

AN ACT

To amend sections 133.06, 3313.372, 3318.01, 3318.011, 3318.02, 3318.03, 3318.04, 3318.05, 3318.051, 3318.06, 3318.07, 3318.08, 3318.081, 3318.091, 3318.10, 3318.111, 3318.12, 3318.13, 3318.14, 3318.15, 3318.16, 3318.17, 3318.18, 3318.19, 3318.22, 3318.23, 3318.24, 3318.25, 3318.26, 3318.27, 3318.29, and 4115.04 and to enact sections 3318.041, 3318.082, 3318.30, 3318.31, 3318.32, 3318.33, and 3318.35 of the Revised Code to create the Ohio School Facilities Commission, to transfer responsibility for the Classroom Facilities Assistance Program from the State Board of Education to the Commission, to make other changes to the Classroom Facilities Assistance Law, to exempt from prevailing wage law public improvements and construction undertaken by school districts and educational service centers, to require the Legislative Budget Office of the Legislative Service Commission to study the effects of that prevailing wage exemption, and to make an appropriation.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 133.06, 3313.372, 3318.01, 3318.011, 3318.02, 3318.03, 3318.04, 3318.05, 3318.051, 3318.06, 3318.07, 3318.08, 3318.081, 3318.091, 3318.10, 3318.111, 3318.12, 3318.13, 3318.14, 3318.15, 3318.16, 3318.17, 3318.18, 3318.19, 3318.22, 3318.23, 3318.24, 3318.25, 3318.26, 3318.27, 3318.29, and 4115.04 be amended and sections 3318.041, 3318.082, 3318.30, 3318.31, 3318.32, 3318.33, and 3318.35 of the Revised Code be enacted to read as follows:

Sec. 133.06. (A) A school district shall not incur, without a vote of the

electors, net indebtedness that exceeds an amount equal to one-tenth of one per cent of its tax valuation except as provided in divisions (G) and (H) of this section and in division (C) of section 3313.372 of the Revised Code.

(B) Except as provided in divisions (E) and (F) of this section, a school district shall not incur net indebtedness that exceeds an amount equal to nine per cent of its tax valuation.

(C) A school district shall not submit to a vote of the electors the question of the issuance of securities in an amount that will make the district's net indebtedness after the issuance of the securities exceed an amount equal to four per cent of its tax valuation, unless the superintendent of public instruction, acting under policies adopted by the state board of education, and the tax commissioner, acting under written policies of the commissioner, consent to the submission. A request for the consents shall be made at least thirty days prior to the election at which the question is to be submitted except that the superintendent of public instruction and the tax commissioner may waive this thirty-day deadline or grant their consents after the election if the school district shows good cause for such waiver or consent after the election.

(D) In calculating the net indebtedness of a school district none of the following shall be considered:

(1) Securities issued to acquire school buses and other equipment used in transporting pupils or issued pursuant to division (D) of section 133.10 of the Revised Code;

(2) Securities issued under division (F) of this section, under section 133.301 of the Revised Code, and, to the extent in excess of the limitation stated in division (B) of this section, under division (E) of this section;

(3) Indebtedness resulting from the dissolution of a joint vocational school district under section 3311.217 of the Revised Code, evidenced by outstanding securities of that joint vocational school district;

(4) Loans, evidenced by any securities, received under sections 3313.483, 3317.0210, 3317.0211, and 3317.64 of the Revised Code;

(5) Debt incurred under section 3313.374 of the Revised Code;

(6) Debt incurred pursuant to division (B)(5) of section 3313.37 of the Revised Code to acquire computers and related hardware.

(E) A school district may become a special needs district as to certain securities as provided in ~~this~~ division (E) OF THIS SECTION.

(1) A board of education, by resolution, may declare its school district to be a special needs district by determining both of the following:

(a) The student population is not being adequately serviced by the existing permanent improvements of the district.

(b) The district cannot obtain sufficient funds by the issuance of securities within the limitation of division (B) of this section to provide additional or improved needed permanent improvements in time to meet the needs.

(2) The board of education shall certify a copy of that resolution to the superintendent of public instruction with a statistical report showing all of the following:

(a) A history of and a projection of the growth of the student population;

(b) The history of and a projection of the growth of the tax valuation;

(c) The projected needs;

(d) The estimated cost of permanent improvements proposed to meet such projected needs.

(3) The superintendent of public instruction shall certify the district as an approved special needs district if the superintendent finds both of the following:

(a) The district does not have available sufficient additional funds from state or federal sources to meet the projected needs.

(b) The projection of the potential average growth of tax valuation during the next five years, according to the information certified to the superintendent and any other information the superintendent obtains, indicates a likelihood of potential average growth of tax valuation of the district during the next five years of an average of not less than three per cent per year. The findings and certification of the superintendent shall be conclusive.

(4) An approved special needs district may incur net indebtedness by the issuance of securities in accordance with the provisions of this chapter in an amount that does not exceed an amount equal to the greater of the following:

(a) Nine per cent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage by which the tax valuation has increased over the tax valuation on the first day of the sixtieth month preceding the month in which its board determines to submit to the electors the question of issuing the proposed securities;

(b) Nine per cent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage, determined by the superintendent of public instruction, by which that tax valuation is projected to increase during the next ten years.

(F) A school district may issue securities for emergency purposes, in a principal amount that does not exceed an amount equal to three per cent of its tax valuation, as provided in this division.

(1) A board of education, by resolution, may declare an emergency if it

determines both of the following:

(a) School buildings or other necessary school facilities in the district have been wholly or partially destroyed, or condemned by a constituted public authority, or that such buildings or facilities are partially constructed, or so constructed or planned as to require additions and improvements to them before the buildings or facilities are usable for their intended purpose, or that corrections to permanent improvements are necessary to remove or prevent health or safety hazards.

(b) Existing fiscal and net indebtedness limitations make adequate replacement, additions, or improvements impossible.

(2) Upon the declaration of an emergency, the board of education may, by resolution, submit to the electors of the district pursuant to section 133.18 of the Revised Code the question of issuing securities for the purpose of paying the cost, in excess of any insurance or condemnation proceeds received by the district, of permanent improvements to respond to the emergency need.

(3) The procedures for the election shall be as provided in section 133.18 of the Revised Code, except that:

(a) The form of the ballot shall describe the emergency existing, refer to this division as the authority under which the emergency is declared, and state that the amount of the proposed securities exceeds the limitations prescribed by division (B) of this section;

(b) The resolution required by division (B) of section 133.18 of the Revised Code shall be certified to the county auditor and the board of elections at least seventy-five days prior to the election;

(c) The county auditor shall advise and, not later than sixty-five days before the election, confirm that advice by certification to, the board of education of the information required by division (C) of section 133.18 of the Revised Code;

(d) The board of education shall then certify its resolution and the information required by division (D) of section 133.18 of the Revised Code to the board of elections not less than sixty days prior to the election.

(4) Notwithstanding division (B) of section 133.21 of the Revised Code, the first principal payment of securities issued under this division may be set at any date not later than sixty months after the earliest possible principal payment otherwise provided for in that division.

(G) The board of education may contract with an architect, professional engineer, or other person experienced in the design and implementation of energy conservation measures for an analysis and recommendations pertaining to installations, modifications of installations, or remodeling that

would significantly reduce energy consumption in buildings owned by the district. The report shall include estimates of all costs of such installations, modifications, or remodeling including costs of design, engineering, installation, maintenance, repairs, and debt service, and estimates of the amounts by which energy consumption and resultant operational and maintenance costs, as defined by the ~~department of education~~ Ohio school facilities commission, would be reduced.

If the board finds after receiving the report that the amount of money the district would spend on such installations, modifications, or remodeling is not likely to exceed the amount of money it would save in energy and resultant operational and maintenance costs over the ensuing ten years, the board may submit to the ~~department of education~~ commission a copy of its findings and a request for approval to incur indebtedness to finance the making or modification of installations or the remodeling of buildings for the purpose of significantly reducing energy consumption.

If the ~~department~~ commission determines that the board's findings are reasonable, it shall approve the board's request. Upon receipt of the ~~department's~~ commission's approval, the district may issue securities without a vote of the electors in a principal amount not to exceed nine-tenths of one per cent of its tax valuation for the purpose of making such installations, or modifications, or remodeling, but the total net indebtedness of the district without a vote of the electors incurred under this and all other sections of the Revised Code shall not exceed one per cent of the district's tax valuation.

So long as any securities issued under ~~this~~ division (G) OF THIS SECTION remain outstanding, the board of education shall monitor the energy consumption and resultant operational and maintenance costs of buildings in which installations or modifications have been made or remodeling has been done pursuant to ~~this~~ division (G) OF THIS SECTION and shall maintain and annually update a report documenting the reductions in energy consumption and resultant operational and maintenance cost savings attributable to such installations, modifications, or remodeling. The report shall be certified by an architect or engineer independent of any person that provided goods or services to the board in connection with the energy conservation measures that are the subject of the report. The resultant operational and maintenance cost savings shall be certified by the school district treasurer. The report shall be made available to the ~~department of education~~ commission upon request.

(H) With the consent of the superintendent of public instruction, a school district may incur without a vote of the electors net indebtedness that

exceeds the amounts stated in divisions (A) and (G) of this section for the purpose of paying costs of permanent improvements, if and to the extent that both of the following conditions are satisfied:

(1) The fiscal officer of the school district estimates that receipts of the school district from compensation derived from or under agreements entered into pursuant to section 5709.82 of the Revised Code, or distributions under division (C) of section 5709.43 of the Revised Code, or any combination thereof, are, after accounting for any appropriate coverage requirements, sufficient in time and amount, and are committed by the proceedings, to pay the debt charges on the securities issued to evidence that indebtedness and payable from those receipts, and the taxing authority of the district confirms the fiscal officer's estimate, which confirmation is approved by the superintendent of public instruction;

(2) The fiscal officer of the school district certifies, and the taxing authority of the district confirms, that the district, at the time of the certification and confirmation, reasonably expects to have sufficient revenue available for the purpose of operating such permanent improvements for their intended purpose upon acquisition or completion thereof, and the superintendent of public instruction approves the taxing authority's confirmation.

The maximum maturity of securities issued under division (H) of this section shall be the lesser of twenty years or the maximum maturity calculated under section 133.20 of the Revised Code.

Sec. 3313.372. (A) As used in this section, "energy conservation measure" means an installation or modification of an installation in, or remodeling of, a building, to reduce energy consumption. It includes:

- (1) Insulation of the building structure and systems within the building;
- (2) Storm windows and doors, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
- (3) Automatic energy control systems;
- (4) Heating, ventilating, or air conditioning system modifications or replacements;
- (5) Caulking and weatherstripping;
- (6) Replacement or modification of lighting fixtures to increase the energy efficiency of the system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the proposed lighting system;
- (7) Energy recovery systems;

(8) Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(9) Any other modification, installation, or remodeling approved by the ~~department of education~~ Ohio school facilities commission as an energy conservation measure.

(B) A board of education of a city, exempted village, local, or joint vocational school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The provisions of such installment payment contracts dealing with interest charges and financing terms shall not be subject to the competitive bidding requirements of section 3313.46 of the Revised Code, and shall be on the following terms:

(1) Not less than one-tenth of the costs thereof shall be paid within two years from the date of purchase.

(2) The remaining balance of the costs thereof shall be paid within ten years from the date of purchase.

An installment payment contract entered into by a board of education under this section shall require the board to contract in accordance with division (A) of section 3313.46 of the Revised Code for the installation, modification, or remodeling of energy conservation measures unless division (A) of section 3313.46 of the Revised Code does not apply pursuant to division (B)(3) of that section.

(C) The board may issue the notes of the school district signed by the president and the treasurer of the board and specifying the terms of the purchase and securing the deferred payments provided in this section, payable at the times provided and bearing interest at a rate not exceeding the rate determined as provided in section 9.95 of the Revised Code. The notes may contain an option for prepayment and shall not be subject to Chapter 133. of the Revised Code. In the resolution authorizing the notes, the board may provide, without the vote of the electors of the district, for annually levying and collecting taxes in amounts sufficient to pay the interest on and retire the notes, except that the total net indebtedness of the district without a vote of the electors incurred under this and all other sections of the Revised Code shall not exceed one per cent of the district's tax valuation. Revenues derived from local taxes or otherwise, for the purpose of conserving energy or for defraying the current operating expenses of the district, may be applied to the payment of interest and the retirement of such notes. The notes may be sold at private sale or given to the contractor under the installment payment contract authorized by division (B) of this section.

(D) Debt incurred under this section shall not be included in the calculation of the net indebtedness of a school district under section 133.06 of the Revised Code.

(E) No school district board shall enter into an installment payment contract under division (B) of this section unless it first obtains a report of the costs of the energy conservation measures and the savings thereof as described under division (G) of section 133.06 of the Revised Code as a requirement for issuing energy securities, makes a finding that the amount spent on such measures is not likely to exceed the amount of money it would save in energy costs and resultant operational and maintenance costs as described in that division, and the ~~department of education~~ Ohio school facilities commission determines that the district board's findings are reasonable and approves the contract as described in that division.

