

- Support debt service obligations through general obligation debt service
- Operating funds are increased

School Facilities Commission

Meegan M. Michalek, Economist

ROLE

The Ohio School Facilities Commission was created in Amended Substitute Senate Bill 102 of the 122nd General Assembly and charged with providing funding, management, oversight, and assistance for the construction and renovation of public school facilities. Since its inception, the commission has received nearly \$3.0 billion in capital appropriations and now manages four major school construction and renovation programs and several smaller assistance programs. Capital project funds have come from two sources: 1) GRF surplus funds for respective fiscal years; and 2) bond proceeds, with appropriations for these purposes made in both operating and capital bills. Presently, the commission employs 59 full-time equivalent staff (FTE's).

Agency In Brief					
Number of Employees	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2002	2003	2002	2003	
59	\$84.2 million	\$99.4 million	\$78.1 million	\$92.0 million	Am. Sub. H.B. 94

OVERVIEW

The budget provides the commission with total operating appropriations of \$84,160,621 in FY 2002 and \$99,400,366 in FY 2003. About 93 percent of the total funding for the School Facilities Commission comes from the General Revenue Fund (GRF). GRF funding increased 87 percent in FY 2002 and by 19 percent in FY 2003. The final budget numbers do not differ from the original executive budget request.

In the FY 2002-2003 biennium, there will be three major areas of operational expenditures for the commission. These areas are supported through three line items. Line item 230-428, Lease Rental Payments, and line item 230-908, Common Schools Obligation Debt Service, are funded via the GRF. Line item 230-908 is a new line item authorized by a 1999 constitutional amendment that permits general obligation debt for the purpose of paying the costs of capital facilities for a system of common schools throughout the state. Operating expenses for the commission are located in line item 230-644, which is funded through Fund 5E3, Ohio School Facilities Commission Fund. Fund 5E3 is supported by various streams of revenues, with the most notable being interest generated from Fund 021, the Public School Building Fund and Fund 032, the School Building Assistance Fund.

Of the proposed appropriations, the overwhelming majority (92.8 percent in FY 2002 and 93.6 percent in FY 2003) would be dedicated to debt service payments appropriated through the Lease Rental Payments and Common Schools General Obligation Debt Service line items. Specifically, based on the recommendation, Lease Rental appropriations would be set at \$41,645,300, a decrease of 0.25 percent from FY 2001, and \$37,654,300 in FY 2003, a decrease of 9.6 percent from FY 2002. Common School General Obligation Debt Service Appropriations would be set at \$36,418,800 in FY 2002 and \$55,336,300 in FY 2003, a 52 percent increase over FY 2002. The Operating Expenses line item, meanwhile, would receive \$6,096,521 in FY 2002 and \$6,409,766 in FY 2003, an increase of 16.6 and 5.1 percent respectively. Moneys appropriated to the Operating Expenses would support the cost of administering the various school construction programs placed under the supervision of the commission including additional staffing, materials, and office space. Funding in this line item would also allow the commission to grant pay raises up to 5 percent per employee.

Line item 230-649, the Lottery Profits Education Fund Group, has been eliminated from this biennium. This is a 100 percent decrease from funding levels in FY 2001. Any additional requests for funding on this line item will now be handled through the capital budget rather than through the main appropriations bill.

Operating increases are on top of significant increases in FY 2000-2001. Supplemental appropriations of \$2.49 million were made in FY 2001. This increase was used to support payments for expanded office space and up to 30 staff positions. 

FY 2002 - 2003 Final Appropriation Amounts

All Fund Groups

<i>Line Item Detail by Agency</i>			<i>FY 1999:</i>	<i>FY 2000:</i>	<i>FY 2001:</i>	<i>FY 2002 Appropriations:</i>	<i>% Change 2001 to 2002:</i>	<i>FY 2003 Appropriations:</i>	<i>% Change 2002 to 2003:</i>
Report For: Main Operating Appropriations Bill			Version: Enacted						
SFC School Facilities Commission									
GRF	230-428	Lease Rental Payments	\$ 58,472,048	\$ 41,689,513	\$41,706,824	\$ 41,645,300	-0.15%	\$ 37,654,300	-9.58%
GRF	230-908	Common Schools G. O. Debt Service	----	----		\$ 36,418,800	N/A	\$ 55,336,300	51.94%
General Revenue Fund Total			\$ 58,472,048	\$ 41,689,513	\$ 41,706,824	\$ 78,064,100	87.17%	\$ 92,990,600	19.12%
5E3	230-644	Operating Expenses	\$ 1,906,073	\$ 2,385,980	\$4,199,907	\$ 6,096,521	45.16%	\$ 6,409,766	5.14%
State Special Revenue Fund Group Total			\$ 1,906,073	\$ 2,385,980	\$ 4,199,907	\$ 6,096,521	45.16%	\$ 6,409,766	5.14%
018	230-649	Disability Access Project	\$ 2,292,594	\$ 2,563,080	\$63,966	\$ 0	-100.00%	\$ 0	N/A
Lottery Profits/Education Fund Group Total			\$ 2,292,594	\$ 2,563,080	\$ 63,966	\$ 0	-100.00%	\$ 0	N/A
School Facilities Commission Total			\$ 62,670,715	\$ 46,638,573	\$ 45,970,697	\$ 84,160,621	83.07%	\$ 99,400,366	18.11%