



Ohio Public Works Commission
77 S. High Street, Rm. 1846, Columbus, OH 43215

House Finance Committee
PROPONENT TESTIMONY on HJR 8
Linda Bailiff, Director
Ohio Public Works Commission
November 20, 2024

Chair Edwards, Vice-Chair LaRe, Ranking Member Sweeney, and members of the House Finance Committee, I am Linda Bailiff, Director of the Ohio Public Works Commission. Thank you for the opportunity to testify in support of House Joint Resolution 8.

The State Capital Improvement Program is a state-local government partnership created with the passage of "Issue 2" in 1987 and renewed three times by amendments to the Ohio Constitution. These Constitutional provisions allow the State to use its general revenues as debt support to issue general obligation bonds. The annual program, originally \$120 million, is now \$200 million. The bond proceeds provide a competitive funding opportunity for local governments for critical infrastructure by providing grants, loans, and loan assistance which pays construction-period interest.

The bond proceeds are distributed to the 19 District Public Works Integrating Committees on a per capita basis after statutory distributions are made to two set-aside programs. Projects are selected by the districts which consist of local officials from all levels of government. Each district develops and uses a methodology using criteria set in statute. The two set-aside programs are administered centrally. The Small Government Program is a "second chance" for funding for villages and rural townships of 5,000 or less in population, and the Emergency Program is a first-come, first-served opportunity for projects addressing failed infrastructure threatening immediate health and safety. Once projects are selected our organization enters into contractual agreements with the recipients which provide for the projects to be designed, bid, awarded, and managed at the local level while the OPWC provides financial oversight and accountability. We move money quickly paying vendors directly or reimbursing local governments typically in under a week.

About 18,860 projects have been funded since the program's inception. Depending on the year, for every \$1 of program funds another \$2 to \$3 is leveraged in other local, state, and federal

