



Ohio Administrative Code

Rule 3318:1-3-02 Procedure for budget development and budget adjustments.

Effective: January 23, 2023

(A) The design specifications and materials, and the formula contained in the Ohio school design manual, as specified in rule 3318:1-3-01 of the Administrative Code and published by the Ohio facilities construction commission at ofcc.ohio.gov, to determine basic project cost, shall be used to determine the budget for new facilities and additions to existing facilities. The formula takes into consideration the square footage and cost per square foot necessary for the grade levels to be housed in the facility, the variation across the state in construction and related costs, the cost of the construction and the professional design and administration fees associated with a project.

(B) The project budget is based on the basic project cost for new construction, additions, and renovations. The assessment cost guidelines approved by the commission are used to determine the budget for the renovation of existing facilities.

(C) After the master facilities plan and scope of the project has been determined, the commission will provide a project budget breakdown to the school district. The project budget breakdown will establish the amount and line items of the construction budget and the non-construction budget.

(D) In the event there is a budget surplus during any phase of a project, the commission will not approve increasing the scope of the project beyond the standards, specifications and recommended alternatives provided in the design manual, or adding square footage.

(E) The commission will not approve the use of project dollars to fund systems that exceed the standards set forth in the design manual, except as approved by a variance committee established by the commission.

(F) Should the construction contingency become depleted, the first source of money used to replenish it will be the investment earnings credited to the project construction fund. If the fund, including all investment earnings credited to the fund, becomes depleted by payments of proper project costs, the school district and commission agree to complete the project, with each



contributing additional moneys in proportion to their respective contribution to the fund, pursuant to section 3318.083 of the Revised Code.

(G) To manage circumstances that require an acknowledgment of a modification of the project scope or potential increase in the total project budget, and to implement proportional sharing provisions pursuant to Chapter 3318. of the Revised Code, the following procedure will be used.

(1) When circumstances occur that appear to make necessary a modification of the project scope or adjustment to the total project budget, because the circumstance cannot be addressed solely through management solutions within design standards and construction specifications, commission staff will evaluate the situation and may make a recommendation to the executive director.

(2) The executive director will review the recommendation of commission staff and determine whether the situation requires an acknowledgment of a modification of the project scope or potential increase in the total project budget.

(3) Should the executive director conclude that an acknowledgment is required in order for the project team to move forward without delay, a notice of intent to amend the project agreement will be issued, indicating the recommendation to seek the approval of the commission and the controlling board to approve any modification in the project scope and, if the total project budget is insufficient to enter into contracts or if the contingency reserve and all investment earnings on project funds should become depleted before or at completion of the project, to contribute the states proportional share of an actual cost overrun.

(4) The school district board shall acknowledge by resolution the obligation to share the school district's portion of an actual cost overrun in proportion to their respective contribution to the project construction fund, if the total project budget is insufficient to enter into contracts or if the contingency reserve and all investment earnings on project funds should become depleted before or at completion of the project.

(5) The approval of the commission and controlling board to amend the master plan and project agreement will be sought prior to the award of construction contracts or "Guaranteed Maximum Price" amendment that cannot be fully funded within the existing budget. The amount of any



increase in the project budget may be greater than or less than the notice of intent to amend the project agreement amount, due to updated expense and revenue figures. A notice of intent to amend the project agreement need not be followed by a budget increase, should circumstances allow the project to be completed within the existing project budget.

(6) In the event that implementing a notice of intent to amend the project agreement before a budget increase or scope change would cause construction delays or present a life safety hazard, the commission and the school district may pursue the budget increase or scope change without first implementing a notice of intent to amend the project agreement.