

FAQs – State Capital Improvement Program (SCIP)

Q. How is the program funded?

- A. The program is funded by the issuance of general obligation bonds which are secured by the full faith and credit of the state. Although general obligation bonds do not require additional revenues to support it, bondholders know that the state has the capacity to generate revenue, if necessary, to fulfill its obligation to repay the bonds. For this reason, general obligations bonds carry a lower interest rate.

Q. How are projects selected for funding?

- A. Projects are selected by 19 regional district public works integrating committees which consist of local officials from all levels of government. Each district develops and uses a methodology based on criteria set in law including the repair and replacement needs of the district, health and safety, age and condition, readiness to proceed, and financial considerations.

Q. What types of projects are funded?

- A. Roads, Bridges, Culverts - Road improvements address a variety of issues including condition, movement of traffic, and attraction of business so work may provide for resurfacing, realignment, rehabilitation, or reconstruction. Bridge projects range from replacement of the superstructure or substructure to expansion joint repairs, concrete repairs, and deck overlays.

Water Supply - Improvements provide safe drinking water; supply for residential, industrial, and agricultural needs; and equalize pressure during high demand. Projects include replacing failed, failing, or obsolete equipment at water treatment plants; replacement of aging, deteriorated lines including lead and transite; upsized lines for improved flows and pressure including for fire protection, or new lines to replace failing private wells or to extend to new service areas. Meter replacement projects are for leak detection and water management. Replacement or rehabilitation of storage facilities address water quality deterioration or infrastructure failure which can lead to contamination, and/or to meet capacity needs.

Wastewater Systems - These projects are necessary to prevent contaminants from being released into the environment. Many projects replace failed, failing, or obsolete equipment located in lift and pump stations, or wastewater treatment plants. Other projects target failing or failed sewers or private septic tanks, or separate combined sewers to reduce flows that cause wear on equipment, basement back-ups, and contamination to waterways.

Stormwater - Stormwater infrastructure is necessary for managing stormwater runoff by reducing it or slowing it down. Runoff occurs when it runs over hardened (impervious) surfaces and can't be filtered by vegetation. Measures reduce flooding as well as pollution which can contaminate drinking water sources and aquatic ecosystems. Stormwater is typically polluted with contaminants like oil, chemicals, nutrients, and bacteria.

Q. What types of assistance are available?

- A. 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. Loans are at 0% interest and the terms are up to 30 years but cannot exceed the infrastructure's useful life.

Q. Does the program pay for the entire cost of a project? If not, where does the rest of the money come from?

- A. The SCIP may pay for the entire cost if the local government requests a grant/loan combination or 100% loan. For every \$1 of SCIP funds, overall, there is another \$2 to \$3 called "match" from other local, state, or federal sources.

Q. What happens to the revenue from loan repayments?

- A. Loan repayments are credited back to the district that originally granted the loan to be awarded for new loans.

Q. What is "renewal"?

- A. About every ten years the program must be renewed or reauthorized by Ohio voters by an amendment to the Ohio Constitution. The amendment allows the State to use its general revenues as debt support to issue general obligation bonds. Each renewal proposal provides the amount of the bond issuance. The current proposal for May 6, 2025 provides for \$250 million annually for the next ten years. The program is on its last year of the current ten-year renewal which provided \$175 million for each of the first five years and \$200 million for each year of the second five-year period.

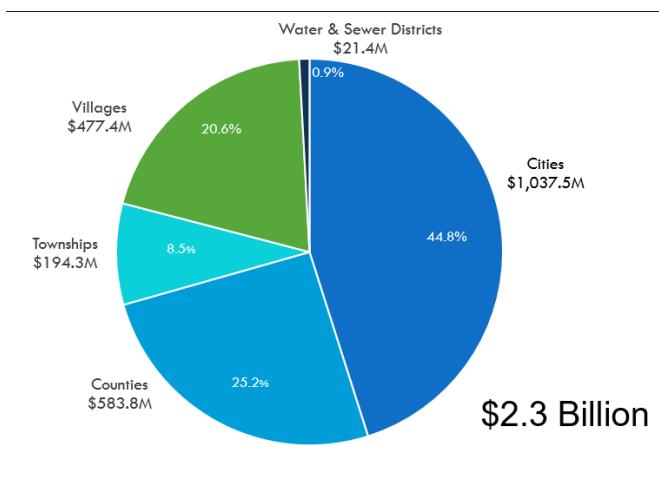
The OPWC is not dependent upon renewal for its existence. Renewal only pertains to refunding the State Capital Improvement Program. The OPWC also administers the Revolving Loan Program (funded by repayments from SCIP), Local Transportation Improvement Program (gas tax), and the Clean Ohio Green Space Conservation Program (revolving bond debt).

Q. Is a list of past funded projects available?

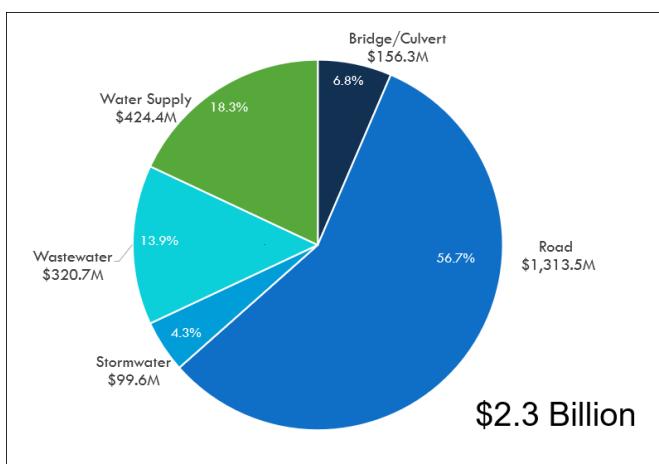
- A. Yes, the OPWC maintains a list on our [website](#) of the SCIP projects funded under the current reauthorization period. The public also has access to OPWC's "[Public WorksWise](#)" and can view a community's projects, both active and completed, by selecting "Infrastructure" from the top of the screen on the "Projects" button, putting in the community's name in the search box, and then using the dropdown to the left to select "All Active Infrastructure" for current projects or "All Completed Infrastructure" for closed projects.

Q. How many projects have been funded, and what is the historical distribution of funding by the type of local government and by the type of infrastructure?

A. Nearly 19,000 projects have been funded since the program was created in 1987. Communities in every one of Ohio's 88 counties have been funded. Below are two graphs displaying funding for the current renewal period (past nine funding years considering the program must be reauthorized every ten years and projects are currently being selected for the tenth year).



By Local Government Type –
Awards are attributed to the lead applicant. Many projects are partnerships between two or more communities.



By Infrastructure Type –
The category is determined by the largest infrastructure cost component. Many projects include more than one infrastructure type such as road reconstruction with sewer and water line

Q. What does it cost to administer the program and how is that cost funded?

A. The OPWC cost is less than one-half percent of the program amount which is paid by interest earnings on the bonds. The OPWC doesn't receive state general revenue funds (GRF) for operations.

Q. How much is the debt service on the bonds?

A. It's currently about \$229 million annually of which \$71 million is interest expense.

Q. How is funding distributed?

- A. The bond proceeds are distributed to the 19 District Public Works Integrating Committees on a per capita basis after statutory distributions are made to two set-aside programs which are administered centrally. The Small Government Program is a “second chance” for funding for villages and rural townships of 5,000 or less in population, and the Emergency Program is a first-come, first-served opportunity for projects addressing unexpected, failed infrastructure threatening immediate health and safety.