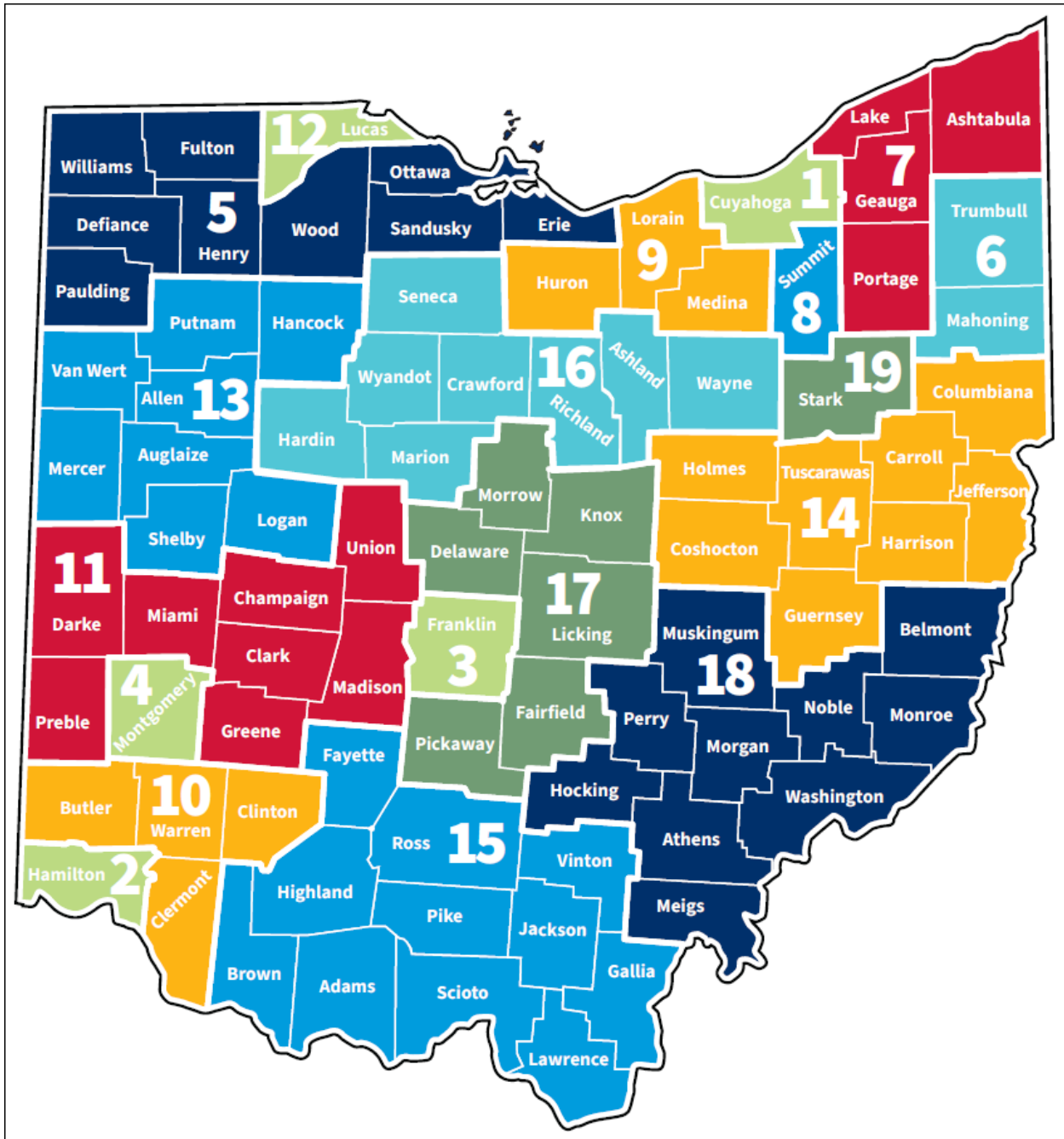
sources. Without the program the leveraging effect would be diminished as most of the capital improvements would be deferred and the need is substantial considering the amount and condition of infrastructure, and the cost to repair or replace it. Local governments own 212,500 road lane miles, 29,000 bridges, 4,400 public water systems, 1,000 plus wastewater treatment plants, more than 100 stormwater utilities, and countless miles of water main and sewers. Sound infrastructure supports quality of life, ensures health and safety, and drives the economy.

The program is scheduled to “sunset” on July 1, 2025 with the mass release of agreements for projects currently being reviewed and scored by the 19 districts. With that release we will have committed all funds under the current ten-year authorization. In addition to renewing the program, HJR 8 also increases the annual amount of general obligation bonds to be issued from \$200 million to \$250 million. Attached to my testimony is a district map and allocation sheet outlining the allocations given the current amount and the increase for your comparison plus graphs showing awards to date under the existing reauthorization.

HJR 8 will give voters an opportunity to reauthorize this critical and popular program to continue to tackle deficient and deteriorated infrastructure upon which citizens, businesses, and travelers depend.

Thank you, again, for your time. I am happy to answer your questions.

OPWC District Map



State Capital Improvement Program

District Allocations - Existing Constitutional Authorization Compared to HJR 8 As Introduced

