

School Facilities Commission

House Primary and Secondary Education Subcommittee

Meegan M. Michalek, Economist

Legislative Service Commission

March 20, 2003

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LSC Redbook

for the

School Facilities Commission

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March 20, 2003

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

School Facilities Commission

- Support debt service obligations through general obligation debt service
- Maintain an adequate administrative structure to support state school construction programs

OVERVIEW

Description of the agency

The Ohio School Facilities Commission (OSFC) was created in Am. Sub. S. B. 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 in 1997, the Commission has received over \$3 billion in capital appropriations and now manages eight school construction and renovation programs. Capital project funds have come from three main sources: (1) GRF surplus funds for several fiscal years, (2) bond proceeds, with appropriations for these purposes made in both operating and capital bills, and (3) Tobacco Funds, with appropriations made in cash. Presently, the Commission is authorized to employ 59 full-time equivalent staff (FTEs) that will have provided support in disbursing the \$2.1 billion in funds since FY 1997.

Major Building Programs

Classroom Facilities Assistance Program (CFAP). The Classroom Facilities Assistance Program was established in S.B. 102 of the 121st General Assembly. This is the School Facilities Commission's largest and most comprehensive school building program. Program guidelines require the Commission to begin with the lowest wealth districts according to the Department of Education's Equity Distribution List, and to provide funding for facility needs within an entire district. Since the program's inception in FY 1997, \$2.7 billion has been appropriated. The School Facilities Commission currently manages replacement and renovation projects in 110 school districts, with seven additional districts having received conditional approval in August 2002. From FY 1997 through the end of FY 2002, the SFC has disbursed a total of \$2.12 billion for this program.

Exceptional Needs Program (ENP). The Exceptional Needs Program was created as a pilot program in H.B. 850 of the 122nd General Assembly. The program provides facilities assistance to low wealth districts in urgent need of classroom facilities improvements that would not be served by CFAP in the next three fiscal years. Since its creation in December 1998, 21 districts have received approval to participate in the program, with three additional districts receiving conditional approval in August 2002. Over \$142 million has been disbursed for ENP projects since the program began.

Extreme Environmental Contamination Program. The Extreme Environmental Contamination Program was created in H.B. 282 of the 123rd General Assembly. The program removes the low wealth requirement for participation in ENP by opening it to qualifying districts experiencing extreme environmental contamination. Only one school district, River Valley Local School District (Marion), has used this program.

Accelerated Urban School Building Assistance Program (Big 6 Program). The Accelerated Urban Program was created in S.B. 272 of the 123rd General Assembly. The program was designed to expedite the eligibility of Ohio's six largest urban school districts (Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo) into the Classroom Facilities Assistance Program. All six districts became eligible to access CFAP funds in July 2002. The estimated total cost of the projects is \$5.7 billion. Because of the size and complexity of the construction programs in these districts, completion is expected to take 10 to 15 years.

Expedited Local Partnership Program (ELPP). The Expedited Local Partnership Program was created in S.B. 272 in the 123rd General Assembly. This program allows a school district to fund a distinct portion of their facilities master plan financed completely through local funds before they become eligible for state funds through CFAP. As of the end of FY 2002, OSFC has received application from 249 districts for participation in the program, and has entered into agreements with 41 of these districts since this program began.

Emergency Assistance Program (EAP). The Emergency Assistance Program was created in S.B. 272 of the 123rd General Assembly, and was funded in H.B. 640 of the same General Assembly. The program is intended to provide assistance to districts that experience facilities problems due to "Acts of God." All school districts in the state are eligible to receive funding through this program, and applications for funds must be submitted within 60 days of the date of damage. No school district has applied for funds through this program.

Energy Conservation Program. The Energy Conservation Program, launched in 1985, allows school districts with older facilities to borrow funds, without a vote of the public, to make energy-saving facilities improvements. The cost of the improvements may not exceed the savings in energy, operating, and maintenance costs over a 15-year period. This program has been used for over 930 projects, with annual savings to Ohio's school districts of nearly \$78 million since it began.