The district board shall monitor the savings and maintain a report of those savings, which shall be available to the ~~department~~ commission in the same manner as required by division (G) of section 133.06 of the Revised Code in the case of energy securities.

Sec. 3318.01. As used in sections 3318.01 to 3318.20 of the Revised Code:

(A) "~~State board~~ Ohio school facilities commission" means the ~~state board of education~~ commission created pursuant to ~~Section 4 of Article VI, Ohio Constitution, acting for itself and on behalf of the state department of education, as agencies of state government~~ section 3318.30 Of the Revised Code.

(B) "Classroom facilities" means rooms in which pupils regularly assemble in public school buildings to receive instruction and education and such facilities and building improvements for the operation and use of such rooms as may be needed in order to provide a complete educational program, and may include space within which a child day-care facility or a community resource center is housed.

(C) "Project" means a project to construct or acquire classroom facilities, or to reconstruct or make additions to ~~existent~~ existing classroom facilities, to be used for housing the applicable school district and its functions.

(D) "School district" means a local, exempted village, or city school district as such districts are defined in Chapter 3311. of the Revised Code, acting as an agency of state government, performing essential governmental functions of state government pursuant to sections 3318.01 and 3318.20 of the Revised Code.

(E) "School district board" means the board of education of a school

district.

(F) "Net bonded indebtedness" means the difference between the sum of the par value of all outstanding and unpaid bonds and notes which a school district board is obligated to pay, together with any amounts the school district is obligated to pay under lease-purchase agreements entered into under section 3313.375 Of the Revised Code, and the par value of bonds authorized by the electors but not yet issued, the proceeds of which can lawfully be used for the project, and the amount held in the sinking fund and other indebtedness retirement funds for their redemption. Notes issued for school buses in accordance with section 3327.08 of the Revised Code, notes issued in anticipation of the collection of current revenues, and bonds issued to pay final judgments shall not be considered in calculating the net bonded indebtedness.

"Net bonded indebtedness" does not include indebtedness arising from the acquisition of land to provide a site for classroom facilities constructed, acquired, or added to pursuant to sections 3318.01 to 3318.20 of the Revised Code.

(G) "Board of elections" means the board of elections of the county containing the most populous portion of the school district.

(H) "County auditor" means the auditor of the county in which the greatest value of taxable property of such school district is located.

(I) "Tax duplicates" means the general tax lists and duplicates prescribed by sections 319.28 and 319.29 of the Revised Code.

(J) "Required level of indebtedness" means:

(1) ~~In the case of a school district contained~~ districts in the first quartile of the most recent ranking of school districts according to adjusted valuation per pupil compiled by the department of education pursuant to section 3318.011 of the Revised Code percentile, five per cent of the total value of all property in the district as listed and assessed for taxation on the tax duplicates valuation.

(2) ~~In the case of a school district contained in the second quartile of such ranking, six per cent of such total value of all property~~ districts ranked in a subsequent percentile, five per cent of valuation plus [two one-hundredths of one per cent multiplied by (the percentile in which the district ranks minus one)].

~~(3) In the case of all other school districts, seven per cent of such total value of all property.~~

(K) "Required percentage of the basic project costs" means:

~~(1) In the case of a district contained in the first decile of the most recent ranking of school districts according to adjusted valuation per pupil~~

~~compiled by the department of education pursuant to section 3318.011 of the Revised Code, an amount equal to zero;~~

~~(2) In the case of district contained in the second decile of such ranking, an amount equal to ten per cent of the basic project costs;~~

~~(3) In the case of a district contained in the third decile of such ranking, an amount equal to twenty per cent of the basic project costs;~~

~~(4) In the case of a district contained in the fourth decile of such ranking, an amount equal to thirty per cent of the basic project costs;~~

~~(5) In the case of a district contained in the fifth decile of such ranking, an amount equal to forty per cent of the basic project costs;~~

~~(6) In the case of a district contained in the sixth decile of such ranking, an amount equal to fifty per cent of the basic project costs;~~

~~(7) In the case of a district contained in the seventh decile of such ranking, an amount equal to sixty per cent of the basic project costs;~~

~~(8) In the case of a district contained in the eighth decile of such ranking, an amount equal to seventy per cent of the basic project costs;~~

~~(9) In the case of a district contained in the ninth decile of such ranking, an amount equal to eighty per cent of the basic project costs;~~

~~(10) In the case of a district contained in the tenth decile of such ranking, an amount equal to ninety per cent of the basic project costs one per cent of the basic project costs times the percentile in which the district ranks.~~

(L) "Basic project cost" means a cost amount determined in accordance with a ~~written policy rules adopted under section 111.15 Of the Revised Code by the superintendent of public instruction, the director of budget and management, and the director of the legislative budget office of the legislative service commission and agreed to by them~~ Ohio school facilities commission. The basic project cost calculation shall take into consideration the square footage and cost per square foot necessary for the grade levels to be housed in the classroom facilities, the variation across the state in construction and related costs, the cost of the installation of site utilities and site preparation, the cost of insuring the project until it is completed, and the professional planning, administration, and design fees that a district may have to pay to undertake a classroom facilities project.

(M) "child day-care facility" means space within a classroom facility in which the needs of infants, toddlers, preschool children, and school children are provided for by persons other than the parent or guardian of such children for any part of the day, including persons not employed by the school district operating such classroom facility.

(N) "community resource center" means space within a classroom

facility in which comprehensive services that support the needs of families and children are provided by community-based social service providers.

(O) "Valuation" means the total value of all property in the district as listed and assessed for taxation on the tax duplicates.

(P) "Percentile" means the percentile in which the district is ranked pursuant to division (C) of section 3318.011 Of the Revised Code.

(Q) "Installation of site utilities" means the installation of a site domestic water system, site fire protection system, site gas distribution system, site sanitary system, site storm drainage system, and site telephone and data system.

(R) "Site preparation" means the earthwork necessary for preparation of the building foundation system, the paved pedestrian and vehicular circulation system, playgrounds on the project site, and lawn and planting on the project site.

Sec. 3318.011. For purposes of providing assistance under sections 3318.01 to 3318.20 of the Revised Code, the department of education shall annually do all of the following:

(A) Calculate the adjusted valuation per pupil of each city, local, and exempted village school district according to the formula set forth in section 3317.0213 of the Revised Code;

(B) Rank all such districts in order of adjusted valuation per pupil from the district with the lowest adjusted valuation per pupil to the district with the highest adjusted valuation per pupil;

~~(C) Divide such ranking into quartiles with the first quartile containing those twenty five per cent of school districts having the lowest adjusted valuation per pupil and the fourth quartile containing those twenty five per cent of school districts having the highest adjusted valuation per pupil~~
Divide such ranking into percentiles with the first percentile containing the one per cent of school districts having the lowest adjusted valuation per pupil and the one-hundredth percentile containing the one per cent of school districts having the highest adjusted valuation per pupil;

~~(D) Divide such ranking into deciles with the first decile containing those ten per cent of school districts having the lowest adjusted valuation per pupil and the tenth quartile containing those ten per cent of school districts having the highest adjusted valuation per pupil.~~

~~(E) Determine the school districts that have an adjusted valuation per pupil that is greater than the median adjusted valuation per pupil for all school districts in the state;~~

(E) Certify the information described in divisions (A) to (D) of this section to the Ohio school facilities commission.

Sec. 3318.02. (A) For purposes of ~~Chapter 3318.~~ sections 3318.01 to 3318.33 of the Revised Code, the ~~state board of education~~ Ohio school facilities commission shall periodically perform an assessment of the classroom facility needs in the state to identify school districts in need of additional classroom facilities, or replacement or reconstruction of existent classroom facilities, and the cost to each such district of constructing or acquiring such additional facilities or making such renovations.

(B) Based upon the most recent assessment conducted pursuant to division (A) of this section, the ~~state board of education~~ commission shall; ~~in ascending order of the most current ranking of school districts under division (B) of section 3318.011 of the Revised Code,~~ conduct on-site visits to school districts identified as having classroom ~~facilities~~ facility needs ~~and~~ to confirm the findings of the periodic assessment and to further evaluate the ~~facilities~~ classroom facility needs of the district. The evaluation shall assess the district's need to construct or acquire new classroom facilities and may include an assessment of the district's need for building additions or for the reconstruction of existent buildings in lieu of constructing or acquiring replacement buildings.

~~In~~ The first round of on-site visits first succeeding the effective date of this amendment shall be limited to the school districts in the first through fifth percentiles, excluding districts that are ineligible for funding under this chapter pursuant to section 3318.04 of the Revised Code. the second round of on-site visits shall be limited to the school districts in the first through tenth percentiles, excluding districts that are ineligible for funding under this chapter pursuant to section 3318.04 Of the Revised Code. Each succeeding round of on-site visits shall be limited to the percentiles included in the immediately preceding round of on-site visits plus the next five percentiles. Except for the first round of on-site visits, no round of on-site visits shall commence unless eighty per cent of the districts for which on-site visits were performed during the immediately preceding round, have had projects approved under section 3318.04 of the Revised Code.

(C) Notwithstanding division (B) of this section, in any biennium, the ~~state board~~ commission may limit the number of districts for which it conducts on-site visits based upon its projections of the moneys available and moneys necessary to undertake projects under ~~this chapter~~ sections 3318.01 to 3318.33 Of the Revised Code for the current biennium.

Sec. 3318.03. Upon conducting the on-site evaluation under section 3318.02 of the Revised Code, the ~~department of education~~ Ohio school facilities commission shall make a determination of the needs of the school district for additional classroom facilities; the number of classroom facilities

to be included in a project and the basic project cost of constructing, acquiring, reconstructing, or making additions to each such facility; the amount of such cost that the school district can supply from available funds, by the issuance of bonds previously authorized by the electors of the school district the proceeds of which can lawfully be used for the project, and by the issuance of bonds under section 3318.05 of the Revised Code; and the remaining amount of such cost that shall be supplied by the state. The ~~state board~~ commission shall make a ~~favorable~~ determination in favor of constructing, acquiring, reconstructing, or making additions to a classroom facility only upon evidence that the proposed project conforms to sound educational practice, that it is in keeping with the orderly process of school district reorganization and consolidation, and that the actual or projected enrollment in each classroom facility proposed to be included in the project is at least three hundred fifty pupils. Exceptions shall be authorized only in those districts where topography, sparcity of population, and other factors make larger schools impracticable.

Sections 125.81 and 153.04 of the Revised Code shall not apply to classroom facilities constructed under sections 3318.01 to 3318.20 of the Revised Code.

Sec. 3318.04. If the ~~state board of education~~ Ohio school facilities commission makes a determination under section 3318.03 of the Revised Code in favor of ~~the proposed project~~ constructing, acquiring, reconstructing, or making additions to a classroom facility, the project shall be conditionally approved and the ~~state board~~ commission thereupon shall reserve and encumber from the total funds appropriated for the purpose of sections 3318.01 to 3318.20 of the Revised Code, the ~~estimated~~ amount of the state's portion of the basic project cost. Such conditional approval shall be submitted to the controlling board for approval thereof. The controlling board shall forthwith approve or reject the ~~state board's~~ commission's determination, conditional approval, and the ~~estimated~~ amount of the state's portion of the basic project cost. In the event of approval thereof by the controlling board, the ~~superintendent of public instruction~~ commission shall certify such conditional approval to the school district board.

TERIALS FOR CLASSROOM FACILITIES THAT SHALL BE ADOPTED BY THE COMMISSION.

From and after the date of ~~such~~ any certification of conditional approval, no bonds or notes shall be issued by a school district board without the approval of the ~~state board~~ commission for the purpose of acquiring classroom facilities so long as the ~~state board's~~ commission's conditional approval of such school district's project remains in effect.

NO SCHOOL DISTRICT SHALL HAVE A PROJECT CONDITIONALLY APPROVED PURSUANT TO THIS SECTION IF THE PROJECT INCLUDES THE RECONSTRUCTION OF, OR THE MAKING OF ADDITIONS TO, ANY CLASSROOM FACILITIES THAT WERE CONSTRUCTED, ACQUIRED, RECONSTRUCTED, OR ADDED TO AS PART OF A PROJECT FUNDED UNDER ANY VERSION OF SECTIONS 3318.01 TO 3318.20 OF THE REVISED CODE, AND THE PRIOR PROJECT WAS ONE FOR WHICH THE ELECTORS OF SUCH DISTRICT APPROVED A LEVY WITHIN THE LAST TEN YEARS PURSUANT TO ANY VERSION OF SECTION 3318.06 OF THE REVISED CODE FOR PURPOSES OF QUALIFYING FOR THE FUNDING OF THAT PROJECT.

Sec. 3318.041. A school district ranked in the first through fifth percentiles may adopt and certify to the Ohio school facilities commission a resolution specifying a proposed project that meets the requirements of this chapter and the needs of the district, as confirmed through an on-site visit pursuant to section 3318.02 Of the Revised Code. The commission shall consider such projects for conditional approval pursuant to section 3318.03 and shall encumber funds pursuant to section 3318.04 Of the Revised Code in the order in which such resolutions are received.