District	Existing Authorization Section 2S Article VIII Program Years 30 - 34	Existing Authorization Section 2S Article VIII Program Years 35 - 39	HJR 8 As Introduced Section 2T Article VIII Program Years 40 - 49	Increase from 2S to 2T
1	\$17,027,000	\$17,950,000	\$22,486,000	\$4,536,000
2	\$10,739,000	\$11,874,000	\$14,875,000	\$3,001,000
3	\$15,923,000	\$19,582,000	\$24,530,000	\$4,948,000
4	\$7,118,000	\$7,695,000	\$9,640,000	\$1,945,000
5	\$6,446,000	\$6,697,000	\$8,313,000	\$1,616,000
6	\$5,964,000	\$6,093,000	\$7,632,000	\$1,539,000
7	\$7,780,000	\$8,315,000	\$10,415,000	\$2,100,000
8	\$7,223,000	\$7,687,000	\$9,630,000	\$1,943,000
9	\$6,947,000	\$7,856,000	\$9,841,000	\$1,985,000
10	\$10,858,000	\$12,465,000	\$15,615,000	\$3,150,000
11	\$8,376,000	\$9,086,000	\$11,382,000	\$2,296,000
12	\$5,875,000	\$6,117,000	\$7,663,000	\$1,546,000
13	\$5,633,000	\$5,974,000	\$7,484,000	\$1,510,000
14	\$5,846,000	\$6,062,000	\$7,518,000	\$1,456,000
15	\$6,402,000	\$6,566,000	\$8,150,000	\$1,584,000
16	\$6,896,000	\$7,310,000	\$9,157,000	\$1,847,000
17	\$8,075,000	\$9,311,000	\$11,665,000	\$2,354,000
18	\$5,849,000	\$6,012,000	\$7,304,000	\$1,292,000
19	\$5,023,000	\$5,348,000	\$6,700,000	\$1,352,000
Emergency (Up to 6%*)	\$3,500,000	\$12,000,000	\$15,000,000	\$3,000,000
Small Government (10%)	\$17,500,000	\$20,000,000	\$25,000,000	\$5,000,000
TOTALS	\$175,000,000	\$200,000,000	\$250,000,000	\$50,000,000

*This percentage was increased from 2% to "up to 6%" in HB 62 of 133rd GA

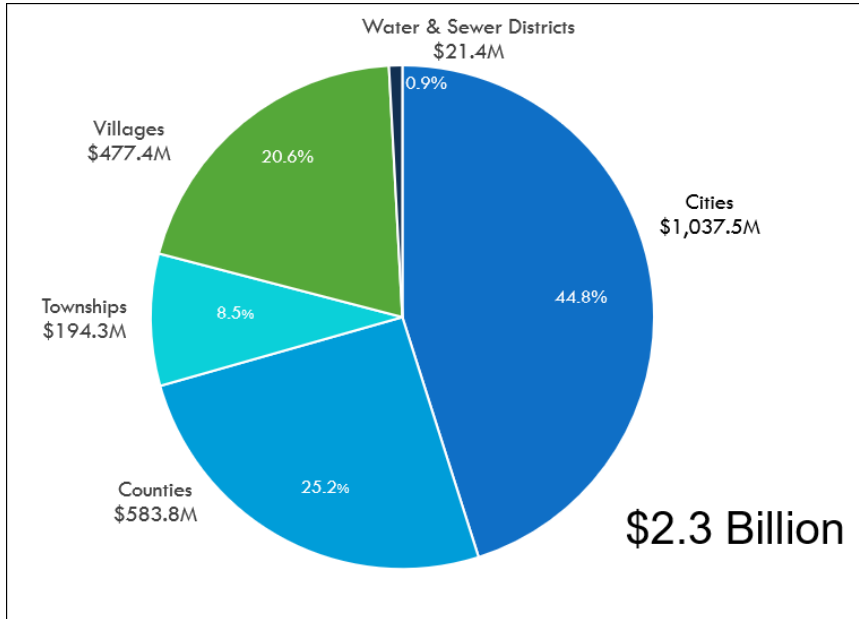
Ohio Public Works Commission's State Capital Improvement Program

Current Authorization Period (9 of 10 Rounds Awarded to Date)

- \$2.3 billion has been awarded including Revolving Loan Program funds.
- 4,490 projects have been funded in 1,084 local governments in all 88 counties.
- Every \$1 in funds has been matched with double to nearly triple from other sources.

Funding by Subdivision Type

Awards are attributed to the lead applicant. Many projects are partnerships between two or more communities.



Funding by Infrastructure Type

Category is determined by the largest infrastructure cost component. Many projects include more than one infrastructure type such as road reconstruction with sewer and water lines.