Federal Emergency Repair Program. The Ohio School Facilities program, through the Ohio Department of Education, received a \$27.9 million grant in FY 2002 from the United States Department of Education. The program is used to award grants to local education agencies (LEAs) on a competitive basis to make emergency school repairs and renovations necessary to ensure the health and safety of students and staff. As of the end of FY 2002, the School Facilities Commission has approved projects for 87 local education agencies totaling \$22.9 million. This is a one-time source of funding, however SFC has requested appropriation authority for the full amount in both fiscal years in the biennium, because disbursement rates are unknown.

Joint Vocational School Districts. The Joint Vocational School Facilities Program was established in H.B. 675 of the 124th General Assembly. This new program will provide classroom facilities assistance to the 49 joint vocational school districts and allows the School Facilities Commission to set aside up to 2% of its capital appropriations each year for the program. The state share of the basic project cost for each district will be based on the district's percentile ranking based on wealth. The bill specifies a minimum local share of 25% and a maximum local share of 95% for the district. The local share for each

of the three wealthiest joint vocational districts would be 95%. That bill also required SFC to establish by rule a program for joint vocational school districts that is similar to the Expedited Local Partnership Program that is currently available to all city, local, and exempted village school districts. The program would allow joint vocational school districts not yet participating in the Classroom Facilities Assistance Program to move ahead with portions of their projects by spending local funds first for state approved projects. When the district later becomes eligible for CFAP funding, the money spent by the district would be credited against its local share.

Community School Facility Loan Guarantee Program. The Community School Loan Guarantee Program was created in House Bill 94 of the 124th General Assembly and earmarked \$10 million from OSFC appropriations to provide loan guarantees to community schools to assist them in meeting their facilities needs. House Bill 364 of the 124th General Assembly expanded the program to include all community schools. Previously, the program was limited to “startup” community schools. Loans made through the program that are available under the loan guarantee program cannot exceed \$1 million, or \$500,000 for leasehold improvements, and cannot exceed 15 years. At the end of FY 2002, OSFC granted conditional approval for guarantees to six community school facilities projects totaling approximately \$3.7 million.

Overall budget funding recommendations

Under the executive recommendation, the Commission would receive appropriations of \$173,322,624 in FY 2004 and \$212,917,824 in FY 2005. Of the proposed appropriations, the overwhelming majority (80% in FY 2004 and 83% in FY 2005) would be GRF moneys 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 Payment appropriations would be set at \$31,776,500 in FY 2004, and \$31,704,700 in FY 2005, a decrease of 16% and 0.2%, respectively. Common School General Obligation Debt Service appropriations would be set at \$106,322,300 in FY 2004 and \$145,989,300 in FY 2005, an increase of 92% and 37%, respectively. The Operating Expenses line item meanwhile would receive \$7,009,766 in both FY 2004 and FY 2005, an increase of 9% over FY 2003 levels. Money appropriated to the Operating Expenses line item would support the operations of the Commission including staff salaries, staff training, certain professional purchased services, office supplies and equipment, and other general operating costs. The Federal School Facilities Grant is a one-time source of funding, and appropriation authority for the full amount is recommended for both years of the biennium.

The Tobacco Settlement Fund

In the Tobacco Settlement Fund (H.B. 242) and the concurrent budget corrective bill (S.B. 261), the School Facilities Commission had \$345 million of their tobacco funding for FY 2003 and FY 2004 transferred to the General Revenue Fund (GRF) to help close a budget shortfall. Bond authority was authorized in S.B. 261 to compensate for the transfer. This left \$148.4 million in cash from the tobacco settlement available for the Commission in FY 2004.

The executive budget transfers \$122.8 million in FY 2004 that SFC would have received as part of the tobacco settlement to the GRF. Bond authority will be issued in the same amount to compensate for the transfer. It is expected that this transfer will not negatively impact the number of districts that can be served by the Commission in FY 2004.