Sec. 3318.05. The conditional approval of the ~~state board of education~~ Ohio school facilities commission for a project shall lapse and the amount reserved and encumbered for such project shall be released unless; the school district board accepts such conditional approval within one hundred twenty days following the date of certification of the conditional approval to the school district board ~~or such other time as may be fixed by the state board for good cause shown, the school district board accepts such conditional approval~~ and the electors of the school district vote favorably on both of the propositions described in divisions (A) and (B) of this section; which within one year of the date of such certification. The propositions described in divisions (A) and (B) of this section shall be combined in a single proposal. The state board of education may reconsider and reprioritize a school district's project if If the district board or the district's electors fail

to meet such requirements and the amount reserved and encumbered for the district's project is released, the district shall be given first priority for project funding as such funds become available.

(A) On the question of issuing bonds of the school district board, for the school district's portion of the basic project cost, in either whatever amount may be necessary to raise the net bonded indebtedness of the school district to within five thousand dollars of the required level of indebtedness calculated for the year preceding the year in which the resolution declaring the necessity of the election is adopted or an amount equal to the required percentage of the basic project costs, whichever is greater; provided, that such question need not be submitted if at the time of the passage of such resolution the net bonded indebtedness of the school district (1) aggregates ninety-five per cent or more of the required level of indebtedness, or (2) is within twenty thousand dollars of such level and the required percentage of the basic project costs is not greater than either the amount necessary to raise the net bonded indebtedness of the school district to within five thousand dollars of the required level of indebtedness or twenty thousand dollars; and

(B) On the question of levying a tax the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project, except that in any year the district's adjusted valuation per pupil is greater than the state-wide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of such proceeds shall be used to pay the cost of the purchase of the classroom facilities from the state under the provisions of sections 3318.01 to 3318.20 of the Revised Code. Such tax shall be at the rate of one-half mill for each dollar of valuation except that in those years in which the ~~state superintendent of public instruction~~ Ohio school facilities commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the tax rate to an amount greater than one-half mill, but not in excess of four mills, until the purchase price is paid but in no case longer than twenty-three years. Proceeds of the tax to be used for maintenance of the classroom facilities shall be deposited into a separate fund established by the school district for such purpose.

Sec. 3318.051. (A) The purpose of this section is to ensure that no school district that constructs, acquires, reconstructs, or makes additions to classroom facilities pursuant to sections 3318.01 to 3318.20 of the Revised Code increases its tax rate for debt service solely to avoid making payments as described in division (B) of section 3318.05 of the Revised Code in excess of one-half mill.

In furtherance of this public policy, the ~~state superintendent of public instruction~~ Ohio school facilities commission annually shall review the tax budget of each such school district and such additional information as the ~~state superintendent~~ commission may require from the school district and make a determination as to whether the district's tax rate for debt service, excluding the amount of debt service paid for such classroom facilities under sections 3318.01 to 3318.20 of the Revised Code, is reasonably necessary for the retirement of the school district's bonded indebtedness. If the ~~state superintendent~~ commission determines that the tax rate for debt service excluding the amount paid for the construction, acquisition, reconstruction, or additions to ~~of~~ classroom facilities under such sections is not reasonably necessary for the retirement of the district's bonded indebtedness, the ~~state superintendent~~ commission may require the district to increase its tax rate for the payments described under division (B) of section 3318.05 of the Revised Code to an amount greater than one-half mill, but not exceeding four mills. In determining the tax rate necessary for the retirement of a school district's bonded indebtedness, the ~~state superintendent~~ commission, in accordance with the guidelines established pursuant to division (B) of this section, may disregard that portion of the tax rate to retire bonded indebtedness issued after the effective date of that district's agreement to construct, acquire, reconstruct, or make additions to classroom facilities under sections 3318.01 to 3318.20 of the Revised Code.

(B) The ~~state superintendent~~ commission shall establish guidelines to conduct the review described in division (A) of this section. In reviewing the tax budget of a school district and determining the tax rate for the payments described under division (B) of section 3318.05 of the Revised Code, the ~~state superintendent~~ commission shall exempt any debt service payments required for constructing, acquiring, reconstructing, or adding to classroom facilities under sections 3318.01 to 3318.20 of the Revised Code and may exempt debt service payments required for any other purpose.

(C) For the period that payments under division (B) of section 3318.05 of the Revised Code are required, each school district shall annually submit a copy of its tax budget to the ~~state superintendent~~ commission within five working days of its adoption pursuant to section 5705.28 of the Revised Code. The ~~state superintendent~~ commission shall make a determination in accordance with this section within thirty days of the date upon which a school district submits its tax budget.

(D) If a county budget commission considers it necessary to modify any tax rate for debt service contained in the tax budget of a school district constructing, acquiring, reconstructing, or adding to classroom facilities

from the state pursuant to sections 3318.01 to 3318.20 of the Revised Code due to a change in the district's tax duplicates or the issuance by the district of new bonded indebtedness, the ~~state superintendent~~ Ohio school facilities commission may review these changes in accordance with division (B) of this section for the purpose of reducing the district's tax rate for the payments described in division (B) of section 3318.05 of the Revised Code, provided such rate shall not be less than one-half mill.

Sec. 3318.06. After receipt of the conditional approval of the ~~state board of education~~ Ohio school facilities commission, the school district board by a majority of all of its members shall, if it desires to proceed with the project, declare all of the following by resolution:

(A) That with a net bonded indebtedness of within five thousand dollars of the required level of indebtedness or by issuing bonds in an amount equal to the required percentage of the project costs, the district is unable to provide adequate classroom facilities without assistance from the state;

(B) That to qualify for such state assistance it is necessary to levy a tax outside the ten-mill limitation the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project, except that in any year the district's adjusted valuation per pupil is greater than the state-wide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of such proceeds shall be used to pay the cost of the purchase of the classroom facilities from the state;

(C) That the question of such tax levy shall be submitted to the electors of the school district at the next general or primary election, if there be a general or primary election not less than seventy-five and not more than ninety-five days after the day of the adoption of such resolution or, if not, at a special election to be held at a time specified in the resolution which shall be not less than seventy-five days after the day of the adoption of the resolution and which shall be in accordance with the requirements of section 3501.01 of the Revised Code.

Such resolution shall also state, if such be the case, that the question of issuing bonds of the board shall be combined in a single proposal with the question of such tax levy. More than one election under this section may be held in any one calendar year. Such resolution shall specify both of the following:

(1) That the rate which it is necessary to levy shall be at the rate of one-half mill for each one dollar of valuation except that in those years in which the ~~state superintendent of public instruction~~ commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the

tax rate to an amount greater than one-half mill, but not in excess of four mills, and that such tax shall be levied until the purchase price is paid but in no case longer than twenty-three years;

(2) That the proceeds of the tax shall be used to pay the cost of maintaining the classroom facilities included in the project, except in any year the district's adjusted valuation per pupil is greater than the statewide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of the proceeds of the tax shall be used to pay the cost of the purchase of the classroom facilities from the state under sections 3318.01 to 3318.20 of the Revised Code.

A copy of such resolution shall after its passage and not less than seventy-five days prior to the date set therein for the election be certified to the county board of elections.

If the question of issuing bonds of the board is to be combined with the question of levying the tax, the resolution of the school district board, in addition to meeting other applicable requirements of section 133.18 of the Revised Code, shall state that the amount of bonds to be issued will be either whatever amount may be necessary to raise the net bonded indebtedness of the school district to within five thousand dollars of the required level of indebtedness calculated for the year preceding the year in which such resolution is adopted or an amount equal to the required percentage of the basic project costs, whichever is greater and state that the maximum maturity of the bonds which, notwithstanding section 133.20 of the Revised Code, may be any number of years not exceeding twenty-three as determined by the board. In estimating the amount of bonds to be issued, the board shall take into consideration the amount of moneys then in the bond retirement fund and the amount of moneys to be collected for and disbursed from the bond retirement fund during the remainder of the year in which the resolution of necessity is adopted.

Notice of the election shall include the fact that the tax levy shall be at the rate of one-half mill for each one dollar of valuation except that in those years in which the ~~superintendent~~ commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the tax rate to an amount greater than one-half mill, but not in excess of four mills, that the levy shall be made until the purchase price is paid but in no case longer than twenty-three years, and that the proceeds of the tax shall be used to pay the cost of maintaining the classroom facilities included in the project, except in any year the district's adjusted valuation per pupil is greater than the statewide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of the proceeds of

the tax shall be used to pay the cost of the purchase of the classroom facilities from the state under sections 3318.01 to 3318.20 of the Revised Code.

The form of the ballot to be used at such election shall be:

"A majority affirmative vote is necessary for passage.

Shall bonds be issued by the Board of Education of the (here insert name of school district) for the purpose of (here insert purpose of bond issue) in either an amount sufficient to raise the net indebtedness of the school district to within five thousand dollars of (here insert five, six, or seven per cent depending on the district's required level of indebtedness) of the total value of all property in the school district as listed and assessed for taxation on the tax duplicate for the year (here insert the year preceding the year in which the resolution declaring the necessity of the election was adopted) or an amount equal to (here insert the required percentage of the basic project costs), whichever is greater, and a levy of taxes be made outside of the ten-mill limitation for a maximum period of (here insert longest maturity) years to pay the principal and interest of such bonds, the amount of such bonds being estimated to be (here insert estimated amount of bond issue) for which the levy of taxes is estimated by the county auditor to average (here insert number of mills) mills for each one dollar of valuation, which amounts to (here insert rate expressed in dollars and cents) for each one hundred dollars of valuation?"

and

"Shall an additional levy of taxes be made for the benefit of the (name of school district), the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project, except that in any year the district's adjusted valuation per pupil is greater than the state-wide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of such proceeds shall be used to pay the cost of the purchase of classroom facilities from the state, at the rate of one-half mill for each one dollar of valuation except that in those years in which the ~~state superintendent of public instruction~~ Ohio school facilities commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the tax rate to an amount greater than one-half mill, but not in excess of four mills, until the purchase price is paid but in no case longer than twenty-three years?"

FOR THE BOND ISSUE AND TAX LEVY

AGAINST THE BOND ISSUE AND TAX LEVY

Where it is not necessary to include the question of issuing bonds of the school district board with the question of levying the tax, the first paragraph of the foregoing ballot form shall be omitted and the question to be voted on shall be "For the Tax Levy" and "Against the Tax Levy."

(D) If it is necessary for the school district to acquire a site for the classroom facilities to be acquired pursuant to sections 3318.01 to 3318.20 of the Revised Code, the district board may propose either to issue bonds of the board or to levy a tax to pay for the acquisition of such site, and may combine the question of doing so with the questions specified in division (C) of this section. Bonds issued under this division for the purpose of acquiring a site are a general obligation of the school district and are Chapter 133. securities.

The form of that portion of the ballot to include the question of either issuing bonds or levying a tax for site acquisition purposes shall be one of the following:

(1) "Shall bonds be issued by the board of education of the (name of the school district) for the purpose of (purpose of the bond issue, which shall be for the purpose of acquiring a site for classroom facilities) in the principal amount of (principal amount of the bond issue), to be repaid annually over a maximum period of (maximum number of years over which the principal of the bonds may be paid) years, and an annual levy of property taxes be made outside the ten-mill limitation, estimated by the county auditor to average over the repayment period of the bond issue (number of mills) mills for each one dollar of tax valuation, which amount to (rate expressed in dollars and cents) for each one hundred dollars of valuation?"

(2) "Shall an additional levy of taxes be made for the benefit of the (name of the school district) for the purpose (purpose of the levy, which shall be for the purpose of acquiring a site for classroom facilities) in the sum of (annual amount the levy is to produce) and a levy of taxes to be made outside of the ten-mill limitation estimated by the county auditor to average (number of mills) mills for each one hundred dollars of valuation, for a period of (number of years the millage is to be imposed) years?"

Where it is necessary to combine the question of issuing bonds of the school district and levying a tax as described in division (C) of this section with the question of issuing bonds of the school district for acquisition of a site, the question specified in division (C) of this section to be voted on shall

be "For the Bond Issues and the Tax Levy" and "Against the Bond Issues and the Tax Levy." In the event it is not necessary to include the question of issuing bonds as described in division (C) of this section, the question specified in that division to be voted on shall be "For the Bond Issue and the Tax Levy" and "Against the Bond Issue and the Tax Levy."

Where it is necessary to combine the question of issuing bonds of the school district and levying a tax as described in division (C) of this section with the question of levying a tax for the acquisition of a site, the question specified in division (C) of this section to be voted on shall be "For the Bond Issue and the Tax Levies" and "Against the Bond Issue and the Tax Levies." In the event it is not necessary to include the question of issuing bonds as described in division (C) of this section, the question specified in that division to be voted on shall be "For the Tax Levies" and "Against the Tax Levies."

If a majority of those voting upon a proposition hereunder which includes the question of issuing bonds vote in favor thereof, and if the agreement provided for by section 3318.08 of the Revised Code has been entered into, the school district board may proceed under Chapter 133. of the Revised Code, with the issuance of bonds or bond anticipation notes in accordance with the terms of the agreement.

Sec. 3318.07. The board of elections shall certify the result of the election to the tax commissioner, to the auditor of the county or counties in which the school district is located, to the treasurer of the school district board, and to the ~~state board of education~~ Ohio school facilities commission. The necessary tax levy for debt service on the bonds shall be included in the annual tax budget that is certified to the county budget commission.

