Hearings Underway
David W. Field, CAE, Hon. AIA,
Executive Vice
Administration Proposes OSFC/SAO Merger

Ohio General Assembly is working on a Capital Bill, a Capital Reappropriations bill, two bills that would provide construction tax credits and Governor Kasich’s “Mid-Biennium Review” (MBR) proposal (HB 487) that, among many tax and administrative changes, would merge the Ohio School Facilities Commission (OSFC) with the State Architect’s Office (SAO).

Reasons for Merger:
Prior to introducing the MBR bill, Office of Budget and Management Director, Tim Keen said the Administration believes that an OSFC/SAO merger would “reduce costs and align related authority and resources within a single, responsive commission with oversight responsibility for all state non-transportation construction.”

When providing an overview of HB 487 during a March 20 meeting of the House Finance Committee, he further explained that, “the impetus (for the merger) was the lack of an ongoing funding source for the state architect’s office.”

Finance Committee Chair:
Following the overview Committee hearing, Finance Committee Chairman, Ron Amstutz, told reporters: “My sense (is) that we have a comprehensive set of proposals that generally are positive for the state’s ability to provide services and that make a variety of policy tune-ups that don’t seem to be earthshaking individually, but together are quite an array.”

Chairman Amstutz said he expects the House to send the measure over to the Senate in the first or second week after the spring recess, which runs through the first two weeks of April.

Department of Administrative Services Testimony:
The SAO/OSFC merger was taken up during a hearing in the House State Government Committee March 21. Department of Administrative Services Director Robert Blair told members of the Committee that downsizing of state government has occurred under the leadership of both parties, partly due to budget constraints and partly due to the reality of doing more with less. He noted state employees numbered some 68,000 in 1994 having dropped through the years to 58,000 when the Kasich administration took office last year and down to 54,693 as of last Thursday.

As an example of downsizing government while making it’s operation more effective and efficient, Mr. Blair pointed to the proposed OSFC/SAO merger. He said that the new commission would combine most of state government vertical construction authority under a single entity with the authority to perform or administer all state facility construction, including schools.

OSFC Support:
Director Blair was followed by Richard Hickman, executive director of the Ohio School Facilities Commission who further explained the rationale behind the consolidation of the OSFC and the state architect’s office into a new Facilities Construction Commission. He said the proposed OFCC would bring the major components of state construction under a single umbrella benefiting public owners and taxpayers. He said this would establish a centralized construction authority, create consistent, streamlined construction oversight, lead to financial efficiency and allow for the leveraged expertise and resources.
“As a state, we can deliver capital projects even more efficiently and effectively by consolidating the tremendous construction experience and expertise that resides in both the State Architect’s Office and the Ohio School Facilities Commission. This proposal will allow the state to take full advantage of our collective knowledge of construction to deliver the best facilities that we can to all public owners in a consistent and streamlined manner,” he said.

**Contractors Support:**
Richard Hobbs, executive vice president of the Associated General Contractors of Ohio (AGC) testified that the merger of construction operations within Ohio's state government would produce "significant savings" and that the modernization would bring "positive change." He said it would also allow for "sole accountability." He "felt very comfortable with the merger" and that it would provide a "cleaner, smoother process" overall.

**School Administrators Support:**
Thomas Ash, director of governmental relations for the Buckeye Association of School Administrators (BASA) testified that the consolidation was "a common sense approach" and would provide a good model for "the sharing of services being encouraged for the local levels of government." He stated that blending the expertise and experience of both organizations would "provide added value to both."

**This week the Capital Appropriations Bill (HB 482) Passed the Ohio House of Representatives (93-2) and the Capital Reapprpriation (SB312) Passed the Ohio Senate (33-0). Next week the respective houses are expected to pass each other’s bills relatively unchanged from the as-introduced versions.**

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