

**Testimony Before the
Senate Committee on Primary and Secondary Education
House Bill 110: FY 2022-2023 Biennial Budget Recommendations for the
Ohio Facilities Construction Commission**

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Chair Brenner, Vice Chair Blessing, Ranking Member Fedor and members of the Primary and Secondary Education Committee, my name is Cheryl Lyman and I am the Executive Director of the Ohio Facilities Construction Commission (OFCC). Thank you for the opportunity to testify today in support of the FY22-23 executive budget recommendations for the Commission.

The Ohio Facilities Construction Commission:

- oversees capital projects undertaken by state agencies and state-supported institutions of higher education;
- manages Ohio's school facility programs which provide support for the construction and renovation of public K-12 schools; and
- administers funding for community-based cultural and sports facilities.

While I am here today to speak about the Commission's operating budget, I would like to take this opportunity to express our appreciation for the General Assembly's strong support for the capital investment in Ohio's facilities infrastructure. With the passage of the Capital Bill Senate Bill 310, OFCC received \$300 million for the construction and renovation of public K-12 schools across Ohio and an additional \$5 million to specifically address school safety infrastructure needs. This is in addition to funding which supports energy efficiency projects at state agencies and \$300 million for the K-12 program provided earlier in the fiscal year in Senate Bill 4. Along with the appropriations that we received, significant capital funding was directed to state agency and higher education projects that OFCC oversees.

We began the current biennium managing projects during a highly competitive construction labor market and operating under an increasing caseload of projects. In FY 2020 our priorities included:

- completing the alignment of processes, documents, and tools used for K-12 school, state agency, and higher education projects;
- addressing critically low project and planning staff levels resulting from retirements and a competitive job market; and
- upgrading technology systems and equipment to support our projects.

The COVID-19 pandemic caused us to focus our energy and resources on continuing operations in a very different and very uncertain environment. Construction was deemed an essential business and with the cooperation of the design and construction industry, we successfully worked to avoid major disruptions to Ohio's public construction program, while at the same time adopting measures for on-site worker health.

Fortunately, for more than a decade the Commission has been moving paper-based business processes to cloud-based applications. This ongoing investment in technology allowed us to quickly transition to a remote working environment.

- Our employees could access documents from their remote working locations using a Department of Administrative Services supported cloud-based document management system.
- Project owners and design and construction teams could track information and complete transactions electronically through the state's construction management system, or OAKS-CI.
- Construction bid openings could be conducted electronically and legal documents executed through electronic signatures.
- While on-site visits to job sites to monitor construction progress by Commission staff are currently limited, staff were able to use virtual meeting platforms to conduct business.

During this challenging time, we have been able to support our partners, the construction workforce, and our employees.

The state's investment in capital assets and the construction projects OFCC oversees sustains and creates jobs in communities all over Ohio. We currently are supporting more than 200 projects statewide. This translates into thousands of construction jobs, including architects, engineers, contractors, and material suppliers and adds over \$2 billion dollars to Ohio's economy. These are investments in Ohio's schools, public services and local community projects. OFCC's budget request will allow the Commission to continue to support public construction throughout Ohio.

The Commission's FY22-23 budget request focuses on the staff, expertise, and technology resources that will allow us to continue to deliver construction projects that result in quality facilities that are well planned, on time, and on budget.

The executive budget recommendation is for \$465.6 million for FY2022 and \$435.3 million for FY2023 to fund continuing priorities. I would like to note that debt service for the K-12 facility assistance programs and community-based cultural and facility projects (and which receive appropriations through the capital budget process) accounts for 96 percent of the request.

The non-debt portion of the operating budget request is \$16.6 million for FY2022 and \$17.3 million for FY2023. The funds OFCC receive for agency operations (excluding the debt service funds) is small in comparison to the capital funds agency staff support and oversee. The source of funding for the Commission's operating expenses is 50 percent from project fees for state agency and university projects, and 50 percent from the General Revenue Fund.

As stated previously, OFCC is an agency whose operating budget is small in comparison to the capital funds agency staff support and oversee. Our staff provide the professional support for approximately 200 active agency, higher ed, energy and K-12 projects. Staff in finance, information technology, communications, legal, and human resources support OFCC's field operations.

With continued investment in state agency and K-12 projects, maintaining appropriate staffing levels is not only our highest priority, but is critical for success of Ohio's public construction program. OFCC must be able to attract and retain qualified, trained staff to support the state's investments in capital facilities. In

addition, OFCC leverages the expertise of our staff to enhance the education and training for K-12 treasurers, agency construction staff and the design and construction community. Our current staffing level stands at under 80 employees out of 101 budgeted positions. The executive budget will allow us to fill critical staffing gaps.

After investing in personnel, funding for technology support is our most significant budget priority.

- Our investments in information technology, particularly mobile technology, have allowed our project staff to work remotely and manage many projects concurrently.
- Our information technology staff develops and supports enterprise software and data systems which track project budgets, contracts, and various other construction project information.
- Maintaining, upgrading, and monitoring these systems is a critical component of the Commission's work, as is enhancing the Commission's ability to access, analyze, and share data.

We continue to identify efficiencies as we consolidate databases and IT systems that support the school building program such as the OAKS-CI – the state's capital improvements application. OAKS-CI is a major driver of our technology initiatives. We have OAKS-CI embedded thoroughly into the financial processes and are working to update the system to provide even more timely and responsive information. Two important initiatives which were delayed in the current biennium are the integration of OAKS FIN—the state's financial system—with OAKS CI and the upgrade of the current OAKS CI platform.

Finally, as we build and renovate schools, we want to ensure that school districts have the appropriate tools to make the many choices necessary to build facilities that support the educational vision. The Ohio School Design Manual (OSDM), is a comprehensive set of standards for the design of school facilities. A priority for the upcoming biennium is to streamline and significantly update the OSDM. This will allow us to incorporate changes in design and construction methods and materials more quickly, and to make these important standards more understandable and accessible to designers, school districts and community members.

The Commission's mission is to lead collaboration with our partners in the planning, design, and construction of public facilities through quality service, expertise, and knowledge sharing. OFCC's requested funding for the FY 2022-2023 biennium will allow the Commission to continue supporting the construction of facilities across the state that are well-built, on time, and on budget.

Again, thank you for the opportunity to present to you today. I look forward to answering any questions you may have.