Sec. 3318.08. If the requisite favorable vote on the election is obtained, the ~~state board of education~~ Ohio school facilities commission, upon certification of the results of the election to it, shall enter into a written agreement with the school district board for the construction and sale of the project, which agreement shall include, but need not be limited to, the following provisions:

(A) The sale and issuance of bonds or notes in anticipation thereof, as soon as practicable after the execution of the agreement, in either an amount which will raise the net bonded indebtedness of the school district, as of the date of the resolution authorizing the issuance of such bonds or notes, to within five thousand dollars of the required level of indebtedness calculated for the year preceding the year in which the resolution declaring the necessity of the election was adopted or an amount equal to the required percentage of the basic project costs, whichever is greater; provided, that if

at that time the county treasurer of each county in which the school district is located has not commenced the collection of taxes on the general duplicate of real and public utility property for such year, the school district board shall authorize the issuance of a first installment of bond anticipation notes in an amount specified by the agreement, which amount shall not exceed an amount necessary to raise the net bonded indebtedness of the school district as to the date of such authorizing resolution to within five thousand dollars of the required level of indebtedness for the preceding year. In the event that a first installment of bond anticipation notes is issued, the school district board shall, as soon as practicable after the county treasurer of each county in which the school district is located has commenced the collection of taxes on the general duplicate of real and public utility property for the year in which the resolution declaring the necessity of the election was adopted, authorize the issuance of a second and final installment of bond anticipation notes or a first and final issue of bonds. The combined value of the first and second installment of bond anticipation notes or the value of the first and final issue of bonds shall be equal to either an amount which will raise the net indebtedness of the school district as of the date of such authorizing resolution to within five thousand dollars of the required level of indebtedness, or an amount equal to the required percentage of the project costs, whichever is greater. The proceeds of any such bonds shall be used first to retire any bond anticipation notes. Otherwise, the proceeds of such bonds and of any bond anticipation notes, except the premium and accrued interest thereon, shall be deposited in the school district's project construction fund. In determining the amount of net indebtedness for the purpose of fixing the amount of an issue of either bonds or bond anticipation notes, gross indebtedness shall be reduced by moneys in the bond retirement fund only to the extent of the moneys therein on the first day of the year preceding the year in which the resolution authorizing such bonds or notes is adopted. Should there be a decrease in the tax valuation of the school district so that the amount of indebtedness which can be incurred on the tax duplicates for the year in which the resolution declaring the necessity of the election was adopted is less than the amount of the first installment of bond anticipation notes, there shall be paid from the school district's project construction account to the school district's bond retirement fund to be applied against such notes an amount sufficient to cause the net indebtedness of the school district, as of the first day of the year following the year in which the resolution declaring the necessity of the election was adopted, to be within five thousand dollars of the required level of indebtedness for the year in which that resolution was adopted. The

um amount of indebtedness to be incurred by any school district board as its share of the cost of the project is either an amount which will cause its net indebtedness, as of the first day of the year following the year in which the resolution declaring the necessity of the bond issue was adopted, to be within five thousand dollars of the required level of indebtedness calculated for the year preceding the year in which that resolution was adopted or an amount equal to the required percentage of the basic project costs, whichever is greater. All bonds and bond anticipation notes shall be issued in accordance with Chapter 133. of the Revised Code, and notes may be renewed as provided in section 133.22 of the Revised Code.

(B) The transfer of such funds of the school district board available for the project, together with the proceeds of the sale of the bonds or notes, except premium, accrued interest, and interest included in the amount of the issue, to the school district's project construction account in the school district's depository;

(C) The levy of the tax authorized at the election for the payment of maintenance costs or the cost of purchasing the classroom facilities;

(D) Ownership of the project during the period of construction, which shall be divided between the state commission and the school district board in proportion to their respective contributions to the school district's project construction account;

(E) The transfer of the state's interest in the project to the school district upon completion of the project;

(F) The insurance of the project by the school district from the time there is an insurable interest therein and so long as any part of the purchase price remains unpaid, in such amounts and against such risks as the ~~state board~~ commission shall require; provided, that the cost of any required insurance until the project is completed shall be a part of the basic project cost;

(G) The certification by the director of budget and management that funds are available and have been set aside to meet the state's share of the basic project cost as approved by the controlling board pursuant to section 3318.04 of the Revised Code, ~~such certification to consider any necessary revision of the state's share by the superintendent of public instruction required by changes in the school district's ability to provide more or less local funds than was estimated at the time of the conditional approval under section 3318.04 of the Revised Code;~~

(H) Authorization of the school district board to advertise for and receive construction bids for the project, for and on behalf of the ~~state board~~ commission, and to award contracts in the name of the state subject to

approval by the ~~superintendent of public instruction~~ commission;

(I) Provisions for the disbursement of moneys from the school district's project account upon issuance by the ~~superintendent of public instruction~~ commission of vouchers for work done to be certified to the ~~superintendent~~ commission by the treasurer of the school district board;

(J) Disposal of any balance left in the school district's project construction account upon completion of the project;

(K) Prohibition against alienation of any interest in the project by the school district board or its successor in interest without the consent of the ~~state board~~ commission so long as any part of the purchase price of the project remains unpaid, but in no case longer than twenty-three years;

(L) Limitations upon use of the project or any part of it so long as any part of the purchase price of the project remains unpaid, but in no case longer than twenty-three years;

(M) Suspension of the power to issue bonds or notes by the school district board for permanent improvements without the prior consent of the ~~state board~~ commission for so long as any part of the purchase price of the project remains unpaid, but in no case longer than twenty-three years;

(N) Provision for vesting absolute interest in the project in the school district board when the purchase price has been paid or at the expiration of the period of twenty-three years;

(O) Provision for deposit of an executed copy of the agreement in the office of the ~~state board~~ commission and the office of the county recorder of the county or counties in which the project is situated;

(P) Provision for termination of the contract and release of the funds encumbered at the time of the conditional approval, if the proceeds of the sale of the bonds of the school district board are not paid into the school district's project construction account and if bids for the construction of the project have not been taken within such period after the execution of the agreement as may be fixed by the ~~state board~~ commission;

(Q) Provision for the school district to maintain the project in accordance with a plan approved by the commission;

(R) Provision that all state funds reserved and encumbered to pay the state share of the cost of the project pursuant to section 3318.03 of the Revised Code be spent on the construction or acquisition of the project prior to the expenditure of any funds provided by the school district to pay for its share of the project cost.

Sec. 3318.081. If the board of education of a school district authorized to impose a tax pursuant to section 3318.06 of the Revised Code determines that taxable value of property subject to the tax has increased to the extent it

will not be necessary to impose such tax for twenty-three years in order to pay the purchase price, it may request the county auditor to determine the amount of the purchase price remaining to be paid and the estimated rate of taxation required each year to repay such remainder in equal installments over the maximum number of remaining years the tax may be in effect. The auditor shall make such determination upon request and certify the results thereof to the board of education.

Upon receipt of the auditor's determination, the board of education may request the ~~state board of education~~ Ohio school facilities commission to enter into a supplemental agreement under which the district may repay the remainder of the purchase price in annual amounts equal to the quotient obtained by dividing the amount remaining to be paid by the maximum number of remaining years the tax may be in effect. If such an agreement is entered into, the ~~state board~~ commission shall certify a copy thereof to the county auditor and the tax authorized by section 3318.06 of the Revised Code thereafter shall be levied at the rate required to make the annual payments required by the supplemental agreement rather than the rate required by such section.

Sec. 3318.082. The board of education of any school district imposing a tax for the purpose of paying the cost of the purchase of classroom facilities from the state pursuant to section 3318.06 Of the Revised Code prior to the effective date of the amendments to that section by Amended Substitute House Bill No. 748 of the 121st General Assembly, may enter into a supplemental agreement with the Ohio school facilities commission under which the proceeds of such tax shall be distributed in accordance with the requirements of section 3318.06 Of the Revised Code, as amended by Amended Substitute House Bill No. 748 of the 121st general assembly.

Sec. 3318.091. Promptly after the written agreement between the school district board and the ~~state board of education~~ Ohio school facilities commission has been entered into, the school district board shall proceed with the issuance of its bonds or notes in anticipation thereof pursuant to the provision of such agreement required by division (A) of section 3318.08 of the Revised Code and the deposit of the proceeds thereof in the school district's project construction account pursuant to the provision of such agreement required by division (B) of section 3318.08 of the Revised Code, and the school district board, with the approval of the ~~superintendent of public instruction~~ commission shall employ a qualified professional person or firm to prepare preliminary plans, working drawings, specifications, estimates of cost, and such data as the school district board and the ~~superintendent of public instruction~~ commission deem necessary for the

project. When the preliminary plans and preliminary estimates of cost have been prepared, and approved by the school district board, they shall be submitted to the ~~superintendent of public instruction~~ commission for approval, modification, or rejection. The ~~superintendent~~ commission shall ensure that the plans and materials proposed for use in the project comply with specifications for plans and materials that shall be established by the ~~state board of education~~ commission. When such preliminary plans and preliminary estimates of cost and any modifications thereof have been approved by the ~~superintendent of public instruction~~ commission and the school district board, the school district board shall cause such qualified professional person or firm to prepare the working drawings, specifications, and estimates of cost.

Sec. 3318.10. When such working drawings, specifications, and estimates of cost have been approved by the school district board and the ~~superintendent of public instruction~~ Ohio school facilities commission, the treasurer of the school district board shall advertise for construction bids for the project once a week for four consecutive weeks in a newspaper published in and of general circulation in the county in which the project is located. Such notices shall state that plans and specifications for the project are on file in the office of the ~~state board of education~~ commission and such other place as may be designated in such notice, and the time and place when and where bids therefor will be received.

The form of proposal to be submitted by ~~bidder~~ bidders shall be supplied by the ~~state board~~ commission. Bidders may be permitted to bid upon all the branches of work and materials to be furnished and supplied, upon any branch thereof, or upon all or any thereof.

A proposal shall be invalid and not considered unless it meets the requirements of section 153.54 of the Revised Code.

When the construction bids for all branches of work and materials have been tabulated, the ~~superintendent of public instruction~~ commission shall cause to be prepared a revised estimate of the basic project cost based upon the lowest responsible bids received. If such revised estimate exceeds the estimated basic project cost as approved by the controlling board pursuant to section 3318.04 of the Revised Code as adjusted for inflation from the time of such approval, no contracts may be entered into pursuant to this section unless such revised estimate is approved by the ~~state board~~ commission and by the controlling board referred to in section 3318.04 of the Revised Code. The adjustment for inflation shall be calculated ~~and agreed to~~ by the ~~superintendent of public instruction, the director of the legislative budget office of the legislative service commission, and the director of the office of~~

~~budget and management.~~ When such revised estimate has been prepared, and after such approvals are given, if necessary, and if the school district board has caused to be transferred to the project construction account the proceeds from the sale of the first or first and final installment of its bonds or bond anticipation notes pursuant to the provision of written agreement required by division (B) of section 3318.08 of the Revised Code, and when the director of budget and management has certified that there is a balance in the appropriation, not otherwise obligated to pay precedent obligations, pursuant to which the state's share of such revised estimate is required to be paid, the contract for all branches of work and materials to be furnished and supplied, or for any branch thereof as determined by the school district board, shall be awarded by the school district board to the lowest responsible bidder subject to the approval of the ~~superintendent of public instruction~~ commission. Such award shall be made within thirty days after the date on which the bids are opened, and the successful bidder shall enter into a contract within ten days after the successful bidder is notified of the award of the contract.

Subject to the approval of the ~~superintendent of public instruction~~ commission, the school district board may reject all bids and readvertise. Any contract made under this section shall be made in the name of the state and executed on its behalf by the president and treasurer of the school district board.

The provisions of sections 153.50 to 153.99 of the Revised Code, which are applicable to construction contracts of boards of education and which permit bids to be made for two or more trades or kinds of work, shall apply to construction contracts for the project to the exclusion of sections 153.01 to 153.20 of the Revised Code applicable to state construction contracts.

The remedies afforded to any subcontractor, ~~materialman~~ materials supplier, laborer, mechanic, or persons furnishing material or machinery for the project under sections 1311.26 to 1311.32 of the Revised Code, shall apply to contracts entered into under this section and the itemized statement required by section 1311.26 of the Revised Code shall be filed with the school district board.

Sec. 3318.111. The school district board shall have authority, with the approval of the ~~superintendent of public instruction~~ Ohio school facilities commission and notwithstanding the provisions of sections 135.01 to 135.21, ~~inclusive~~, of the Revised Code, to invest funds on deposit in the project construction account in bonds, notes, certificates of indebtedness, treasury bills, or other securities issued by and constituting direct obligations of the United States, or the state of Ohio maturing, or redeemable at the

option of the holder, not later than the dates on which such funds will be required to be disbursed from such account.