ANALYSIS OF EXECUTIVE PROPOSAL

School Facilities Commission

Purpose: Provide funding, management, oversight, and assistance for the construction and renovation of Ohio's public school facilities

The following table shows the line items that are used to fund the School Facilities Commission, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
GRF	230-428	Lease Rental Payments	\$31,776,500	\$31,704,700
GRF	230-908	Common Schools G.O. Debt Service	\$106,322,300	\$145,989,300
5E3	230-644	Operating Expenses	\$7,009,766	\$7,009,766
3X9	230-601	Federal School Facilities Grant	\$28,214,058	\$28,214,058
Total funding: School Facilities Commission			\$173,322,624	\$212,917,824

Specific line items within the School Facilities Commission that this analysis will focus on include:

- **Lease Rental Payments**
- **Common Schools General Obligation Debt Service**
- **Operating Expenses**
- **Federal School Facilities Grant**

Lease Rental Payments

The executive recommendation permits the Commission to meet debt service obligations incurred from bonds issued to construct and renovate school facilities. The executive recommendation for FY 2004 is \$31,776,500; a 16% decrease from FY 2003, and for FY 2005 is \$31,704,700, a 0.2% decrease from FY 2004. Funding for this line item is decreasing because no new debt of this kind is being issued. New debt will be repaid by line item 230-908, Common Schools G.O. Debt Service.

Common Schools General Obligation Debt Service

The executive recommendation for FY 2004 is \$106,322,300 (a 92% increase over FY 2003 funding) and in FY 2005 is \$145,989,300 (a 37% increase over FY 2004 funding). This line item supports debt service for debt now being issued under State Issue 1.

Operating Expenses

The Executive fully funds the Commission's request for this line item. The Executive recommends funding in the amount of \$7,009,766 in FY 2004, a 9.4% increase over FY 2003, and \$7,009,766 in FY 2005. The funds will go to support staff salaries, staff training, certain professional purchased services, office space equipment and supplies, and other general operating costs. The line item also includes an increase of \$600,000 in each fiscal year to fund support for SFC's primary IT contract. This contract had previously been funded with capital money.

Purchased services make up 16.5% of the total 230-644 line item in FY 2004, and 15.3% of the line item in FY 2005. A breakdown of the purchased services purchased through this line item can be found in the chart below.

ITEM	FY 2003	FY 2004	FY 2005
IT Training	\$40,000	\$20,000	\$20,000
Document/Knowledge Management	\$100,000	\$100,000	\$50,000
CM Website Contracts*	\$550,000	\$600,000	\$600,000
E Commerce XML	\$250,000	\$150,000	\$150,000
Other Web/Database Applications	\$30,000	\$30,000	\$30,000
Intranet/IIS/Macromedia Development	\$20,000	\$20,000	\$20,000
Access/VB/Crystal Development	\$40,000	\$40,000	\$40,000
Design Manual Update Process	\$170,000	\$100,000	\$70,000
Community School Loan Consultant	\$40,000	\$40,000	\$40,000
Mediation Services	\$5,000	\$5,000	\$5,000
Communications Consulting	\$0	\$1,155,000	\$1,075,000
TOTAL	\$1,245,000	\$1,155,000	\$1,075,000

**Support for this item moved from capital to operating funds in FY 2004*

Federal School Facilities Grant

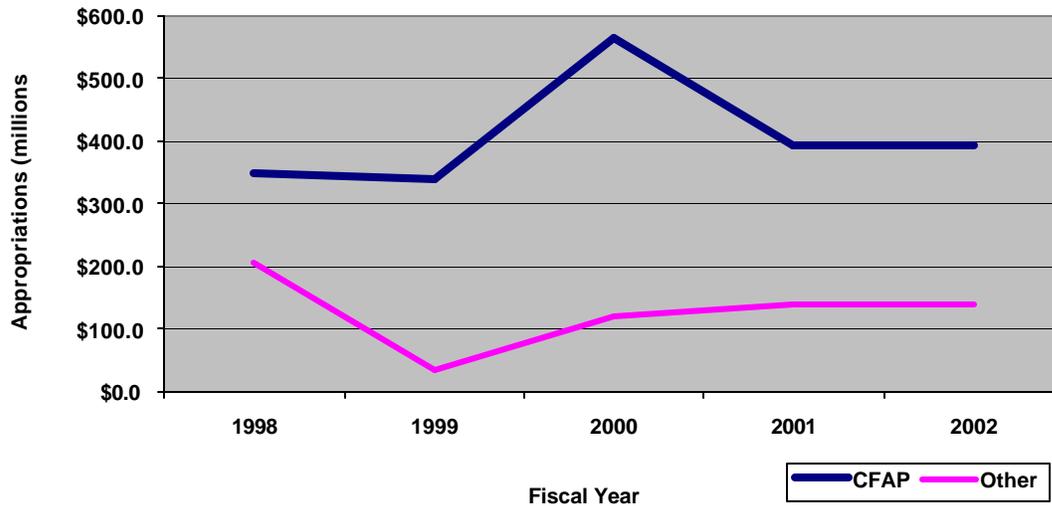
The Executive fully funds the Commission's request for this line item. The Executive recommends funding in the amount of \$28,214,058 in FYs 2004 and 2005. This federal grant will allow the Commission to fund emergency repair and renovation projects. This was a one-time federal grant of \$28.2 million, and SFC assumes that the budget is sufficient to continue to implement and administer the program. This is a one-time grant, and appropriation authority has been recommended for both years of the biennium.

