

Executive

FCCCD16 OFCC public notice, forms, and other changes**R.C. 9.312, 9.331, 9.47, 123.10, 153.01, 153.07, 153.08, 153.09, 153.54, 1311.252**

Requires a state agency or political subdivision that finds a low bidder for contracts let by competitive bidding is not responsive or responsible, to send the bidder a notice electronically, permitting certified mail delivery only if an electronic method is not available (rather than by either method).

Requires a public authority to advertise its intent to employ a construction manager by electronic means, and permits advertising in news media available in the county, (rather than requiring advertisement in a newspaper of general circulation and permitting electronic advertisement).

Reduces the minimum advertisement period for contracts to employ a construction manager from 30 days to 14 days.

Requires the public authority to give notice of the time and place where bids for public works contracts will be received by electronic means at least 14 days in advance, and permits the authority to publish the notice in other news media in the county where the work is to occur (rather than requiring publication in a newspaper at least eight days in advance).

Requires copies of the plans, details, estimates of cost, and specifications to be available electronically or at OFCC's office (rather than just at OFCC's office).

Requires the advertisement for public works contracts, when the public authority rejects all bids and re-advertises, to be in such electronic media, rather than newspaper, as OFCC directs.

Removes the requirement that a public authority file a notice of commencement in affidavit form.

Lengthens the validity of certificates of compliance with affirmative action programs (on which certain public works contracts with bidders are contingent) from 180 days to two years.

Changes the frequency for receiving an updated certificate of compliance from once every 180 days to once every two years.

Requires a state agency director to enter in to a contract with the proper persons to address an exigency, when, at the request of a state agency, the OFCC Director issues a declaration of public exigency.

Permits, for public works contracts worth \$200,000 or more, a public authority to require an architect or engineer, in preparing plans, details, specifications, estimates, analyses, or other data to use a building information model system, as long as the system is based on a nationally recognized standard for building information models.

Permits a bidder for most contracts with the state or a political subdivision to file a bid guaranty in the form of an electronic verification through an electronic verification and security system, if the state or political subdivision accepts bids electronically.

Fiscal effect: Increases opportunities for cost savings associated with administrative and operational efficiencies for public authorities.

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FCCCD14 Expedited processes for design-build firms and managers at risk**R.C. 9.334, 153.501, 153.693**

Establishes, for contracts between public authorities and construction managers at risk (CMRs) or design-build firms (DBFs), an expedited proposal and selection process for projects under \$4.0 million, adjusted biannually for the rate of inflation by OFCC.

Authorizes a public authority, for contracts under \$4.0 million, to require a CMR or DBF to submit an initial qualification proposal or statement, respectively, along with a pricing proposal, instead of sending them in separate rounds.

Requires the public authority to have a pre-proposal meeting with any CMRs or DBFs who desire to jointly submit a statement or proposal and pricing proposal, at which the public authority must give the CMR or DBF a description of the project, including the scope and nature of the proposed services and potential technical approaches.

Exempts CMRs and DBFs from the requirement to submit a sealed bid to self-perform a portion of work before accepting and opening any bids for the same work when the public authority requests a guaranteed maximum price proposal due at the time of selection.

Fiscal effect: Reduces the administrative workload for public authorities and may reduce the timeline for projects with total costs of less than \$4.0 million.

FCCCD12 Controlling Board exemption**R.C. 123.21**

Exempts from CEB approval competitively bid contracts made by OFCC for the following services: construction management services, professional design services, criteria architect or engineer services, design-build services, and newly created integrated project delivery services (see FCCCD11).

Fiscal effect: Reduces OFCC's administrative workload and may reduce, by several weeks, the timeline for certain projects.

FCCCD9 Major and minor league sports facilities and youth sports education funding**R.C. 123.28, 123.281, 123.282**

Requires OFCC to administer the Sports Facilities Construction and Sports Education Fund ("fund") to support construction and renovation of major sports facilities and minor league sports facilities throughout Ohio for the economic benefit of the state, and to support youth sports education.

Creates the seven-member Ohio Advisory Committee for Sports Facility Construction and Youth Sports Education ("committee") to evaluate and approve projects to be supported by the fund and administered by OFCC.

Entitles public members to a per diem rate of \$500 a day on the days they meet and entitles all members to actual and necessary expenses.

Requires the committee to recommend policies and procedures for the administration of the fund for review and adoption by OFCC, prioritizing economic development through major sports facilities, major sports facility mixed-use projects and minor league sports facilities, youth sports education, and facilities that enable training in team or individual sports.

Requires projects to be awarded from the fund by a majority vote of the committee.

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Requires the Directors of DEW, ODPS, and ODH, and the ADJ to advise the committee on what skills, facilities, and programs are necessary for youth sports education, and to publish, as needed, standards for youth sports education for K-12 students.

Permits the committee to recommend criteria to OFCC to establish, and permits OFCC to implement, a grant program that helps Ohio communities secure major sporting events, using monies from the fund.

Permits the committee to recommend to the Tax Commissioner the creation of tax credits to support youth sports education.