Sec. 3318.12. The ~~superintendent of public instruction~~ Ohio school facilities commission shall cause to be transferred to the school district's project construction account the necessary amounts from amounts appropriated by the general assembly and set aside for such purpose, from time to time as may be necessary to pay obligations chargeable to such account when due. The treasurer of the school district board shall disburse funds from the school district's project construction account only upon the approval of the ~~superintendent of public instruction~~ commission. The ~~superintendent of public instruction~~ commission or ~~his~~ the commission's designated representative shall issue vouchers against such account, in such amounts, and at such times as required by the contracts for construction of the project.

Any surplus remaining in the school district's project construction account after the project has been completed shall be transferred to the ~~state board of education~~ commission for expenditure pursuant to sections 3318.01 to 3318.20 of the Revised Code; provided, that if the final cost of the project is less than the amount of moneys paid into the school district's project construction account by the school district board, the amount by which the school district's contribution exceeds the actual cost shall be returned to the school district board.

Sec. 3318.13. Notwithstanding any provision of sections 5705.27 to 5705.50 of the Revised Code, the tax to be levied on all taxable property within a school district for the purpose of paying the cost of maintaining the classroom facilities included in the project or for paying the purchase price of the project to the state under the agreement provided in section 3318.08 of the Revised Code or the supplemental agreement provided in section 3318.081 of the Revised Code shall be included in the budget of the school district for each year upon the certification to the county budget commission or commissions of the county or counties in which said school district is located, by the ~~state board of education~~ Ohio school facilities commission of the balance due the state under said agreement or supplemental agreement. Such certification shall be made on or before the fifteenth day of July in each year. Thereafter, the respective county budget commissions shall treat such certification as an additional item on the tax budget for the school district as to which such certification has been made and shall provide for the levy therefor in the manner provided in sections 5705.27 to 5705.50 of the Revised Code for tax levies included directly in the budgets of the subdivisions.

The levy of taxes shall be included in the next annual tax budget that is certified to the county budget commission after the execution of the agreement for the project.

Sec. 3318.14. Notwithstanding the provision of section 321.31 of the Revised Code, immediately after each settlement with the county auditor, on presentation of the warrant of the county auditor therefor, the county treasurer shall pay to the school district the proceeds of the tax levy provided in section 3318.13 of the Revised Code to be used to pay the cost of maintaining the classroom facilities included in the project and pay to the ~~state board of education~~ Ohio school facilities commission any proceeds of the tax levy provided in section 3318.13 of the Revised Code to be applied to the unpaid purchase price of the project.

Sec. 3318.15. There is hereby created the public school building fund within the state treasury consisting of all moneys received from the sale of classroom facilities pursuant to sections 3318.01 to 3318.20 of the Revised Code, any moneys transferred or appropriated to the fund by the general assembly, and any grants, gifts, or contributions received by the ~~state board of education~~ Ohio school facilities commission to be used for the purposes of the fund.

Moneys transferred or appropriated to the fund by the general assembly and moneys in the fund from grants, gifts, and contributions shall be used to acquire classroom facilities for sale to school districts pursuant to sections 3318.01 to 3318.20 of the Revised Code. The moneys in the fund received from the sale of classroom facilities shall be held in a separate account in the fund. Such moneys may be used partially to acquire additional classroom facilities for sale to school districts pursuant to sections 3318.01 to 3318.20 and partially to pay bond service charges as defined in division (C) of section 3318.21 of the Revised Code on obligations, the proceeds of which are deposited into the school districts facilities fund created in section 3318.23 of the Revised Code.

Sec. 3318.16. Title to interests in real property purchased with moneys in the school district's project construction account shall be taken in the name of the state of Ohio. Upon completion of the project, the title to such interest in real property shall be conveyed to the school district board and the ~~president and the secretary of the state board of education~~ Ohio school facilities commission shall execute and deliver deeds to complete the transfer of such interests.

Upon completion of the project, the interest of the state in the project shall be transferred to the school district board, which interest is equal to that portion of the final cost of the project represented by funds contributed

by the state for the project. The purchase price to be paid by the school district board for the state's interest in the project shall be the total amount of funds contributed by the state for the project.

Sec. 3318.17. A school district board may purchase classroom facilities from the state from time to time under the procedure set forth in sections 3318.01 to 3318.12 of the Revised Code. The levy of taxes required by section 3318.14 of the Revised Code shall be at the rate of one-half mill for each one dollar of valuation except that in those years in which the ~~state superintendent of public instruction~~ Ohio school facilities commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the tax rate to an amount greater than one-half mill, but not in excess of four mills, and shall be for a maximum period of twenty-three years after the last purchase and except in those years in which a supplemental agreement authorized by section 3318.081 of the Revised Code is in effect, the rate shall be as prescribed for such section for the period during which such agreement is in effect. Where a school district has purchased classroom facilities from the state on which any portion of the purchase price remains unpaid and it desires to purchase additional classroom facilities, the notice of election and form of ballot set forth in section 3318.06 of the Revised Code shall provide that the levy is an extension of an existing levy for a maximum period of twenty-three years. Where there has been more than one purchase of classroom facilities from the state, any proceeds of the tax to be used to pay the purchase price of such facilities shall be applied to the unpaid purchase price of the projects in the order in which they were purchased.

Sec. 3318.18. The unpaid purchase price of a project shall constitute an indebtedness of the school district but shall not be included in the calculation of indebtedness under sections 133.04 and 133.06 of the Revised Code. In the event all or a portion of the territory comprising a school district, which has outstanding an indebtedness to the state representing the unpaid purchase price of a project or projects, is transferred to another school district, or, if a new school district is created to include all or a portion of such school district, the outstanding indebtedness for each project shall be apportioned between the acquiring school district and the original school district in the ratio, as of the effective date of the transfer, which the assessed valuation of the territory transferred to the acquiring school district bears to the assessed valuation of the original school district.

The amount of the indebtedness so assumed by the new school district or acquiring school district shall be equal to one-half mill multiplied by the total value of all property as listed and assessed for taxation in the original

school district or territory transferred for each of the years remaining in the agreement for payment of purchase price between the original school district and the state board of education. On or before the first day of July of each year, the department of taxation shall certify to the ~~state board of education~~ Ohio school facilities commission the amount of the tax duplicate of the original school district or territory transferred for the calendar year ending on the thirty-first day of December immediately preceding. This tax duplicate shall be used in the calculation of the indebtedness so assumed.

The acquiring school district shall levy a tax outside the ten-mill limitation upon all property in the acquiring school district to pay the indebtedness so assumed until the indebtedness so assumed has been discharged but not longer than twenty-three years after the original incurrence of the indebtedness, provided, that the levy in the acquiring school district in any year shall not exceed the levy in the original school district to pay the purchase price of projects acquired from the state. The proceeds of the aforesaid tax levy in the acquiring school district shall be applied to the discharge of indebtedness first incurred in point of time whether or not it be an indebtedness assumed from another school district.

Sec. 3318.19. A complete detailed report of the expenditure of funds pursuant to the provisions of sections 3318.01 to 3318.20, ~~inclusive~~, of the Revised Code shall be made by the ~~state board~~ Ohio school facilities commission biennially to the general assembly. The report shall contain a detailed statement of classroom facilities acquired in whole or in part by the state and sold to school districts, the moneys received from school districts for credit against their indebtedness to the state, and such other information as will advise the general assembly of the nature and progress of this program.

Sec. 3318.22. (A) The general assembly finds that many school districts are prevented by their size, tax base, or other conditions from performing their essential functions as agencies of state government to provide adequate classroom facilities and issuing securities under Chapter 133. of the Revised Code at favorable interest rates or charges. Accordingly, the ~~state board of education~~ Ohio school facilities commission is invested with the powers and duties provided in sections 3318.21 to 3318.29 of the Revised Code in order to provide deserved assistance and materially contribute to the educational revitalization of such school districts and result in improving the education and welfare of all the people of the state.

(B) Sections 3318.21 to 3318.29 of the Revised Code do not authorize the ~~state board of education~~ commission or the issuing authority to incur bonded indebtedness of the state or any political subdivision of the state, or

to obligate or pledge moneys raised by taxation for the payment of any bonds or notes issued pursuant to sections 3318.21 to 3318.29 of the Revised Code.

Sec. 3318.23. (A) There is hereby created the school districts facilities fund within the state treasury that shall consist of the proceeds of obligations issued pursuant to section 3318.26 of the Revised Code for the purposes of such fund, which obligations are payable, in part, from moneys in the public school building fund created in section 3318.15 of the Revised Code; moneys received by the state from sources specified in section 3318.27 of the Revised Code; service or other charges imposed pursuant to section 3318.24 of the Revised Code; any grants, gifts, or contributions of money received by the ~~state board of education~~ Ohio school facilities commission for use in making loans from the fund pursuant to section 3318.24 of the Revised Code; and all other moneys appropriated or transferred to the fund; provided that the school districts facilities fund shall not be comprised, in any part, of money raised by taxation.

(B) Moneys in the public school building fund that are pledged receipts and that are, pursuant to section 3318.26 of the Revised Code, made available by the ~~state board of education~~ commission to pay bond service charges for obligations issued pursuant to that section shall be credited to the school facilities bond service fund created in division (S) of section 3318.26 of the Revised Code for each issuance of obligations authorized under that section unless otherwise provided in the applicable bond proceedings.

(C) Subject to the approval of the controlling board, all moneys appropriated or transferred to the school districts facilities fund may be released at the request of the ~~state board of education~~ commission for the making of loans pursuant to section 3318.24 of the Revised Code.

Sec. 3318.24. (A) The ~~state board of education~~ Ohio school facilities commission shall adopt rules in accordance with Chapter 119. of the Revised Code under which, in any fiscal year for which moneys are available in the school districts facilities fund, the ~~state board~~ commission, subject to the approval of the controlling board, may make loans from the fund to school districts for the purpose of paying the allowable costs of a permanent improvement. The rules shall include, but need not be limited to, all of the following:

- (1) Application procedures, including the date by which applications shall be made;
- (2) Eligibility criteria, which shall include at least the following provisions:

(a) A requirement that an applicant district demonstrate need for additional or improved classroom facilities. Indicators of need shall include, but need not be limited to, enrollment levels and enrollment changes; ability of the district to maintain minimum educational standards; the inability of the district to finance the allowable costs of the permanent improvement through ordinary financial channels upon reasonable terms and at a reasonable interest rate or charge; and demonstrated good faith efforts by the district to provide classroom facilities by other means.

(b) A requirement that the loan will be adequately secured by the issuance of general obligation bonds by the school district as voted upon and approved by the district's electors pursuant to section 133.18 of the Revised Code.

(c) A requirement that an applicant district demonstrate the ability to repay the loan and interest charge within the maximum period permitted by division (A)(4) of this section.

(3) Loan approval procedures and criteria, including criteria for prioritizing eligible applications in accordance with demonstrated need for additional or improved classroom facilities.

(4) Provisions governing repayment of loans and interest charges, including a provision that loans and interest charges be repaid within a maximum of twenty-five years.

(5) Provisions governing the charging, altering, and collection, by the ~~state board~~ commission, of fees or interest or other charges for loans or service charges for the making of a loan.

(B) The ~~state board~~ commission shall enter into a loan agreement with each district it approves for a loan pursuant to division (A) of this section. The agreement shall specify the amount of the loan, the amount of the interest charged for the loan, the purpose for which the loan is to be used, the duration of the loan, and the repayment schedule. Every such agreement shall contain a provision authorizing the ~~state board~~ commission to deduct from payments due to the district under Chapter 3317. of the Revised Code or from any other funds appropriated to the district by the general assembly, the amount of any scheduled loan payment due but not paid by the district. The ~~state board~~ commission may take any necessary or appropriate action to collect or otherwise deal with any loan made pursuant to this section.

Sec. 3318.25. There is hereby created in the state treasury the school building program assistance fund. The fund shall consist of the proceeds of obligations issued for the purposes of such fund pursuant to section 3318.26 of the Revised Code that are payable from moneys in the lottery profits education fund created in section 3770.06 of the Revised Code. Moneys in

the fund shall be used as directed by the ~~state board of education~~ Ohio school facilities commission for the cost to the state of acquiring classroom facilities for sale to school districts pursuant to sections 3318.01 to 3318.20 of the Revised Code.

Sec. 3318.26. (A) Subject to the limitations provided in section 3318.29 of the Revised Code, the issuing authority, upon the certification by the ~~state board of education~~ Ohio school facilities commission to the issuing authority of the amount of moneys or additional moneys needed in the school districts facilities fund for the purpose of making loans for allowable costs from such fund or in the school building program assistance fund for the purposes of sections 3318.01 to 3318.20 of the Revised Code, or needed for capitalized interest, for funding reserves, and for paying costs and expenses incurred in connection with the issuance, carrying, securing, paying, redeeming, or retirement of the obligations or any obligations refunded thereby, including payment of costs and expenses relating to letters of credit, lines of credit, insurance, put agreements, standby purchase agreements, indexing, marketing, remarketing and administrative arrangements, interest swap or hedging agreements, and any other credit enhancement, liquidity, remarketing, renewal, or refunding arrangements, all of which are authorized by this section, shall issue obligations of the state under this section in the required amount. The proceeds of such obligations, except for obligations issued to provide moneys for the school building program assistance fund or except for such portion to be deposited in special funds, including reserve funds, as may be provided in the bond proceedings, shall as provided in the bond proceedings be deposited by the treasurer of state to the school districts facilities fund. The issuing authority may appoint trustees, paying agents, and transfer agents and may retain the services of financial advisors and accounting experts and retain or contract for the services of marketing, remarketing, indexing, and administrative agents, other consultants, and independent contractors, including printing services, as are necessary in the issuing authority's judgment to carry out this section. The costs of such services are payable from the school districts facilities fund, the school building program assistance fund, or any special fund determined by the issuing authority.