ADDITIONAL FACTS AND FIGURES

School Facilities Commission Staffing Levels								Estimated	
Type	1998	1999	2000	2001	2002	2003	2004	2005	
Administration/Finance/IT	7.5	8.5	7	9	9	9	9	9	
Support Staff	4	5	6	14	14	14	14	14	
Planning and Project Management	7	8	15	31	36	36	36	36	
Totals	18.5	21.5	28	54	59	59	59	59	

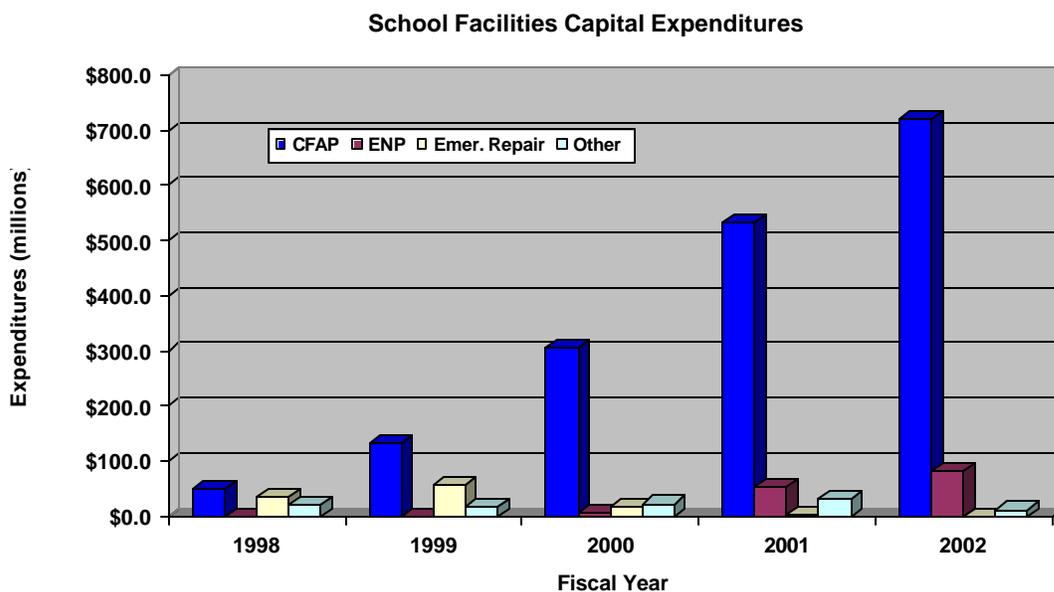
- The Commission employs 54 FTEs and has the funding for an additional seven that were funded through Am. Sub. H.B. 94 in the 124th General Assembly. Staff are paid from Fund 5E3.
- Prior to the creation of the Commission in late FY 1998, the scale of the state’s school facilities program was much smaller and was administered by five employees within the Department of Education.

School Facilities Appropriations



- Through the Building Assistance Program established within the Ohio Department of Education (ODE) in 1957, the state provided \$174.2 million in total building assistance appropriations through 1991. Because it operated essentially as a loan program during that time, \$63.7 million in repayments received by the state were reinvested in the program.
- Following the release of an ODE study of the condition of classroom facilities in 1990, the state’s role as a source of funding increased considerably. As a result, state appropriations totaled \$335.6 million during the period of 1992 to 1997, a 92.6% increase over the amounts appropriated during the first 35 years of the program.

