Debt</b>	<b>Other Sources</b>	<b>Total</b>
Adjutant General	\$ 2,429,000	\$ 7,203,100	\$ 9,632,100
Administrative Services	\$ 32,540,459	\$ 25,000,000	\$ 57,540,459
Agriculture	\$ 26,880,000		\$ 26,880,000
Attorney General	\$ 4,772,559		\$ 4,772,559
Broadcast Education Media (ETC)	\$ 47,550		\$ 47,550
Capital Square Review and Advisory Board	\$ 4,520,922	\$ 246,550	\$ 4,767,472
Commerce		\$ 2,195,436	\$ 2,195,436
Development Services Agency	\$ 5,500,000	\$ 3,500,000	\$ 9,000,000
Developmental Disabilities	\$ 2,360,000		\$ 2,360,000
Expositions Commission	\$ 543,084		\$ 543,084
Facilities Construction Commission	\$ 134,797,248	\$ 50,763,564	\$ 185,560,812
Higher Education	\$ 325,296,792		\$ 325,296,792
Jobs and Family Services		\$ 1,627,246	\$ 1,627,246
Judiciary / Supreme Court	\$ 200,000		\$ 200,000
Mental Health and Addiction Services	\$ 27,080,000		\$ 27,080,000
Natural Resources	\$ 48,913,000	\$ 17,000,000	\$ 65,913,000
Public Safety	\$ 3,840,702		\$ 3,840,702
Public Works Commission	\$ 353,865,740	\$ 121,830,281	\$ 475,696,021
Rehabilitation and Correction	\$ 31,347,133		\$ 31,347,133
School for the Blind	\$ 498,760		\$ 498,760
School for the Deaf	\$ 3,324,973		\$ 3,324,973
Transportation	\$ 200,000	\$ 25,000,000	\$ 25,200,000
Veterans' Services		\$ 8,456,807	\$ 8,456,807
Youth Services	\$ 9,354,660		\$ 9,354,660
<b>Total Reappropriations</b>	<b>\$ 1,018,312,582</b>	<b>\$ 262,822,984</b>	<b>\$ 1,281,135,566</b>