Fiscal effect: OBM estimates that up to \$161.4 million in FY 2026 and up to \$167.4 million in FY 2027 will be transferred to the Sports Facilities Construction and Sports Education Fund. However the bill does not contain an appropriation for OFCC to operate the fund or program.

FCCCD11 Integrated project delivery contracts

R.C. 153.01, 153.50, 153.502, 153.503, 153.65, 153.695

Permits public authorities to enter into integrated project delivery (IPD) contracts with IPD contractors for capital projects.

Requires public authorities, for every IPD contract, to evaluate the statements of qualifications submitted by IPD contractors, and select at least three qualified IPD contractors (unless there are fewer than three qualified firms).

Requires the public authority to provide certain information about the project to each selected IPD contractor.

Requires the public authority to evaluate the pricing proposal submitted by each selected firm and rank the selected firms based on the public authority's evaluation of the value of each firm's pricing proposal, considering each firm's proposed costs and qualifications.

Requires the public authority to enter into contract negotiations for IPD services with the IPD contractor that ranked highest.

Requires the public authority, if the public authority fails to negotiate a contract with the highest ranked contractor, to terminate the negotiations and move on to the second highest ranking contractor, and if that fails, the third, and so forth.

Permits the public authority, if these subsequent negotiations fail, to select additional IPD contractors to provide pricing proposals, or select an alternative delivery method for the project.

Requires IPD contractors to establish criteria to prequalify prospective bidders on subcontracts, subject to the approval of the public authority and consistent with the rules adopted by OFCC.

Requires the IPD contractor to identify at least three prospective prequalified bidders (unless less than three exist), verified by the public authority, then solicit proposals from each bidder, under an open book pricing method.

Clarifies that an IPD contractor is not required to award a subcontract to a low bidder.

Requires OFCC to adopt rules related to IPD contractors and subcontractors.

Fiscal effect: May reduce the administrative workload of public authorities and the cost and timeline for certain larger projects.

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FCCCD13 Indefinite delivery indefinite quantity contracts**R.C. 153.013**

Permits a public authority to enter into an indefinite delivery indefinite quantity (IDIQ) contract, which is a contract for an indefinite quantity, within stated limits, of supplies or services that will be delivered by the awarded bidder over a defined period, without CEB approval if the contract is (1) with a prequalified vendor, (2) awarded through a competitive bidding process, and (3) does not exceed \$1.0 million.

Permits OFCC to establish a list of prequalified vendors for IDIQ contracts and requires OFCC to adopt rules that establish objective prequalification criteria for vendors, a process for public authorities to use the list of pre-qualified vendors, and the form, terms, and conditions of IDIQ contracts.

Fiscal effect: May reduce the administrative workload for public authorities and the timeline for projects with total costs of \$1.0 million or less.

FCCCD15 Public improvements contract retainage**R.C. 153.12, 153.13, 153.14, 153.63**

Requires a public authority's retainage amount on partial payments on a public improvements contract to be 4% or less for 100% of the contract, rather than 8% on the first 50%, and 0% on the second 50%, of the contract.

Prohibits contractors from paying subcontractors at a retainage rate lower than the retainage rate being paid to the contractor by the public authority.

Eliminates provisions of law requiring the public authority to deposit the retained amount in an escrow account.

Clarifies that any retained funds and the interest accrued by the funds is property of the contractor and must be paid to the contractor no later than 30 days after the date of substantial completion of the work.

Fiscal effect: Public authorities will realize cost savings by paying fewer escrow fees.

FCCCD10 Portion of basic project cost supplied by district**R.C. 3318.032**

Modifies the calculation of the portion of the basic project cost a school district must provide for its Classroom Facilities Assistance Program (CFAP) project from the greater of either (1) the required percentage based on its equity ranking or (2) an amount necessary to raise the school district's net bonded indebtedness to a prescribed level, to its portion being determined by only the required percentage based on its equity ranking.

Requires, for a district that opts to segment its classroom facilities project, its local share for the first segment to be calculated using the required percentage of the basic project, instead of the greater of either (1) the required percentage based on its equity ranking or (2) an amount necessary to raise the school district's net bonded indebtedness to a prescribed level. Requires that any future segment's portion of the basic project cost use the same share as used in the first segment.

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Fiscal effect: According to OFCC, only 13 CFAP projects to date have used the required level of indebtedness method to determine their local share, so OFCC expects the elimination of the net indebtedness method will affect only a small number of school districts in the future by not penalizing them for not having debt. OFCC anticipates that when qualifying for CFAP these school districts will have a lower local share than they otherwise would have had calculated under the current method of local share determination. In turn, state shares will likely be higher for these projects.

FCCCD8 Vocational school facilities assistance program

R.C. 3318.40

Permits OFCC to set aside a portion over each biennium, instead of up to 2% annually, of its aggregate school facilities assistance funds and specifies that the funds be used to assist at least two JVSDs per biennium (temporary law in H.B. 33 of the 135th General Assembly requires OFCC to provide assistance to at least one JVSD in each fiscal year in which funds are available for additional projects).