- Senate Bill 102 created the Ohio School Facilities Commission (SFC) as an independent agency in 1997. That bill also established the Classroom Facilities Assistance Program (CFAP). Through 2002, the General Assembly has appropriated the SFC \$2.68 billion for school repair and construction, a 425.7% increase in state funding compared to the previous 40 years. There are 114 districts enrolled in the CFAP program.
- In 2000, the Accelerated Urban Program was created by S.B. 272 to accelerate the participation of the remaining six urban districts (Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo) into the Classroom Facilities Assistance Program. These districts will be eligible to begin receiving the state portions of their projects in FY 2003. The total state share over the lifetime of these six projects is estimated at \$2.9 billion.
- The Exceptional Needs Program was established in FY 2000 in order to address the health and safety needs of districts that are below average wealth. Since the program began through FY 2002, \$358 million has been appropriated by the General Assembly. There are 22 districts enrolled in the Exceptional Needs Program.



- Almost \$2.13 billion was spent in support of school construction projects during the period from FY 1998 to FY 2002. Approximately 83% of the total disbursed funds went to the Classroom Facilities Assistance Program (CFAP), the main program that provides equalized state funding for the entire facility needs of every school district. As of December 2002, 114 districts have been served by CFAP.
- Total annual spending on school facilities projects increased from \$108 million in FY 1998 to \$814 million in FY 2002. Annual spending for CFAP increased \$670 million over the 1998 level to \$720 million in FY 2002. Disbursements for CFAP will continue to rise as more school districts secure their local funding and finalize their master plans.
- All eight major urban districts (Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown) either currently participate in CFAP or will become eligible for CFAP funding beginning in FY 2003 under the Accelerated Urban Initiative. Total state share over the lifetime of these eight multiple-phased projects is estimated at \$3.1 billion.

- Since its establishment in FY 2000 through FY 2002, the Exceptional Needs Program (ENP) has spent \$142 million and served 22 districts. Of this amount, \$81 million (or 57%) was disbursed in FY 2002. The program, which is designed to address health and safety needs in specific buildings within a district, disburses money on a grant application basis.
- The Expedited Local Partnership Program (ELPP) is designed to give school districts not yet participating in CFAP the opportunity to move ahead with portions of their projects by spending local funds first. When the district later becomes eligible for CFAP, the money spent by the district is credited against its local share. As of the end of FY 2002, 25 school districts were participating in ELPP with a combined state share commitment of \$616 million.

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.

RANK ACCORDING TO DISTRICT’S VALUATION PER PUPIL	REQUIRED LEVEL OF INDEBTEDNESS AS A PERCENTAGE OF VALUATION
First Percentile	5%
Subsequent Percentiles	$.05 + .002 [(percentile\ rank) - 1]$

(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 \$66,707, ranking it 152nd in the state and placing it in the 25th percentile. The district’s total assessed valuation is \$112,947,910.

District	Wheelersburg Local School District
County	Scioto
Total Assessed Valuation	\$112,947,910
Estimated Cost of Facilities Upgrade	\$26,098,528

Local Share Equals the Greater of:

(a) Required level of indebtedness:	5.48% of assessed valuation	\$6.2 million
(b) Required percentage of program cost:	25% of project costs	\$6.5 million

Example B – Ironton Local School District

The Ironton Local School District is located in Lawrence County with an adjusted valuation per pupil of \$69,187, ranking it 173rd in the state and placing it in the 29th percentile. The district’s total assessed valuation is \$123,362,380.

District	Ironton Local
County	Lawrence
Total Assessed Valuation	\$123,362,380
Estimated Cost of Facilities Upgrade	\$26,899,928

Local Share Equals the Greater of:

(a) Required level of indebtedness:	5.56% of assessed valuation	\$6.9 million
(b) Required percentage of program cost:	29% of project costs	\$7.8 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 the 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 acts as a built in incentive for districts to hold down costs.

Local Share Funding Options

While the state and local shares determination assumes that a district uses debt to fund the local share of facilities cost, sources of local funding are actually more flexible than just one method. In addition to selling bonds to produce the local share, a district may also use a combination of funds including cash from the general fund or a permanent improvement fund, proceeds from a permanent improvement levy, or certain other tax levies, an assured local funding source, and several other options (see R.C. Chapter 3318.) to help support local share funding requirements.

