

May 11, 2026

To: District Chairs & Liaisons  
Cc: OPWC Program Representatives  
Re: FY 28 (Round 41) Guidance

If you've not done so previously, you may submit your methodologies and calendars and ensure your district rosters are current in WorksWise. I will prioritize approval of methodologies but ask for at least two weeks and you must account for at least 60 days from approval/posting for the application solicitation period. If you change anything of substance (excluding dates, wordsmithing, etc.), please highlight or note for quick identification and faster approval. Once I've approved, if you've highlighted changes, submit a clean PDF version of your materials directly to your program representative for posting. In addition, we will post your virtual meeting policies if separate from any other document you currently provide.

### Allocations

The allocations for the next round are attached to this guidance. The upcoming capital bill for FY 27 and 28 should be introduced soon, according to our OBM Budget Analyst. The transportation budget bill for FY 28 and FY 29 will be submitted this fall 2026 and introduced next spring, which will include our appropriation requests for LTIP. Depending on the fiscal year, solicitation for applications precedes either SCIP or LTIP appropriation authority since SCIP program funds are contained in capital budget bills (enacted in even FYs) and LTIP funds are contained in transportation budget bills (enacted in odd FYs). On our website, under "About Us" we maintain a table under "Overview and Budget" so you always have a reference on legislative funding sources.

### *SCIP*

Reminder that OPWC completely removed the 10% loan set-aside in SCIP and each district is permitted to determine how much of its annual SCIP allocation may be awarded to loans and local debt support. This has been critical considering the amount of available RLP. A district should continue to incentivize loans especially if there is a significant RLP balance.

Per HB 96 of the 136th GA, up to \$10 million of the Small Government allocation shall be used for projects in townships. With this in mind, for Small Government criterion #6, District Priority Ranking, if a District's number one priority project is a township project, it shall receive an additional 5 priority points. It is important to remember that

all projects sent to compete for Small Government funding need to be ranked by the district, and that ranking needs to match the ranking you enter into WorksWise.

The Small Government Commission will be meeting on May 14, 2026, to approve the FY 27 (Round 40) slate of projects and review its methodology for FY 28 (Round 41). The Small Government Administrator will send out an email to all liaisons with their revisions.

### *RLP*

RLP allocations decreased very slightly for FY 28. We expect that with the removal of the SCIP loan set-aside language, leaving it up to districts as to how much SCIP to award in new loans, that we should be relatively stable with the RLP balances in future fiscal years.

### *LTIP*

Appropriations are decreased from the previous funding round based off estimates provided to us by ODOT for future fiscal years. We expect to see increased fuel efficiency in vehicles, a growing use in electric vehicles, and a fixed motor vehicle fuel tax.

Attached is the 5-Year LTIP report. We are three years into the current period (Rounds 38-42).

### *Emergency*

As started in FY 26, the emergency fund will be 6% of \$250M for \$15M barring any revisions in the next capital bill, which as of right now, we do not expect there to be. If any changes are made, we will communicate them accordingly. OPWC released a new online emergency pre-application form to replace our PDF form, which is located on our website.

### Slate Information Reminders

*Entry* - All project applications must be entered into WorksWise, not just those funded, as this is what helps to validate and communicate statewide need.

Some districts state in their documentation that applications must be complete to be scored. Scoring applications without the necessary documentation can result in an inaccurate score that provides an unintended advantage.

We are noticing various deficiencies, some of which are legal requirements, in district-approved applications including the following:

- improper legislation (gives authority to apply for funds but does not execute agreement),
- lack of *detailed* engineer's estimate including signature and stamp,
- lack of verification of the non-OPWC share (the CFO can't certify what they aren't providing),
- ineligible items,

- and noncompliant schedules.

We ask that liaisons help to ensure completeness which can prevent applicant challenges and speed up OPWC review time to ensure agreements are released in a timely manner. We have provided a checklist to assist with liaison reviews, which is provided as an attachment to this email.

*Eligibility* - Be certain recommended projects are capital improvements, versus maintenance, to ensure eligibility for payment by state bond proceeds. A real property capital improvement:

- fixes a defect or design flaw;
- creates an addition, enlargement or expansion;
- creates an increase in capacity, productivity or efficiency;
- rebuilds property after the end of its useful life; or
- replaces a major or structural component.

In addition, the LTIP is constitutionally restricted to roads and bridges. LTIP funding is also limited to grant only funding and cannot be combined with a loan request. Do not recommend a project for LTIP if it contains water and/or wastewater components. Further, gas tax revenue cannot be directly used for stormwater infrastructure projects, especially if the infrastructure is located outside the road right-of-way. While stormwater management can be critical for road infrastructure, the Ohio gas tax is legally restricted to specific transportation-related uses. If there is any doubt, fund the application in question with SCIP funds or we may return the slate for revision.

*Submission Deadline* – Although the deadline is the end of February 2027, we encourage you to submit slates when complete to help us manage workflow.

#### Administrative Cost Agreements

District administrative cost agreement language has been updated to include the following statement under *Article Three: Compensation*:

*“Contractor’s compensation shall be limited to (a) the prorated portion of Contractor’s actual base salary allocable to time spent performing the Work under this Agreement, or (b) if compensated hourly, Contractor’s hourly rate multiplied by hours spent performing the Work. Contractor shall not charge or bill any rate in excess of such prorated salary or hourly amount.”*

For FY 2028 Administrative Cost Plans, OPWC will require a clear breakdown of time and labor, including the specific positions the district intends to bill under the administrative cost agreement. The work plan must identify each individual and/or position that will be included in direct billing to OPWC, along with their title, fringe benefits, and a description of their role in the billed activities.

Please remember that [OAC 164-1-33](#) defines District Administrative Costs as:

*(1) "District administrative costs" are the necessary direct staff and support costs, including the costs of the integrating committee contractor or the integrating committee support agency of the district integrating committees to perform their statutory responsibilities under sections 164.06 and 164.14 of the Revised Code.*

If the District has a support staff that reviews and approves projects and charges time to the agreement, those individuals and their anticipated totals must be included in the cost plan. If the District does not have formal support staff but plans to bill for administrative positions beyond the Liaison, those positions must be clearly listed in the work plan with an explanation of why they are necessary and how they qualify as “direct staff and support costs” costs under the OAC definition. Any positions not included in the approved work plan may not be considered eligible for disbursement processing.

### Change in Disbursement Signature Requirements

OPWC has reduced our required signatures on disbursements from three to two, eliminating the Project Manager signature. Agreements for FY 27 will go out with the revised language, but this change applies to all OPWC projects as of May 2026.

### FY 27 Summer Office Hours/Virtual Trainings

OPWC Program Staff will be conducting virtual **Summer Office Hours** for applicants this year. Please be sure to share this information with your applicants as questions arise this summer.

We’re also proud to be providing the following virtual training courses for customers via Microsoft Teams:

**Thursday, July 11<sup>th</sup> @ 11 a.m.:** [Loan Recipient Virtual Training](#)

**Thursday, July 30<sup>th</sup> @ 10 a.m.:** [How to Apply for OPWC Infrastructure Funding](#)

**Weds., August 12<sup>th</sup> @ 1 p.m.:** [Best Practices for Submitting OPWC Disbursements](#)

**Thurs., January 14<sup>th</sup>, 2027 @ 9:30 a.m.:** [Small Government Application Process](#)

Attachments:

FY 28 (Round 41) Allocations

LTIP 5-Year Report (Rounds 38-42)

Liaison Application Review Checklist