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**(SFC) SCHOOL FACILITIES COMMISSION**

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<b>Public School Building Fund</b>	<b>\$186,000,000</b>
<b>School Building Program Assistance Fund</b>	<b>\$417,200,000</b>
<b>Total – All Funds</b>	<b>\$603,200,000</b>

**PUBLIC SCHOOL BUILDING FUND (021)**

CAP-622	Public School Buildings (Statewide)	Renovation/ Replacement	\$171,000,000
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These monies are from available cash balances and appropriations and provide the state share of basic project costs to those school districts having received the approval of the School Facilities Commission (SFC) pursuant to Chapter 3318. of the Revised Code. Eligibility and priority for a district receiving state assistance is determined by the relative wealth of the district as measured through its adjusted valuation per pupil and the need to replace classroom facilities as assessed by SFC. Under a provision in the bill, the School Facilities Commission cannot commit more than \$93 million of the total appropriation for the Public School Buildings Fund until within thirty days after June 30, 2000.

CAP-783	Emergency School Building Assistance Program (Statewide)	Other	\$15,000,000
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The bill creates a new program under the School Facilities Commission that would set aside \$15 million to fund projects in school districts whose needs arise from an unforeseeable natural disaster. Funding would be provided to eligible districts regardless of wealth and limited to the amount necessary to cover the difference between the actual cost of repairs and the amount of repairs not covered through any insurance or other private or public proceeds received by the district.

**SCHOOL BUILDING PROGRAM ASSISTANCE FUND (032)**

CAP-770	School Building Program Assistance (Statewide)	Renovation/ Replacement	\$417,200,000
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These monies are generated from the sale of bonds and provide the state share of basic project costs to those school districts having received the approval of the School Facilities Commission pursuant to Chapter 3318. of the Revised Code. Eligibility and priority for a district receiving state assistance is determined by the relative wealth of the district as measured through its adjusted valuation per pupil and the need to replace classroom facilities as assessed by SFC. Under a provision in the bill, the School Facilities Commission cannot commit more than \$207

million of the total appropriation for the Public School Building Program Assistance Fund until after June 30, 2001.

**Classroom Facilities Assistance Program - State and Local Share:**

Under the program, a qualifying school district is generally responsible for financing a portion of the project with its own bond issue and tax levy and must contribute the greater amount yielded by the following formulas:

a) the amount necessary to increase the net bonded indebtedness of the school district to within \$5,000 of its required level of indebtedness. Depending on the district's adjusted valuation per pupil, the required level of indebtedness is determined as follows:

<b>RANK ACCORDING TO DISTRICT'S VALUATION PER PUPIL</b>	<b>REQUIRED LEVEL OF INDEBTEDNESS AS A PERCENTAGE OF VALUATION</b>
First Percentile	5%
Subsequent Percentiles	$.05 + .0002 [(percentile\ rank) - 1]$

b) the district's required percent of the basic project cost. Depending on the district's percentile ranking in terms of relative wealth as measured by the adjusted valuation per pupil, the required percent of the local share of the basic project cost is computed as follows:

$$\text{Local Share} = .01 \times (\text{District Percentile Rank})$$

**Two Examples**

Two examples are provided below to demonstrate calculation of the local share and the amount two specific districts would be required to pay.

**Example A – Wheelersburg Local School District**

The Wheelersburg Local School District is located in Scioto County with an adjusted valuation per pupil of \$54,148 ranking it 132nd in the state and placing it in the 22nd percentile. The district's total assessed valuation is \$102,089,260.

District	Wheelersburg Local School District
County	Scioto
<b>Total Assessed Valuation</b>	\$102,089,260
Estimated Cost of Facilities Upgrade	\$27.0 million

**Local Share Equals the Greater of:**

a) required level of indebtedness:	5.4% of assessed valuation	\$5.5 million
b) required percentage of program cost:	22% of project costs	\$5.9 million

### Example B – Alexander Local School District

The Alexander Local School District is located in Athens County with an adjusted valuation per pupil of \$57,096, ranking it 159th in the state and placing it in the 26th percentile. The district's total assessed valuation is \$108,806,644.

