

Quick Reference Guide:

Ohio's Capital Budget: PCSA Considerations

www.pcsao.org

Introduction

PCSAO's budget advocacy focuses on Ohio's biennial Operating Budget, which appropriates funds for the operation of state agencies and programs. However, Ohio's biennial Capital Budget can be an opportunity for PCSAs seeking to acquire funds for capital needs. This overview provides basic information to help PCSA leaders assess if and how to consider pursuing capital funds. Content is based on a review of Ohio Office of Budget and Management (OBM) documents as well as on informational interviews with PCSAs who have engaged in the Capital Budget process and with external stakeholders.

"Capital" is defined as the cost of acquiring, constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, improving, and/or equipping facilities. In other words, the "brick-and-mortar" needs of facilities.

The Capital Budget is enacted in even-numbered years and provides appropriations for the repair, reconstruction, and construction of capital assets of state agencies, colleges, universities, and school districts. Typically, funds are also allocated for community projects of local or regional interest. Funding for most capital projects is supported by long-term debt issued by the State or, in some cases, by various cash funds.

Planning for Ohio's SFY2025-2026 Capital Budget is already underway at the state agency level. Once the Administration reviews state agencies' requests, the Governor's recommendations will be introduced in the General Assembly in early 2024 and finalized by June 30, 2024. Ohio typically enacts a Capital Re-appropriations Bill at the same time to extend capital improvement appropriations that have already been approved beyond their original two years.

To be eligible for capital funding, a project must fall within the capital purposes authorized in the Ohio Constitution. These purposes include: highways; local government infrastructure; parks and recreation; natural resources and conservation; higher education facilities; elementary and secondary public school facilities; facilities to house branches and agencies of State government and their functions, including State office buildings and facilities; correctional and juvenile detention facilities; mental health and developmental disabilities facilities; cultural, historical and sports facilities; and research and development and site development. Ohio's Office of Budget and Management offers a [detailed description](#) of what capital appropriations may be used for as of 2022.

How is the Capital Budget determined?

Counties, local entities, and state agencies receive capital funds based on the projects they propose. Interested parties propose a project by reaching out to their local government or state representatives to ask them to submit the project request on their behalf. Not all proposals are submitted, and not all submitted proposals are approved.

Funding may also be requested through community project proposals. According to guidance released by the Legislative Service Commission, local social service agencies are not allowed to apply for community funds unless it is done in conjunction with an approved state agency. This is because those agencies either 1) lack express constitutional authority for state bond funding, or 2) have traditionally been funded as part of existing programs for which other funding is available. Of relevance to PCSAs, the Department of Youth Services (typically for juvenile correctional facilities), the Department of Mental Health and Addiction Services, and the Department of Developmental Disabilities all have community project funding available.

How to explore capital funding:

There is no one way to pursue capital funds; the process varies from community to community. Here are some general approaches to consider:

1. Work with an approved state agency (such as OMHAS or DODD) through their community project proposal process.
2. Meet with your state representative(s) and state senator(s) to propose and advocate for funding.
3. Meet with your county commissioners to gain their support; they likely will know the process for your community.
4. Reach out for advice from local entities that have received capital funds in the past.
5. If you anticipate having a need that requires capital funds, it is better to start the process sooner rather than later.
6. Be prepared to invest time in networking. Even if your proposal is not successful, your efforts may prove to be worthwhile in the long run; building a stronger relationship with your local and state elected officials can help plant future seeds.

To learn more:

[OBM Capital Guidance FY2025-2026](#)

[Community Project Bond Funding Eligibility: Tips for Successfully Securing Project Funding](#)

[An overview of priorities funded in the 2023-2024 Capital Budget](#)

Questions? Contact us at mary@pcsao.org or lysette@pcsao.org

This brief was prepared by Mary Wachtel, PCSAO Director of Public Policy, and Madelon Jenson, Fall 2022 Child Policy Extern with the Schubert Center for Childhood Studies/Case Western Reserve University.