Use of ½ Mill Maintenance Levy

Prior to the enactment of Am. H.B. 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 was 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. Changes made in Sub. H.B. 524 of the 124th General Assembly allow local school districts an additional option to passing the ½ mill maintenance levy necessary for participating in the Expedited Local Partnership Program by allowing them to dedicate existing taxes or a local contribution in place of the levy.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Commission's activities and spending decisions during the next biennium.

Permanent Law Provisions

There are no permanent law provisions with fiscal effects on this agency.

Temporary Law Provisions

Lease Rental Payments (Section 96.01)

The provision limits the aggregate amount of all lease payments required to be made during the period July 1, 2003 to June 30, 2005 to \$63,481,200.

Common Schools Obligation Debt (Section 96.01)

This provision requires that the Office of the Sinking Fund or the Director of Budget and Management to effectuate required debt service and financing cost between July 1, 2003 and June 30, 2005. Payment of the debt service is to be made through an intrastate transfer voucher from the Commissioners of the Sinking Fund budget. The line item from which the funds are to be transferred is 155-908, Common Schools Bond Retirement Fund.

School Facilities Encumbrances and Reappropriation (Section 96.01)

This provision states that the Executive Director of the Commission can request that the Director of Budget and Management cancel encumbrances for school district projects from a previous biennium if the local district has not raised its share of the project within one year of Controlling Board approval.

Community School Loan Guarantee (Section 96.02)

This provision gives the School Facilities Commission reappropriation authority for 230-602, Community School Loan Guarantee. The program was established in H.B. 94 of the 124th General Assembly and money will only be spent from this line item if a community school defaults on a loan.

Extreme Environmental Contamination of School Facilities (Section 96.03)

This provision allows the Commission to provide assistance under the Exceptional Needs School Facilities Assistance to any school district, regardless of wealth, for the purpose of the relocation or replacement of school facilities required as a result of extreme environmental contamination. If any restitution funds are provided to the school district (whether federal funds or private funds), then the school district must use those funds in excess of its share to refund the state for the state's contribution to the environmental contamination portion of the project. This provision was also contained in Section 187 of H.B. 94 of the 124th General Assembly (the budget bill).

Canton City School District (Section 96.04)

This provision allows the Commission to commit up to \$35 million to the Canton City School District for construction of a facility in lieu of a high school that would otherwise be authorized under Chapter 3318. of the Revised Code. This facility is to serve both secondary and postsecondary instructional purposes. This provision was also contained in Section 187 of H.B. 94 of the 124th General Assembly (the budget bill).

Tobacco Settlement Transfer (Section 133)

This provision allows the Director of Budget and Management to transfer up to \$122.8 million in FY 2004 to the GRF that the School Facilities Commission would have received as part of the tobacco settlement. Bond authority will be issued in the same amount to compensate for the transfer. It is expected that this transfer will not negatively impact the number of districts that can be served by the Commission in FY 2004.

REQUESTS NOT FUNDED

Requested items that would not be funded under the recommended budget:

Common Schools General Obligation Debt						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 230-908	\$121,255,300	\$106,322,300	(\$14,933,000)	\$150,349,300	\$145,989,300	(\$4,360,000)

- The reduction in appropriations for debt service will have no impact since they are the result of modifying the timing of payments.

General Revenue Fund

GRF 230-428 Lease Rental Payments

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$41,689,513	\$41,706,824	\$41,615,833	\$37,654,300	\$31,776,500	\$31,704,700
	0.0%	-0.2%	-9.5%	-15.6%	-0.2%

Source: GRF

Legal Basis: ORC 3318.01 to ORC 3318.20

Purpose: These funds are used to pay for any debt service incurred by the Treasurer of State from the issuance of non-general obligation bonds to fund school building improvements. Debt service paid from this line item must have been issued prior to the end of FY 2000.

GRF 230-908 Common Schools G. O. Debt Service

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$30,014,488	\$55,336,300	\$106,322,300	\$145,989,300
	N/A	N/A	84.4%	92.1%	37.3%

Source: GRF

Legal Basis: Section 102.01 of Am. Sub. H.B. of the 124th G.A. (1999 constitutional amendment (Article VIII, Section 2n))

Purpose: A 1999 constitutional amendment authorized general obligation debt, in amounts authorized by the General Assembly, to be issued for the purpose of paying costs of capital facilities for a system of common schools throughout the state. The debt service is paid via an intrastate transfer from the Commissioners of the Sinking Fund (Fund 078, line item 155-908, Common Schools Bond Retirement Fund).

