

Senate Finance Committee
PROPONENT TESTIMONY on SJR 4
Linda Bailiff, Director
Ohio Public Works Commission
November 12, 2024

Chair Dolan, Vice-Chair Cirino, and members of the Senate Finance Committee, I am Linda Bailiff, Director of the Ohio Public Works Commission. Thank you for the opportunity to testify in support of Senate Joint Resolution 4.

The State Capital Improvement Program was created with 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, originally \$120 million annually to the now current annual amount of \$200 million. Eligible applicants are counties, cities, villages, townships, and water and sanitary districts. Eligible projects are for improvements to roads, bridges, culverts, water supply and wastewater systems, storm water collection, and solid waste disposal. Funding is provided through grants, loans, and loan assistance which pays construction-period interest. Grants are available for up to 90% of the total project costs for repair and replacement and up to 50% for new and expansion.

Projects are selected on a competitive basis using 19 District Public Works Integrating Committees which consist of local officials from all levels of government. Each district develops and uses a methodology using criteria set in statute including the repair and replacement needs of the district, healthy and safety, age and condition, readiness to proceed, and financial considerations. In addition to the district process, two set-aside programs are administered centrally – the Small Government Program, a “second chance” for funding for villages and rural townships of 5,000 or less in population, and the Emergency Program, a first-come, first-served opportunity for projects threatening the immediate health and safety of a local government’s citizens.

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 completed disbursement requests in less than ten days as either direct payments to vendors or as reimbursement to the local governments.

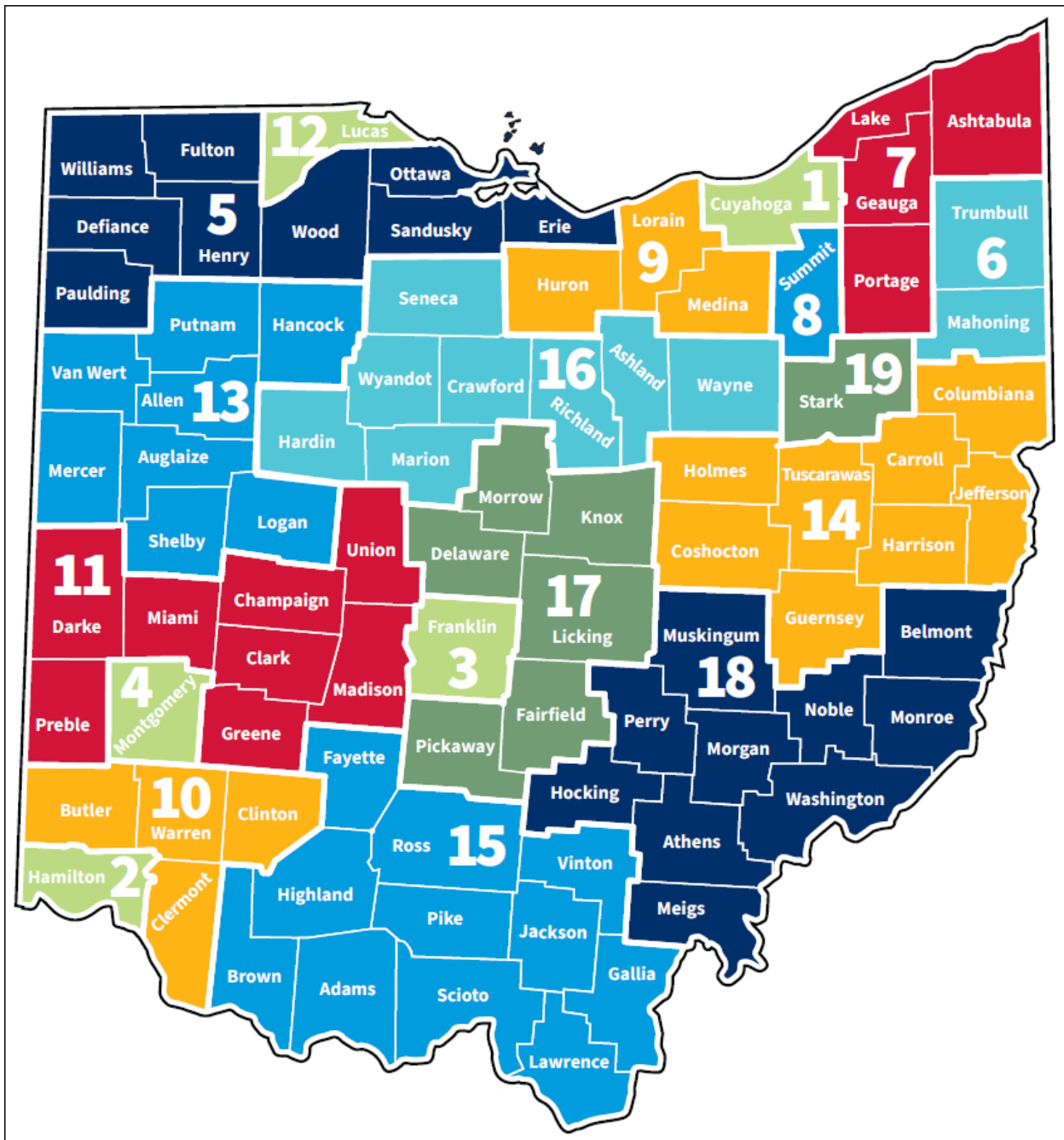
This successful state-local partnership preserves local infrastructure, ensures public health and safety, and improves the economic welfare of Ohioans in communities in all 88 counties. Since the program's inception, 18,858 projects have been funded. Depending on the year, for every \$1 of program funds 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.

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 approved by voters on May 6, 2014. In addition to renewing the program, Senate Joint Resolution 4 also increases the annual amount of general obligation bonds to be issued from the current \$200 million to \$250 million. Bond proceeds are distributed to the 19 districts on a per capita basis after the Commission's two set-aside programs receive their statutory allocations of 10% and 6% respectively. Attached to my testimony is a district map and allocation sheet outlining the allocations of the current \$200 million and the increase to \$250 million for your comparison.

Senate Joint Resolution 4 is a necessary step to renew the commitment to this highly successful and longstanding state-local partnership in addressing critical infrastructure needs.

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 SJR 4 As Introduced

District	Existing Authorization Section 2S Article VIII Program Years 30 - 34	Existing Authorization Section 2S Article VIII Program Years 35 - 39	SJR 4 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