July 14, 2017

Mark Flanders, Director Legislative Service Commission 77 S. High Street, 9th Floor Columbus, OH 43215

Report under Substitute Senate Bill 3

Dear Director Flanders:

Substitute Senate Bill 3 from the 131st General Assembly requires a report as follows:

SECTION 14. (A) Not later than December 15, 2017, the Ohio School Facilities Commission shall develop and submit to the General Assembly, in accordance with section 101.68 of the Revised Code, a proposal for legislative provisions under which school districts that have not yet received assistance under the Classroom Facilities Assistance Program, upon becoming eligible for assistance under that program, based on the annual percentile rankings under section 3318.011 of the Revised Code, may apply for and receive a portion of the state funds they are eligible for under that program to use for technology, building expansion, and physical alterations to improve school safety or security.

The commission has been working with the 132nd General Assembly on these legislative provisions through efforts on Am. Sub. Senate Bill 8, House Bill 37, and Am. Sub. House Bill 49. These efforts have culminated in the creation of the 1:1 School Facilities Option Program, enacted through Am. Sub. House Bill 49 under newly created section 3318.39 of the Ohio Revised Code.

School districts that have not yet received assistance under the CFAP program become eligible for the 1:1 School Facilities Option Program based upon the annual percentile rankings under section 3318.011 of the Revised Code. Districts may apply for and receive 10% of the amount they would have received under CFAP or \$1 million, whichever is greater. Districts are required to match state funding on a 1:1 basis. Eligible work includes technology, building expansion, school safety or security, or other improvements that are eligible under CFAP. This law fulfills the requirements under Section 14 of Sub. S.B. 3.

Regards,

David M. Williamson Executive Director

Enclosure: Ohio Revised Code Section 3318.39 as enacted by Am. Sub. H.B. 49

shall be spent on the construction and acquisition of the project simultaneously in proportion to the state's and the school district's respective shares of that basic project cost as determined under section 3318.032 of the Revised Code.

Sec. 3318.39. (A) The 1:1 school facilities option program is hereby established. Under the program, the Ohio facilities construction commission shall provide state funds to assist eligible school districts in constructing, acquiring, reconstructing, or making additions or repairs to any feature of a classroom facility that meets the design standards of the commission in lieu of that district participating in the classroom facilities assistance program under sections 3318.01 to 3318.20 of the Revised Code, in the case of a city, exempted village, or local school district, or sections 3318.40 to 3318.45 of the Revised Code, in the case of a joint vocational school district.

For purposes of this program, an eligible school district is either of the following:

(1) A city, exempted village, or local school district that has not entered into an agreement for any program under this chapter, except for emergency assistance under section 3318.351 of the Revised Code, prior to the effective date of this section. A district that received partial assistance prior to May 20, 1997, and can qualify for assistance under division (B)(2) of section 3318.04 of the Revised Code shall not be eligible for assistance under this section.

(2) A joint vocational school district that has not entered into an agreement for any program under this chapter prior to the effective date of this section.

An eligible school district may avail itself of the option provided under this section only at the time it becomes eligible for assistance under the classroom facilities assistance program in accordance with the annual percentile ranking of districts under section 3318.011 or 3318.42 of the Revised Code.

(B)(1) The commission, at the request of a school district that meets the criteria set forth in division (A) of this section, shall assess the current conditions of the classroom facilities of that school district. Based on the results of the assessment, the commission shall determine the scope of the entire project, the basic project cost of the school district's classroom facilities needs, and the state's portion of the total project if the school district were to receive assistance under sections 3318.01 to 3318.20 of the Revised Code, in the case of a city, exempted village, or local school district, or sections 3318.40 to 3318.45 of the Revised Code, in the case of a joint vocational school district.

- (2) A district that opts to receive assistance under this section shall be eligible to receive state funds in the amount of up to the greater of one million dollars or ten per cent of the state's share of the total project cost determined under division (B)(1) of this section. However, a district may choose to receive less than the maximum amount of state funds for which it is eligible under this division.
- (3) A district that opts to receive assistance under this section shall match the amount of state funds it receives on a one-to-one basis. A district may generate the school district funds for its match using any lawful manner.
- (C) The commission shall adopt guidelines and procedures for the administration of the program. The guidelines shall include the following:
- (1) A requirement that, in order to participate in the program, the district's board of education must approve participation by an affirmative vote of not less than four-fifths of the board's full membership;
 - (2) The application process for districts;
- (3) A requirement that, in order to participate in the program, the district shall provide a share that is at least equal to the amount of the state assistance provided under this section.
- (D) If a district participates in the program established under this section, that district shall not have another project under sections 3318.01 to 3318.20 of the Revised Code, in the case of a city, exempted village, or local school district, or sections 3318.40 to 3318.45 of the Revised Code, in the case of a joint vocational school district, conditionally approved until the expiration of twenty years after the date the district enters into an agreement with the commission for assistance under this section.
- Sec. 3318.40. (A)(1) Sections 3318.40 to 3318.45 of the Revised Code apply only to joint vocational school districts.
 - (2) As used in sections 3318.40 to 3318.45 of the Revised Code:
- (a) "Ohio school facilities <u>construction</u> commission," "classroom facilities," "project," and "basic project cost" have the same meanings as in section 3318.01 of the Revised Code.
- (b) "Acquisition of classroom facilities" means constructing, reconstructing, repairing, or making additions to classroom facilities.
- (B) There is hereby established the vocational school facilities assistance program. Under the program, the Ohio school facilities construction commission shall provide assistance to joint vocational school districts for the acquisition of classroom facilities suitable to the vocational education programs of the districts in accordance with sections 3318.40 to 3318.45 of the Revised Code. For purposes of the program, beginning July