(B) The holders or owners of such obligations shall have no right to have moneys raised by taxation obligated or pledged, and moneys raised by taxation shall not be obligated or pledged, for the payment of bond service charges. Such holders or owners shall have no rights to payment of bond service charges from any money or property received by the ~~state board of education~~ commission, treasurer of state, or the state, or from any other use

of the proceeds of the sale of the obligations, and no such moneys may be used for the payment of bond service charges, except for accrued interest, capitalized interest, and reserves funded from proceeds received upon the sale of the obligations and except as otherwise expressly provided in the applicable bond proceedings pursuant to written directions by the treasurer of state. The right of such holders and owners to payment of bond service charges shall be limited to all or that portion of the pledged receipts and those special funds pledged thereto pursuant to the bond proceedings in accordance with this section, and each such obligation shall bear on its face a statement to that effect.

(C) Obligations shall be authorized by resolution or order of the issuing authority and the bond proceedings shall provide for the purpose thereof and the principal amount or amounts, and shall provide for or authorize the manner or agency for determining the principal maturity or maturities, not exceeding the limits specified in section 3318.29 of the Revised Code, the interest rate or rates or the maximum interest rate, the date of the obligations and the dates of payment of interest thereon, their denomination, and the establishment within or without the state of a place or places of payment of bond service charges. Sections 9.98 to 9.983 of the Revised Code are applicable to obligations issued under this section, subject to any applicable limitation under section 3318.29 of the Revised Code. The purpose of such obligations may be stated in the bond proceedings in terms describing the general purpose or purposes to be served. The bond proceedings shall also provide, subject to the provisions of any other applicable bond proceedings, for the pledge of all, or such part as the issuing authority may determine, of the pledged receipts and the applicable special fund or funds to the payment of bond service charges, which pledges may be made either prior or subordinate to other expenses, claims, or payments, and may be made to secure the obligations on a parity with obligations theretofore or thereafter issued, if and to the extent provided in the bond proceedings. The pledged receipts and special funds so pledged and thereafter received by the state are immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledges is valid and binding against all parties having claims of any kind against the state or any governmental agency of the state, irrespective of whether such parties have notice thereof, and shall create a perfected security interest for all purposes of Chapter 1309. of the Revised Code, without the necessity for separation or delivery of funds or for the filing or recording of the bond proceedings by which such pledge is created or any certificate, statement or other document with respect thereto; and the pledge of such pledged receipts and special

funds is effective and the money therefrom and thereof may be applied to the purposes for which pledged without necessity for any act of appropriation, except as required by section 3770.06 of the Revised Code. Every pledge, and every covenant and agreement made with respect thereto, made in the bond proceedings may therein be extended to the benefit of the owners and holders of obligations authorized by this section, and to any trustee therefor, for the further security of the payment of the bond service charges.

(D) The bond proceedings may contain additional provisions as to:

(1) The redemption of obligations prior to maturity at the option of the issuing authority at such price or prices and under such terms and conditions as are provided in the bond proceedings;

(2) Other terms of the obligations;

(3) Limitations on the issuance of additional obligations;

(4) The terms of any trust agreement or indenture securing the obligations or under which the same may be issued;

(5) The deposit, investment and application of special funds, and the safeguarding of moneys on hand or on deposit, without regard to Chapter 131., 133., or 135. of the Revised Code, but subject to any special provisions of sections 3318.21 to 3318.29 of the Revised Code, with respect to particular funds or moneys, provided that any bank or trust company that acts as depository of any moneys in the special funds may furnish such indemnifying bonds or may pledge such securities as required by the issuing authority;

(6) Any or every provision of the bond proceedings being binding upon such officer, board, commission, authority, agency, department, or other person or body as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision;

(7) Any provision that may be made in a trust agreement or indenture;

(8) The lease or sublease of any interest of the school district or the state in one or more projects as defined in division (C) of section 3318.01 of the Revised Code, or in one or more permanent improvements, to or from the issuing authority, as provided in one or more lease or sublease agreements between the school or the state and the issuing authority;

(9) Any other or additional agreements with the holders of the obligations, or the trustee therefor, relating to the obligations or the security therefor, including in the case of obligations issued to provide moneys for the school district facilities fund the assignment of security obtained or to be obtained for loans under section 3318.24 of the Revised Code.

(E) The obligations may have the great seal of the state or a facsimile thereof affixed thereto or printed thereon. The obligations and any coupons pertaining to obligations shall be signed or bear the facsimile signature of the issuing authority. Any obligations or coupons may be executed by the person who, on the date of execution, is the proper issuing authority although on the date of such bonds or coupons such person was not the issuing authority. In case the issuing authority whose signature or a facsimile of whose signature appears on any such obligation or coupon ceases to be the issuing authority before delivery thereof, such signature or facsimile is nevertheless valid and sufficient for all purposes as if the issuing authority had remained the issuing authority until such delivery; and in case the seal to be affixed to obligations has been changed after a facsimile of the seal has been imprinted on such obligations, such facsimile seal shall continue to be sufficient as to such obligations and obligations issued in substitution or exchange therefor.

(F) All obligations are negotiable instruments and securities under Chapter 1308. of the Revised Code, subject to the provisions of the bond proceedings as to registration. The obligations may be issued in coupon or in registered form, or both, as the issuing authority determines. Provision may be made for the registration of any obligations with coupons attached thereto as to principal alone or as to both principal and interest, their exchange for obligations so registered, and for the conversion or reconversion into obligations with coupons attached thereto of any obligations registered as to both principal and interest, and for reasonable charges for such registration, exchange, conversion, and reconversion.

(G) Obligations may be sold at public sale or at private sale, as determined in the bond proceedings.

(H) Pending preparation of definitive obligations, the issuing authority may issue interim receipts or certificates which shall be exchanged for such definitive obligations.

(I) In the discretion of the issuing authority, obligations may be secured additionally by a trust agreement or indenture between the issuing authority and a corporate trustee which may be any trust company or bank having its principal place of business within the state. Any such agreement or indenture may contain the resolution or order authorizing the issuance of the obligations, any provisions that may be contained in any bond proceedings, and other provisions that are customary or appropriate in an agreement or indenture of such type, including, but not limited to:

(1) Maintenance of each pledge, trust agreement, indenture, or other instrument comprising part of the bond proceedings until the state has fully

paid the bond service charges on the obligations secured thereby, or provision therefor has been made;

(2) In the event of default in any payments required to be made by the bond proceedings, or any other agreement of the issuing authority made as a part of the contract under which the obligations were issued, enforcement of such payments or agreement by mandamus, the appointment of a receiver, suit in equity, action at law, or any combination of the foregoing;

(3) The rights and remedies of the holders of obligations and of the trustee, and provisions for protecting and enforcing them, including limitations on rights of individual holders of obligations;

(4) The replacement of any obligations that become mutilated or are destroyed, lost, or stolen;

(5) Such other provisions as the trustee and the issuing authority agree upon, including limitations, conditions, or qualifications relating to any of the foregoing.

(J) Any holder of obligations or a trustee under the bond proceedings, except to the extent that the holder's or trustee's rights are restricted by the bond proceedings, may by any suitable form of legal proceedings, protect and enforce any rights under the laws of this state or granted by such bond proceedings. Such rights include the right to compel the performance of all duties of the issuing authority, the ~~state board of education~~ commission, or the director of budget and management required by sections 3318.21 to 3318.29 of the Revised Code or the bond proceedings; to enjoin unlawful activities; and in the event of default with respect to the payment of any bond service charges on any obligations or in the performance of any covenant or agreement on the part of the issuing authority, the ~~state board of education~~ commission, or the director of budget and management in the bond proceedings, to apply to a court having jurisdiction of the cause to appoint a receiver to receive and administer the pledged receipts and special funds, other than those in the custody of the treasurer of state or the ~~state board of education~~ commission, which are pledged to the payment of the bond service charges on such obligations or which are the subject of the covenant or agreement, with full power to pay, and to provide for payment of bond service charges on, such obligations, and with such powers, subject to the direction of the court, as are accorded receivers in general equity cases, excluding any power to pledge additional revenues or receipts or other income or moneys of the issuing authority or the state or governmental agencies of the state to the payment of such principal and interest and excluding the power to take possession of, mortgage, or cause the sale or otherwise dispose of any permanent improvement.

Each duty of the issuing authority and the issuing authority's officers and employees, and of each governmental agency and its officers, members, or employees, undertaken pursuant to the bond proceedings or any agreement or loan made under authority of sections 3318.21 to 3318.29 of the Revised Code, and in every agreement by or with the issuing authority, is hereby established as a duty of the issuing authority, and of each such officer, member, or employee having authority to perform such duty, specifically enjoined by the law resulting from an office, trust, or station within the meaning of section 2731.01 of the Revised Code.

The person who is at the time the issuing authority, or the issuing authority's officers or employees, are not liable in their personal capacities on any obligations issued by the issuing authority or any agreements of or with the issuing authority.

(K) The issuing authority may authorize and issue obligations for the refunding, including funding and retirement, and advance refunding with or without payment or redemption prior to maturity, of any obligations previously issued by the issuing authority. Such obligations may be issued in amounts sufficient for payment of the principal amount of the prior obligations, any redemption premiums thereon, principal maturities of any such obligations maturing prior to the redemption of the remaining obligations on a parity therewith, interest accrued or to accrue to the maturity dates or dates of redemption of such obligations, and any allowable costs including expenses incurred or to be incurred in connection with such issuance and such refunding, funding, and retirement. Subject to the bond proceedings therefor, the portion of proceeds of the sale of obligations issued under this division to be applied to bond service charges on the prior obligations shall be credited to an appropriate account held by the trustee for such prior or new obligations or to the appropriate account in the bond service fund for such obligations. Obligations authorized under this division shall be deemed to be issued for those purposes for which such prior obligations were issued and are subject to the provisions of this section pertaining to other obligations, except as otherwise provided in this section; provided that, unless otherwise authorized by the general assembly, any limitations imposed by the general assembly pursuant to this section with respect to bond service charges applicable to the prior obligations shall be applicable to the obligations issued under this division to refund, fund, advance refund or retire such prior obligations.

(L) The authority to issue obligations under this section includes authority to refund or refinance any obligations previously issued by the state under sections 3318.21 to 3318.29 of the Revised Code.

The authority to issue obligations under this section also includes authority to issue obligations in the form of bond anticipation notes and to renew the same from time to time by the issuance of new notes. The holders of such notes or interest coupons pertaining thereto shall have a right to be paid solely from the pledged receipts and special funds that may be pledged to the payment of the bonds anticipated, or from the proceeds of such bonds or renewal notes, or both, as the issuing authority provides in the resolution or order authorizing such notes. Such notes may be additionally secured by covenants of the issuing authority to the effect that the issuing authority and the state will do such or all things necessary for the issuance of such bonds or renewal notes in appropriate amount, and apply the proceeds thereof to the extent necessary, to make full payment of the principal of and interest on such notes at the time or times contemplated, as provided in such resolution or order. For such purpose, the issuing authority may issue bonds or renewal notes in such principal amount and upon such terms as may be necessary to provide funds to pay when required the principal of and interest on such notes, notwithstanding any limitations prescribed by or for purposes of this section. Subject to this division, all provisions for and references to obligations in this section are applicable to notes authorized under this division.

The issuing authority in the bond proceedings authorizing the issuance of bond anticipation notes shall set forth for such bonds an estimated interest rate and a schedule of principal payments for such bonds and the annual maturity dates thereof, and for purposes of any limitation on bond service charges prescribed under section 3318.29 of the Revised Code, the amount of bond service charges on such bond anticipation notes shall be deemed to be the bond service charges for the bonds anticipated thereby as set forth in the bond proceedings applicable to such notes, but this provision does not modify any authority in this section to pledge pledged receipts and special funds to, and covenant to issue bonds to fund, the payment of principal of and interest and any premium on such notes.

(M) Obligations issued under this section are lawful investments for banks, societies for savings, savings and loan associations, deposit guarantee associations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other special funds of political subdivisions and taxing districts of this state, the commissioners of the sinking fund of the state, the administrator of workers' compensation, the state teachers retirement system, the public employees retirement system, the school employees retirement system, and the police and

remen's disability and pension fund, notwithstanding any other provisions of the Revised Code or rules adopted pursuant thereto by any governmental agency of the state with respect to investments by them, and also are acceptable as security for the deposit of public moneys.