District	Alexander Local
County	Athens
<b>Total Assessed Valuation</b>	\$108,806,644
Estimated Cost of Facilities Upgrade	\$29.1 million

***Local Share Equals the Greater of:***

a) required level of indebtedness:	5.5% of assessed valuation	\$6.0 million
b) required percentage of program cost:	26% of project costs	\$7.6 million

While both districts detailed in the examples above would be responsible for a local share based on the percentage of project costs, both examples assume that cost estimates released by the School Facilities Commission as part of its spending allocation plan are accurate. In the event, district facility needs are lower than stated here, there comes a point at which the greater local share would be generated using the required level of indebtedness method. This is tied to the fact that as the basic project cost increases so does the likelihood that the local share would be determined using the required percentage of program cost method. Since the dollar amount provided by a district would increase proportionately with the overall cost of the project, the relationship between project size and the method of calculating the local share, thus acts as a built in incentive for districts to hold down costs.

### **Use of ½ Mill Maintenance Levy**

Prior to the enactment of Amended House Bill 748 of the 121st General Assembly, districts receiving state assistance under the Classroom Facilities Assistance Program were required to levy a ½ mill property tax for a period not to exceed 23 years. Revenue generated by the ½ mill property tax levy were then used by the district to pay back what was viewed as a state loan. If the state loan to the district was not retired from the revenue generated by the levy over the 23 years, the outstanding balance of the loan was then forgiven. While districts continue to be required to levy the ½ mill property tax levy, those at or below the statewide median in terms of its adjusted valuation per pupil have been permitted to retain the ½ mill for use in maintaining the new classroom facilities. For those districts above the statewide median, half of the ½ mill, or ¼ mill, is to be paid to the state with the other ¼ mill used to maintain the classroom facilities paid for under the program.

### **Priority List**

Currently, a district's priority in receiving state assistance for school building projects under the Classroom Facilities Assistance Program (CFAP) is determined by the district's adjusted valuation per pupil and the assessed need for improving or replacing classroom facilities. Table 1 lists 40 districts that have yet to receive state assistance and that based on adjusted valuation per pupil are next in line to be considered for state assistance in repairing, renovating, or replacing

existing facilities. The last district included in Table 1 is Galion City School District in Crawford County, which is ranked 138<sup>th</sup> in terms relative wealth as measured by adjusted per pupil valuation (\$54,632).

<b>Table 1 – Next Round of Districts</b>		
<b>County</b>	<b>District</b>	<b>Adjusted Valuation Per Pupil</b>
Huron	Western Reserve Local	\$51,200
Putnam	Ottoville Local	\$51,450
Preble	Preble-Shawnee Local	\$51,576
Mahoning	West Branch Local	\$51,689
Putnam	Jennings Local	\$51,771
Mercer	Fort Recovery Local	\$51,814
Clark	Springfield City	\$51,815
Lorain	Clearview Local	\$51,849
Pike	Waverly City	\$51,891
Wayne	Northwestern Local	\$51,907
Portage	Southeast Local	\$51,961
Trumbull	Newton Falls Exempted Village	\$52,005
Montgomery	New Lebanon Local	\$52,161
Paulding	Paulding Exempted Village	\$52,335
Sandusky	Gibsonburg Exempted Village	\$52,357
Trumbull	Bristol Local	\$52,513
Williams	Edon-Northwest Local	\$52,564
Paulding	Wayne Trace Local	\$52,602
Knox	Centerburg Local	\$52,675
Ashland	Mapleton Local	\$52,798
Lorain	Lorain City	\$52,883
Wood	Elmwood Local	\$52,976
Perry	Northern Local	\$53,020
Scioto	Portsmouth City	\$53,290
Ashtabula	Pymatuning Valley Local	\$53,508
Champaign	Mechanicsburg Exempted Village	\$53,852
Williams	Millcreek-West Unity Local	\$53,904
Henry	Holgate Local	\$53,946
Allen	Allen East Local	\$53,980
Darke	Ansonia Local	\$53,999
Williams	Montpelier Exempted Village	\$54,042
Lawrence	Ironton City	\$54,053
Wyandot	Mohawk Local	\$54,141
Scioto	Wheelersburg Local	\$54,148
Trumbull	Bloomfield-Mespo Local	\$54,227
Jackson	Jackson City	\$54,308
Highland	Hillsboro City	\$54,395
Fulton	Pike-Delta-York Local	\$54,498

Clinton	East Clinton Local	\$54,567
Crawford	Galion City	\$54,632

Based on the last round of construction projects funded through the School Facilities Commission, the average state share for a project was approximately \$25 million. While it is questionable as to whether this amount will remain constant throughout the life of the projects in the above districts, assuming it were, up to 24 districts could be funded with the appropriations provided in the bill.