Federal Special Revenue Fund Group

3X9 230-601 Federal School Facilities Grant

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$0	\$28,214,058	\$28,214,058	\$28,214,058
	N/A	N/A	N/A	0.0%	0.0%

Source: FED: Federal Special Revenue Fund Group: CFA 84.352, School Renovation, IDEA, and Technology Grants Program

Legal Basis: Originally established by the Controlling Board on October 29, 2001

Purpose: Fund competitive grants to local education agencies to make emergency renovations and repairs necessary to ensure the health and safety of students and staff.

State Special Revenue Fund Group

5E3 230-644 Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$2,385,980	\$4,199,907	\$4,963,293	\$6,409,766	\$7,009,766	\$7,009,766
	76.0%	18.2%	29.1%	9.4%	0.0%

Source: SSR: Transfers of moneys authorized by the G.A., grants and other revenues per ORC 3318.31 and investment earnings

Legal Basis: ORC 3318

Purpose: To evaluate school facilities, prepare building design specifications, provide project management services, and other purposes deemed necessary by the commission, consistent with ORC 3318. These moneys also fund all operating expenses associated with these activities.

School Building Assistance Fund

5S6 230-602 Community School Loan Guarantee

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$0	\$10,000,000	\$0	\$0
	N/A	N/A	N/A	-100.0%	N/A

Source: SBA: School Building Assistance Fund Group, School Building Assistance Fund

Legal Basis: ORC 3318.50, 3318.52

Purpose: This line item funds the guarantee of qualified loans made by chartered commercial financial institutions to the governing authority of community schools for the purpose of acquiring classroom facilities.

Lottery Profits/Education Fund Group

018 230-649 Disability Access Project

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$2,563,080	\$63,966	\$0	\$0	\$0	\$0
	-97.5%		N/A	N/A	N/A

Source: LPE: Lottery Profits Education Reserve Fund

Legal Basis: Section 102.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. 215 of the 122nd G.A., transferred to School Facilities Commission in Am. Sub. H.B. 650 of the 122nd G.A.)

Purpose: This line item funds the awarding of grants to school districts with valuations-per-pupil of less than \$200,000. Moneys are used for construction, reconstruction or renovation projects in classroom facilities in order to improve access to such facilities by physically handicapped persons. For this biennium, the Executive has recommended to eliminate funding for this line item.

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

Fund	ALI	ALI Title	2002	Estimated 2003	Executive 2004	% Change 2003 to 2004	Executive 2005	% Change 2004 to 2005
SFC School Facilities Commission								
GRF	230-428	Lease Rental Payments	\$ 41,615,833	\$37,654,300	\$ 31,776,500	-15.6%	\$ 31,704,700	-0.2%
GRF	230-908	Common Schools G. O. Debt Service	\$ 30,014,488	\$55,336,300	\$ 106,322,300	92.1%	\$ 145,989,300	37.3%
General Revenue Fund Total			\$ 71,630,320	\$ 92,990,600	\$ 138,098,800	48.5%	\$ 177,694,000	28.7%
3X9	230-601	Federal School Facilities Grant	----	\$28,214,058	\$ 28,214,058	0.0%	\$ 28,214,058	0.0%
Federal Special Revenue Fund Group Total			----	\$ 28,214,058	\$ 28,214,058	0.0%	\$ 28,214,058	0.0%
5E3	230-644	Operating Expenses	\$ 4,963,293	\$6,409,766	\$ 7,009,766	9.4%	\$ 7,009,766	0.0%
State Special Revenue Fund Group Total			\$ 4,963,293	\$ 6,409,766	\$ 7,009,766	9.4%	\$ 7,009,766	0.0%
5S6	230-602	Community School Loan Guarantee	----	\$10,000,000	\$ 0	-100.0%	\$ 0	N/A
School Building Assistance Fund Total			----	\$ 10,000,000	\$ 0	-100.0%	\$ 0	N/A
Total All Budget Fund Groups			\$ 76,593,613	\$ 137,614,424	\$ 173,322,624	25.9%	\$ 212,917,824	22.8%