(N) Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in the special funds established by or pursuant to this section may be invested by or on behalf of the issuing authority only in notes, bonds, or other obligations of the United States, or of any agency or instrumentality of the United States, obligations guaranteed as to principal and interest by the United States, obligations of this state or any political subdivision of this state, and certificates of deposit of any national bank located in this state and any bank, as defined in section 1101.01 of the Revised Code, subject to inspection by the superintendent of financial institutions. If the law or the instrument creating a trust pursuant to division (I) of this section expressly permits investment in direct obligations of the United States or an agency of the United States, unless expressly prohibited by the instrument, such moneys also may be invested in no front end load money market mutual funds consisting exclusively of obligations of the United States or an agency of the United States and in repurchase agreements, including those issued by the fiduciary itself, secured by obligations of the United States or an agency of the United States; and in collective investment funds established in accordance with section 1111.14 of the Revised Code and consisting exclusively of any such securities, notwithstanding division (A)(1)(c) of that section. The income from such investments shall be credited to such funds as the issuing authority determines, and such investments may be sold at such times as the issuing authority determines or authorizes.

(O) Provision may be made in the applicable bond proceedings for the establishment of separate accounts in the bond service fund and for the application of such accounts only to the specified bond service charges on obligations pertinent to such accounts and bond service fund and for other accounts therein within the general purposes of such fund. Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in the several special funds established pursuant to this section shall be disbursed on the order of the treasurer of state, provided that no such order is required for the payment from the bond service fund when due of bond service charges on obligations.

(P) The issuing authority may pledge all, or such portion as the issuing authority determines, of the pledged receipts to the payment of bond service charges on obligations issued under this section, and for the establishment

and maintenance of any reserves, as provided in the bond proceedings, and make other provisions therein with respect to pledged receipts as authorized by this chapter, which provisions shall be controlling notwithstanding any other provisions of law pertaining thereto.

(Q) The issuing authority may covenant in the bond proceedings, and any such covenants shall be controlling notwithstanding any other provision of law, that the state and applicable officers and governmental agencies of the state, including the general assembly, so long as any obligations are outstanding, shall:

(1) Maintain statutory authority for and cause to be operated the state lottery, including the transfers to and from the lottery profits education fund created in section 3770.06 of the Revised Code so that the pledged receipts shall be sufficient in amount to meet bond service charges, and the establishment and maintenance of any reserves and other requirements provided for in the bond proceedings;

(2) Take or permit no action, by statute or otherwise, that would impair the exclusion from gross income for federal income tax purposes of the interest on any obligations designated by the bond proceeding as tax-exempt obligations.

(R) There is hereby created the school building program bond service fund, which shall be in the custody of the treasurer of state but shall be separate and apart from and not a part of the state treasury. All moneys received by or on account of the issuing authority or state agencies and required by the applicable bond proceedings, consistent with this section, to be deposited, transferred, or credited to the school building program bond service fund, and all other moneys transferred or allocated to or received for the purposes of the fund, shall be deposited and credited to such fund and to any separate accounts therein, subject to applicable provisions of the bond proceedings, but without necessity for any act of appropriation, except as required by section 3770.06 of the Revised Code. During the period beginning with the date of the first issuance of obligations and continuing during such time as any such obligations are outstanding, and so long as moneys in the school building program bond service fund are insufficient to pay all bond service charges on such obligations becoming due in each year, a sufficient amount of the moneys from the lottery profits education fund included in pledged receipts, subject to appropriation for such purpose as provided in section 3770.06 of the Revised Code, are committed and shall be paid to the school building program bond service fund in each year for the purpose of paying the bond service charges becoming due in that year. The school building program bond service fund is a trust fund and is hereby

pledged to the payment of bond service charges solely on obligations issued to provide moneys for the school building program assistance fund to the extent provided in the applicable bond proceedings, and payment thereof from such fund shall be made or provided for by the treasurer of state in accordance with such bond proceedings without necessity for any act of appropriation except as required by section 3770.06 of the Revised Code.

(S) There is hereby created the school facilities bond service fund, which shall be in the custody of the treasurer of state but shall be separate and apart from and not a part of the state treasury. All moneys received by or on account of the issuing authority or state agencies and required by the applicable bond proceedings, consistent with this section, to be deposited, transferred, or credited to the school facilities bond service fund, and all other moneys transferred or allocated to or received for the purposes of the fund, shall be deposited and credited to such fund and to any separate accounts therein, subject to applicable provisions of the bond proceedings, but without necessity for any act of appropriation. During the period beginning with the date of the first issuance of obligations and continuing during such time as any such obligations are outstanding, and so long as moneys in the school facilities bond service fund are insufficient to pay all bond service charges on such obligations becoming due in each year, a sufficient amount of the moneys from the public school building fund included in pledged receipts are committed and shall be paid to the bond service fund in each year for the purpose of paying the bond service charges becoming due in that year. The school facilities bond service fund is a trust fund and is hereby pledged to the payment of bond service charges on obligations issued to provide moneys for the school districts facilities fund to the extent provided in the applicable bond proceedings, and payment thereof from such fund shall be made or provided for by the treasurer of state in accordance with such bond proceedings without necessity for any act or appropriation.

(T) The obligations, the transfer thereof, and the income therefrom, including any profit made on the sale thereof, at all times shall be free from taxation within the state.

Sec. 3318.27. There shall be credited to the school facilities bond service fund the moneys received by the state from the repayment of loans, including interest thereon, made from the school districts facilities fund with moneys derived from the proceeds of the sale of obligations under section 3318.26 of the Revised Code. Such moneys shall be applied as provided in sections 3318.21 to 3318.29 of the Revised Code. Accounts may be established by the ~~state board of education~~ Ohio school facilities

commission in the school districts facilities fund for particular projects or otherwise. Income from the investment of moneys in the school districts facilities fund shall be credited to that fund and, as may be provided in bond proceedings, to particular accounts therein. The treasurer of state may withdraw from the school districts facilities fund or the school building program assistance fund, or, subject to provisions of the applicable bond proceedings, from any special funds established pursuant to the bond proceedings, or from any accounts in such funds, any amounts of investment income required to be rebated and paid to the federal government in order to maintain the exemption from federal income taxation of interest on obligations issued under sections 3318.21 to 3318.29 of the Revised Code, which withdrawal and payment may be made without necessity for appropriation.

Sec. 3318.29. The maximum maturity of any obligations issued pursuant to section 3318.26 of the Revised Code to provide moneys for the school building program assistance fund shall be ten years. The terms of the obligations shall be such that in any fiscal year the aggregate amount of moneys from the lottery profits education fund, and not from other sources, that are pledged to pay bond service charges on obligations issued to provide moneys for the school building program assistance fund shall not exceed ten million dollars.

As used in this section, "other sources" includes the annual investment income on special funds to the extent the income will be available for payment of any bond service charges in lieu of use of moneys from the lottery profits education fund. The annual investment income shall be estimated on the basis of the expected funding of those special funds and assumed investment earnings thereon at a rate equal to the weighted average yield on investments of those special funds determined as of any date within sixty days immediately preceding the date of issuance of the bonds in respect of which the determination is being made.

The determinations required by this section shall be made by the treasurer of state at the time of issuance of an issue of obligations and shall be conclusive for purposes of such issuance of obligations from and after their issuance and delivery.

The maximum maturity of obligations issued pursuant to section 3318.26 of the Revised Code to provide moneys for the school district facilities fund shall not exceed the maximum maturity of the loan made from such fund pursuant to section 3318.24 of the Revised Code utilizing the proceeds of such obligations or ten years, whichever is less. The terms of the obligations shall be such that in any fiscal year the aggregate amount of

moneys from the public school building fund that are pledged to pay bond service charges on obligations issued to provide moneys for the school districts facilities fund shall not exceed an amount which shall be established by the ~~state board of education~~ Ohio school facilities commission.

Sec. 3318.30. (a) there is hereby created the ohio school facilities commission. the commission shall administer the provision of financial assistance to school districts for the acquisition or construction of classroom facilities in accordance with sections 3318.01 to 3318.33 of the Revised Code.

the commission is a body corporate and politic, an agency of state government and an instrumentality of the state, performing essential governmental functions of this state. the carrying out of the purposes and the exercise by the commission of its powers conferred by SECTIONS 3318.01 TO 3318.33 of the Revised Code are essential public functions and public purposes of the STATE. the commission may, in its own name, sue and be sued, enter into contracts, and perform all the powers and duties given to it by sections 3318.01 to 3318.33 of the Revised Code but it does not have and shall not exercise the power of eminent domain.

(B) the commission shall consist of seven members, three of whom are voting members. the voting members of the commission shall be the director of the office of budget and management, the director of administrative services, and the superintendent of public instruction, or their designees. of the nonvoting members, two shall be members of the senate appointed by the president of the senate and two shall be members of the house of representatives appointed by the speaker of the house. Each of the appointees of the president, and each of the appointees of the speaker, shall be members of different political parties.

nonvoting members shall serve as members of the commission during the legislative biennium for which they are appointed, except that any such member who ceases to be a member of the legislative house from which the member was appointed shall cease to be a member of the commission. Each nonvoting member shall be appointed within thirty-one days of the end of the term of that member's predecessor. such members may be reappointed. vacancies of nonvoting members shall be filled in the manner provided for original appointments.

Members of the commission shall serve without compensation.

after the initial nonvoting members of the commission have been appointed, the commission shall meet and ORGANIZE by electing voting members as the chairperson and vice-chairperson of the commission, who

shall hold their offices until the next organizational meeting of the commission. Organizational meetings of the commission shall be held at the first meeting of each calendar year. at each ORGANIZATIONAL meeting, the commission shall elect from among its voting members a chairperson and vice-chairperson, who shall serve until the next annual organizational meeting. the commission shall adopt rules pursuant to section 111.15 of the Revised Code for the conduct of its internal business and shall keep a journal of its proceedings. including the organizational meeting, the commission shall meet at least once each calendar quarter.

Two voting members of the commission constitute a quorum, and the affirmative vote of two MEMBERS is necessary for approval of any action taken by the commission. a vacancy in the membership of the commission does not impair a quorum from exercising all the rights and performing all the duties of the commission. meetings of the commission may be held anywhere in the state, and shall be held in compliance with section 121.22 Of the Revised Code.

(C) the commission shall file an annual report of its activities and finances with the governor, speaker of the house of representatives, PRESIDENT of the senate, and chairpersons of the house and senate finance committees.

(d) the commission shall be exempt from the requirements of sections 101.82 and 101.84 of the Revised Code.

Sec. 3318.31. (A) the Ohio school facilities commission may perform any act and ensure the performance of any function necessary or appropriate to carry out the purposes of, and exercise the powers granted under, sections 3318.01 to 3318.33 of the Revised Code, including any of the following:

(1) employ and fix the compensation of such employees as will facilitate the activities and purposes of the commission, and who shall serve at the PLEASURE of the commission.

(2) adopt, amend, and rescind, pursuant to section 111.15 of the Revised Code, rules for the administration of sections 3318.01 to 3318.33 of the Revised Code.

(3) contract with, retain the services of, or designate, and fix the compensation of, such agents, accountants, consultants, advisers, and other independent contractors as may be NECESSARY or desirable to carry out the purposes of sections 3318.01 to 3318.33 of the Revised Code.

(4) receive and accept any gifts, grants, donations, and pledges, and receipts therefrom, to be used for the purposes of sections 3318.01 to 3318.33 of the Revised Code.

(5) make and enter into all contracts, commitments, and agreements, and

execute all instruments, necessary or incidental to the performance of its duties and the execution of its rights and powers under sections 3318.01 to 3318.33 of the Revised Code.

(B) The attorney general shall serve as the legal representative for the commission and may appoint other counsel as necessary for that purpose in accordance with section 109.07 of the Revised Code.

Sec. 3318.32. the OHIO school facilities commission shall adopt rules PROVIDING guidelines for prioritizing facility funding for school districts that voluntarily develop joint use or other cooperative agreements that SIGNIFICANTLY improve the efficiency of the use of facility space within or between districts. if the commission determines that such cooperative agreements comply with guidelines established under this section, the commission may, in accordance with the guidelines, advance the funding priority otherwise prescribed under sections 3319.01 to 3318.32 Of the Revised Code for projects of school districts that are parties to such agreements.

Sec. 3318.33. (A) Any contract entered into by the board of education of a school district under sections 3318.01 to 3318.32 and section 3318.35 of the Revised Code shall include a provision requiring that at least eighty per cent of the individuals who perform work under the contract and any subcontract shall have been residents of this state for the preceding eighteen-month period. However, a contractor may apply to the board for a waiver of this requirement. In the application, the contractor shall certify that there are not enough qualified or interested residents of this state in the area where the work is being performed to meet the requirement. If the board determines the contractor's certification is correct, it may grant the waiver.

(B) The Ohio school facilities commission, by rule, shall prescribe information a contractor must submit with an application for a waiver under division (A) of this section. The information shall support the contractor's certification that there are not enough qualified or interested residents of this state in the area where work is being performed under the contract to meet the requirement that at least eighty per cent of the individuals who perform work under the contract and any subcontract must have been residents of this state for the preceding eighteen-month period. A board of education shall not consider an application for a waiver unless the contractor includes the information prescribed by the commission.

Sec. 3318.35. (A) As used in this section, "Ohio school facilities commission" has the same meaning as in section 3318.01 of the Revised Code.