Fiscal effect: May provide OFCC with more flexibility to fund at least two JVSD projects each biennium.

FCCCD1 Cultural Facilities Lease Rental Bond Payments

Section: 287.20

Requires that GRF ALI 230401, Cultural Facilities Lease Rental Bond Payments, be used to meet all of OFCC's required payments during the biennium under the primary leases and agreements for cultural sports facilities.

FCCCD2 Common Schools General Obligation Bond Debt Service

Section: 287.20

Requires that GRF ALI 230908, Common Schools General Obligation Bond Debt Service, be used to pay all required debt service and related financing costs during the biennium for bonds issued for school facilities.

FCCCD3 School facilities encumbrances and reappropriation

Section: 287.30

Authorizes the OBM Director, at the request of the OFCC Director, to cancel encumbrances for school district projects from a previous biennium if the district has not raised its local share of project costs within 16 months of Controlling Board approval. Requires the OFCC Director to certify the amounts of the canceled encumbrances on a quarterly basis. Appropriates the amounts of the canceled encumbrances to the Classroom Facilities Assistance Program.

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FCCCD4 Capital donations fund certifications and appropriations**Section: 287.40**

Requires the OFCC Director to certify to the OBM Director the amount of cash receipts and related investment income, irrevocable letters of credit from a bank, or certification of the availability of funds that have been received from a county or a municipal corporation for deposit into the Capital Donations Fund (Fund 5A10) and that are related to an anticipated project and appropriates these amounts to Fund 5A10 ALI C230E2, Capital Donations. Requires the OFCC Director to make a written agreement with the participating entity on the necessary cash flows required for the anticipated construction or equipment acquisition project.

FCCCD5 Amendment to project agreement for maintenance levy**Section: 287.50**

Requires OFCC to amend the project agreement between OFCC and a school district that is participating in the Accelerated Urban Initiative (AUI) if OFCC determines it is necessary to do so in order to comply with the change in maintenance levy requirements enacted by H.B. 1 of the 128th G.A.

Fiscal effect: H.B. 1 of the 128th General Assembly changed the maintenance levy requirements for the six AUI districts (Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo) to run for 23 years from the date the initial segment is undertaken, instead of extending for 23 years after the district's last segment was undertaken (the six AUI projects are broken into individual segments). For the districts that have not changed their agreements yet, the H.B. 1 change would reduce the number of years for which the districts would have to levy the required 1/2 mill property tax for maintenance. Currently, projects for Cleveland and Columbus are incomplete. Presumably, these AUI districts would use other funds to meet their building maintenance needs if the original project agreements were amended.

FCCCD6 Disbursement determination**Section: 287.60**

Authorizes OFCC to determine the amount of funding available for disbursement in a given fiscal year for any Classroom Facilities Assistance Program project in order to keep aggregate state capital spending within approved limits. Authorizes OFCC to take actions including, but not limited to, determining the schedule for design or bidding of approved projects, to ensure appropriate and supportable cash flow.

Fiscal effect: The provision may give OFCC more flexibility in spending state funds on projects.

FCCCD7 Returned or recovered funds**Section: 287.70**

Requires that any state-source surplus project construction funds or interest earnings returned to the state and any funds recovered from settlements with or judgments against parties relating to their involvement in a classroom facilities project be deposited into the fund from which the project's capital appropriations were made.

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Permits, in any fiscal year in which OFCC has made a deposit, the OFCC Director to seek CEB approval to authorize expenditures from those funds and specified ALIs in excess of the amounts appropriated in amounts equal to the returned or recovered funds. If approved, appropriates the returned and recovered funds and requires the funds to be used for the Classroom Facilities Assistance Program or the Vocational Facilities Assistance Program.

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CEBCD3 Release of funds for capital projects

R.C. 126.14, 123.211, 126.141, 3333.071, 5123.36

Removes the requirement that CEB or the OBM Director release money appropriated to state agencies for capital projects and related procedures associated with approval of capital expenditures.

Fiscal effect: Slight decrease in administrative costs for state agencies with capital appropriations and the CEB because there will be a lower volume of requests to review and prepare for CEB approval.

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Other Taxation Provisions**TAXCD62 Sports gaming tax increase and revenue allocation****R.C. 5753.021, 5753.031, Section 801.50**

Doubles the sports gaming tax rate, from 20% to 40% of sports gaming receipts. Allocates 50% of collections deposited into the Sports Gaming Revenue Fund (R068) to the newly created Sports Facilities Construction and Sports Education Fund. Decreases the proportional allocation of the existing 20% rate to the Sports Gaming Education Fund (5Y00) from 98% to 96% and increases, from 2% to 4%, the share to alleviate problem gaming. Changes transfers from the Sports Gaming Revenue Fund (R068) to the Sports Gaming Education Fund (5Y00) and Problem Sports Gambling Fund (5YR0) from quarterly to monthly.

Fiscal effect: OBM estimates additional tax collections of \$138.0 million in FY 2026 and \$150.0 million in FY 2027.