(B) The Ohio school facilities commission shall establish and administer the emergency school building repair program. under the program, the commission shall distribute moneys appropriated by the general assembly for such purpose to school districts beginning with those districts with an adjusted per pupil valuation less than the threshold valuation defined in section 3317.0213 of the Revised Code. the commission shall determine and certify to the controlling board for its approval any determination the commission makes as to the necessity of emergency repairs based on an on-site inspection of the school buildings in a school district. Any school district that receives moneys under this section shall expend them only to repair the following:

(1) heating systems;

(2) floors, roofs, and exterior doors;

(3) air ducts and other air ventilation devices;

(4) emergency exit or egress passageway lighting;

(5) fire alarm systems;

(6) handicapped access needs;

(7) sewage systems;

(8) water supplies;

(9) asbestos removal; and

(10) any other repairs to a school building that meet the requirements of the life safety code, as interpreted by the commission.

(C) no moneys for emergency school building repair under this section shall be distributed to a school district to repair a school building that the commission reasonably believes will not be needed by the district or will be substantially replaced within the next seven fiscal years pursuant to sections 3318.01 to 3318.33 of the Revised Code.

(D) after receipt of moneys from the emergency school building repair program, no school district shall be eligible to receive additional moneys from the program for the following five fiscal years unless a school building in that district is damaged due to an act of God that could not have been prevented by reasonable maintenance of that building.

Sec. 4115.04. Every public authority authorized to contract for or construct with its own forces a public improvement, before advertising for bids or undertaking such construction with its own forces, shall have the bureau of employment services determine the prevailing rates of wages of mechanics and laborers in accordance with section 4115.05 of the Revised Code for the class of work called for by the public improvement, in the locality where the work is to be performed. Such schedule of wages shall be attached to and made part of the specifications for the work, and shall be

printed on the bidding blanks where the work is done by contract. A copy of the bidding blank shall be filed with the bureau before such contract is awarded. A minimum rate of wages for common laborers, on work coming under the jurisdiction of the department of transportation, shall be fixed in each county of the state by said department of transportation, in accordance with section 4115.05 of the Revised Code.

Sections 4115.03 to 4115.16 of the Revised Code do not apply to:

(A) Public improvements in any case where the federal government or any of its agencies furnishes by loan or grant all or any part of the funds used in constructing such improvements, provided the federal government or any of its agencies prescribes predetermined minimum wages to be paid to mechanics and laborers employed in the construction of such improvements;

(B) A participant of the subsidized employment program established under section 5101.82 of the Revised Code or the work experience program established under section 5101.83 of the Revised Code when a public authority directly uses the labor of the participant to construct a public improvement;

(C) Public improvements undertaken by, or under contract for, the board of education of any school district or the governing board of any educational service center.

SECTION 2. That existing sections 133.06, 3313.372, 3318.01, 3318.011, 3318.02, 3318.03, 3318.04, 3318.05, 3318.051, 3318.06, 3318.07, 3318.08, 3318.081, 3318.091, 3318.10, 3318.111, 3318.12, 3318.13, 3318.14, 3318.15, 3318.16, 3318.17, 3318.18, 3318.19, 3318.22, 3318.23, 3318.24, 3318.25, 3318.26, 3318.27, 3318.29, and 4115.04 of the Revised Code are hereby repealed.

SECTION 3. All personnel, equipment, materials, assets, liabilities, and records of the Department of Education, irrespective of form or medium, deemed necessary by the Ohio School Facilities Commission to implement the provisions of Chapter 3318. of the Revised Code shall be transferred to the Commission not later than one hundred twenty days after the effective date of this section, in accordance with a transition plan which shall be developed and approved by the Commission in consultation with the Department.

All appropriations, encumbrances, and funds of the Department, including the Public School Building Fund (Fund 021) and the School

Building Assistance Fund (Fund 032), deemed necessary by the Commission to implement the provisions of Chapter 3318. of the Revised Code, shall be transferred to the Commission not later than one hundred twenty days after the effective date of this section in accordance with the transition plan.

Any business commenced but not completed by the Department on the effective date of this section relating to the implementation of Chapter 3318. of the Revised Code and the functions transferred by this act shall continue to be administered by the Department for a period of one hundred twenty days after the effective date of this section or until the transition plan described in this section is approved by the Ohio School Facilities Commission, whichever occurs first.

The Department shall provide the Commission whatever administrative assistance the Commission requires during the period of transition, which assistance shall be specified in the transition plan described in this section.

Wherever any law, contract, or other document refers to the Department, the State Board of Education, or the Superintendent of Public Instruction in regard to the implementation or administration of Chapter 3318. of the Revised Code, the references shall be deemed to refer to the Commission or the Director of the Commission. No action or proceeding pending on the effective date of this act relating to the implementation or administration of Chapter 3318. of the Revised Code is affected by the transfer. In all such actions and proceedings, the Commission or the Director shall be substituted as a party upon application by the receiving entity to the court or other appropriate tribunal.

SECTION 4. School building assistance projects proposed to be funded pursuant to Chapter 3318. of the Revised Code that were on a list approved by the State Board of Education as of January 1993, but which projects had not yet obtained voter approval by September 17, 1996, shall be subject to all provisions of Chapter 3318. of the Revised Code in effect prior to September 17, 1996, except that the provisions of division (B) of section 3318.05 of the Revised Code, as that section existed after September 17, 1996, shall apply to those projects with respect to the disposition of the half mill levy required by that section.

SECTION 5. SFC SCHOOL FACILITIES COMMISSION

General Revenue Fund

GRF 230-428	Lease Rental Payments	\$	21,780,000	\$	36,030,000
TOTAL GRF General Revenue Fund		\$	21,780,000	\$	36,030,000

State Special Revenue Fund

5E3 230-644 Operating Expenses	\$	2,000,000	\$	2,400,000
Total SSR State Special Revenue Fund Group	\$	2,000,000	\$	2,400,000
TOTAL ALL BUDGET FUND GROUPS	\$	23,780,000	\$	38,430,000

Operating Expenses

The foregoing appropriation item 230-644, Operating Expenses, shall be used by the Ohio School Facilities Commission to carry out its responsibilities pursuant to this section and Chapter 3318. of the Revised Code.

There is hereby created in the state treasury the Ohio School Facilities Commission Fund (Fund 5E3). The fund shall consist of transfers of moneys authorized by the General Assembly, grants and other revenues described in division (D) of section 3318.31 of the Revised Code, and investment earnings of the fund. Moneys credited to the fund may be used by the commission for staffing and other administrative expenses, to conduct evaluations of school facilities, to prepare building design specifications, to provide project management services, and for any other purposes deemed necessary by the commission consistent with Chapter 3318. of the Revised Code.

Within 10 days of the effective date of this section, the Director of Budget and Management shall transfer up to \$2,000,000 by intrastate transfer voucher from the School Facilities Commission's appropriation item 230-428, Lease Rental Payments, to the Ohio School Facilities Commission Fund (Fund 5E3). In fiscal year 1999, by July 10, 1998, the Director of Budget and Management shall transfer up to \$2,400,000 by intrastate transfer voucher from the School Facilities Commission's line item 230-428 Lease Rental Payments to the Ohio School Facilities Commission Fund (Fund 5E3). Investment earnings to the School Building Assistance Fund (Fund 032) in excess of the amounts required to meet estimated federal arbitrage rebate requirements may be transferred at the request of the Ohio School Facilities Commission by the Director of Budget and Management to the Ohio School Facilities Commission Fund (Fund 5E3). Investment earnings to the Public School Building Fund (Fund 021) and repayments to the Public School Building Fund (Fund 021) made pursuant to Chapter 3318. of the Revised Code may be transferred at the request of the Ohio School Facilities Commission by the Director of Budget and Management to the Ohio School Facilities Commission Fund (Fund 5E3).

Lease Rental Payments

After the transfers described in this section under the heading, "Operating Expenses" are made, the remaining appropriation shall be used by the School Facilities Commission to meet all payments at the times

ired to be made during the period from July 1, 1997, to June 30, 1999, to pay bond service charges on obligations issued pursuant to Chapter 3318. of the Revised Code.

SECTION 6.

Debt Service Appropriations

General revenue appropriations to the School Facilities Commission include \$21,780,000 in fiscal year 1998 and \$36,030,000 in fiscal year 1999 for appropriation item 230-428, Lease Rental Payments.

Of the \$699,417,200 in fiscal year 1998 and \$702,623,028 in fiscal year 1999 that is estimated to be transferred from the State Lottery Fund to the Lottery Profits Education Fund, up to \$21,280,000 in fiscal year 1998 and \$31,530,000 in fiscal year 1999 shall first be transferred from the Lottery Profits Education Fund to the General Revenue Fund for reimbursement of funds spent under appropriation item 230-428, Lease Rental Payments. These funds shall then be transferred by the Director of Budget and Management to the School Building Program Bond Service Fund pursuant to section 3770.06 of the Revised Code.

SECTION 7. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the School Building Program Assistance Fund (Fund 032). Revenues to the School Building Program Assistance Fund shall consist of proceeds of obligations authorized to pay costs of capital facilities as defined in section 3318.21 of the Revised Code.

Appropriations

SFC SCHOOL FACILITIES COMMISSION

CAP-737	School Building Program Assistance	\$	300,000,000
Total		\$	300,000,000
School			
Facilities			
Commission			

School Building Assistance

Of the foregoing appropriation item CAP-737, School Building Program Assistance, up to \$200,000,000 shall be used by the Ohio School Facilities Commission to provide funds to schools that receive conditional approval by the Ohio School Facilities Commission pursuant to Chapter 3318. of the Revised Code.

Up to \$50,000,000 of that amount shall be used by the Ohio School Facilities Commission to administer the Emergency School Building Repair

Program, pursuant to section 3318.35 of the Revised Code.

Of the foregoing appropriation item CAP-737, School Building Program Assistance, notwithstanding Chapter 3318. of the Revised Code, up to \$100,000,000 shall be used by the Ohio School Facilities Commission to provide funds to the big eight school districts to be used for major renovations and repairs of school facilities. Funds shall be allocated to the school districts on a per pupil basis, based on fiscal year 1997 total average daily membership as defined in section 3317.03 of the Revised Code. To be eligible to receive these funds, each school district shall:

(1) Provide a 100 per cent match from funds that are approved by the Ohio School Facilities Commission;

(2) Develop and submit a capital renovations plan for the use of state and local funds subject to approval by the Ohio School Facilities Commission.

As used in this section, "big eight school district" means a school district that for fiscal year 1997 had a percentage of children residing in the district and receiving Aid to Dependent Children greater than thirty per cent, as reported pursuant to section 3317.10 of the Revised Code, and had an average daily membership greater than twelve thousand, as reported pursuant to division (A) of section 3317.03 of the Revised Code.

SECTION 8. The Treasurer of State is hereby authorized to issue and sell, in accordance with the provisions of Section 2i of Article VIII, Ohio Constitution, and section 3318.26 of the Revised Code, original obligations in an aggregate principal amount not to exceed \$300,000,000 in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued to provide funds appropriated in this act for the School Building Program Assistance Fund for the Ohio School Facilities Commission to distribute pursuant to Chapter 3318. of the Revised Code, the owners or holders of which shall have no right to have excises or taxes levied by the General Assembly for the payment of principal or interest thereon.

SECTION 9. Except as otherwise specifically provided in this act, the codified and uncodified sections of law contained in this act, and the items of law of which the codified and uncodified sections of law contained in this act are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the codified and uncodified sections of law contained in this act, and the

items of law of which the codified and uncodified sections of law contained in this act are composed, except as otherwise specifically provided in this act, go into immediate effect when this act becomes law.

SECTION 10. Section 4115.04 of the Revised Code, as amended within the purview of Sections 1 and 2 of this act, is subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, this section takes effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against this section, the section, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 11. Section 4115.04 of the Revised Code is presented in this act as a composite of the section as amended by both Sub. H.B. 167 and Am. Sub. S.B. 162 of the 121st General Assembly, with the new language of neither of the acts shown in capital letters. This is in recognition of the principle stated in division (B) of section 1.52 of the Revised Code that such amendments are to be harmonized where not substantively irreconcilable and constitutes a legislative finding that such is the resulting version in effect prior to the effective date of this act.

SECTION 12. The Ohio School Facilities Commission shall establish specifications for plans and materials for classroom facilities to be constructed under Chapter 3318. of the Revised Code, as required by section 3318.091 of the Revised Code, not later than October 31, 1997.

SECTION 13. During the five-year period that begins on the effective date of this section, the Legislative Budget Office of the Legislative Service Commission shall monitor and study the effects of the prevailing wage exemption created by the amendment in Section 1 of this act to section 4115.04 of the Revised Code. In the study, the Legislative Budget Office shall evaluate the following:

- (A) The amount of money saved by school districts and educational service centers due to the exemption;
- (B) The impact of the exemption on the quality of public school building construction in this state;
- (C) The impact of the exemption on the wages of construction employees working on the construction of public school buildings in this

state;

(D) Other subjects as determined by the Legislative Budget Office.

Not later than five years after the effective date of this section, the Legislative Budget Office shall submit a report on its study to the Speaker and Minority Leader of the House of Representatives and the President and Minority Leader of the Senate.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ___ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____