

AN ACT

To amend sections 133.06, 3317.012, 3318.01, 3318.011, 3318.021, 3318.03, 3318.032, 3318.04, 3318.05, 3318.06, 3318.08, 3318.11, 3318.13, 3318.14, 3318.15, 3318.31, and 3318.36; to enact sections 3318.022, 3318.033, 3318.035, 3318.052, 3318.055, 3318.061, 3318.084, 3318.085, 3318.311, 3318.351, 3318.361, 3318.362, 3318.37, and 3318.38; and to repeal section 3318.18 of the Revised Code and to amend Sections 10 and 10.02 of Am. Sub. H.B. 282 of the 123rd General Assembly to accelerate by one year the appointment of a committee to examine the cost of an adequate education, to permit any school district to participate in the School Building Assistance Expedited Local Partnership Program, to codify the program to set aside classroom facilities assistance moneys for low wealth school districts with exceptional needs, to require the Ohio School Facilities Commission to propose a program to provide classroom facilities assistance moneys to joint vocational school districts, to establish a program to provide classroom facilities assistance moneys to school districts that have suffered natural disasters, to authorize accelerated service under the Classroom Facilities Assistance Program to big-eight school districts, to authorize alternative methods for school districts to generate their respective shares of projects under the Classroom Facilities Assistance Program, to permit the Treasurer of State to enter into an agreement with two or more school districts to pool the bonds issued by those school districts to pay their portion

of projects under state classroom facilities assistance programs, to make other changes to the Classroom Facilities Assistance Program, and to make an appropriation.

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

SECTION 1. That sections 133.06, 3317.012, 3318.01, 3318.011, 3318.021, 3318.03, 3318.032, 3318.04, 3318.05, 3318.06, 3318.08, 3318.11, 3318.13, 3318.14, 3318.15, 3318.31, and 3318.36 be amended and sections 3318.022, 3318.033, 3318.035, 3318.052, 3318.055, 3318.061, 3318.084, 3318.085, 3318.311, 3318.351, 3318.361, 3318.362, 3318.37, and 3318.38 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, or as prescribed in section 3318.052 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 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 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 fifteen years, the board may submit to the 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 commission determines that the board's findings are reasonable, it shall approve the board's request. Upon receipt of the 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, 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 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 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 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 payments made under or pursuant to agreements entered into pursuant to section 725.02, 1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, or 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. 3317.012. (A) The general assembly, having analyzed school

district expenditure and cost data for fiscal year 1996, performed the calculation described in division (B) of this section, and adjusted the results for inflation, hereby determines that the base cost of an adequate education per pupil for the fiscal year beginning July 1, 1998, is \$4,063. For the five following fiscal years, the base cost per pupil for each of those years, reflecting an annual rate of inflation of two and eight-tenths per cent, is \$4,177 for fiscal year 2000, \$4,294 for fiscal year 2001, \$4,414 for fiscal year 2002, \$4,538 for fiscal year 2003, and \$4,665 for fiscal year 2004.

(B) In determining the base cost stated in division (A) of this section, capital and debt costs, costs paid for by federal funds, and costs covered by funds provided pursuant to sections 3317.023 and 3317.024 of the Revised Code as they existed prior to July 1, 1998, for disadvantaged pupil impact aid and transportation were excluded, as were the effects on the districts' state funds of the application of the cost-of-doing-business factors, assuming an eighteen per cent variance.

The base cost for fiscal year 1996 was calculated as the unweighted average cost per student, on a school district basis, of educating students who were not receiving vocational education or services pursuant to Chapter 3323. of the Revised Code and who were enrolled in a city, exempted village, or local school district that in fiscal year 1994 met all of the following criteria:

(1) The district met at least all but one of the following performance standards:

(a) A three per cent or lower dropout rate;

(b) At least seventy-five per cent of fourth graders proficient on the mathematics test prescribed under division (A)(1) of section 3301.0710 of the Revised Code;

(c) At least seventy-five per cent of fourth graders proficient on the reading test prescribed under division (A)(1) of section 3301.0710 of the Revised Code;

(d) At least seventy-five per cent of fourth graders proficient on the writing test prescribed under division (A)(1) of section 3301.0710 of the Revised Code;

(e) At least seventy-five per cent of fourth graders proficient on the citizenship test prescribed under division (A)(1) of section 3301.0710 of the Revised Code;

(f) At least seventy-five per cent of ninth graders proficient on the mathematics test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(g) At least seventy-five per cent of ninth graders proficient on the

reading test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(h) At least seventy-five per cent of ninth graders proficient on the writing test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(i) At least seventy-five per cent of ninth graders proficient on the citizenship test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(j) At least eighty-five per cent of tenth graders proficient on the mathematics test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(k) At least eighty-five per cent of tenth graders proficient on the reading test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(l) At least eighty-five per cent of tenth graders proficient on the writing test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(m) At least eighty-five per cent of tenth graders proficient on the citizenship test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(n) At least sixty per cent of twelfth graders proficient on the mathematics test prescribed under division (A)(3) of section 3301.0710 of the Revised Code;

(o) At least sixty per cent of twelfth graders proficient on the reading test prescribed under division (A)(3) of section 3301.0710 of the Revised Code;

(p) At least sixty per cent of twelfth graders proficient on the writing test prescribed under division (A)(3) of section 3301.0710 of the Revised Code;

(q) At least sixty per cent of twelfth graders proficient on the citizenship test prescribed under division (A)(3) of section 3301.0710 of the Revised Code;

(r) An attendance rate for the year of at least ninety-three per cent as defined in section 3302.01 of the Revised Code.

(2) The district was not among the ten per cent of all districts with the highest income factors, as defined in section 3317.02 of the Revised Code, nor among the ten per cent of all districts with the lowest income factors.

(3) The district was not among the five per cent of all districts with the highest valuation per pupil in ADM, as reported under division (A) of section 3317.03 of the Revised Code as it existed prior to July 1, 1998, nor

among the five per cent of all districts with the lowest valuation per pupil.

(C) In July of ~~2004~~ 2000, and in July of every six years thereafter, the speaker of the house of representatives and the president of the senate shall each appoint three members to a committee to reexamine the cost of an adequate education. No more than two members from any political party shall represent each house. The director of budget and management and the superintendent of public instruction shall serve as nonvoting ex officio members of the committee.

The committee shall select a rational methodology for calculating the costs of an adequate education system for the ensuing six-year period, and shall report the methodology and the resulting costs to the general assembly. In performing its function, the committee is not bound by any method used by previous general assemblies to examine and calculate costs and instead may utilize any rational method it deems suitable and reasonable given the educational needs and requirements of the state at that time.

The methodology for determining the cost of an adequate education system shall take into account the basic educational costs that all districts incur in educating regular students, the unique needs of special categories of students, and significant special conditions encountered by certain classifications of school districts.

Any committee appointed pursuant to this section shall make its report to the office of budget and management and the general assembly within ~~one year~~ six months of its appointment so that the information is available for use by the office and the general assembly in preparing the next biennial appropriations act.

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

(A) "Ohio school facilities commission" means the commission created pursuant to 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. "Classroom facilities" includes any space necessary for the operation of a vocational education program in any school district that operates such a program.

(C) "Project" means a project to construct or acquire classroom facilities, or to reconstruct or make additions to 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, 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 districts in the first percentile, five per cent of the district's valuation for the year preceding the year in which the controlling board approved the project under section 3318.04 of the Revised Code.

(2) In the case of districts ranked in a subsequent percentile, five per cent of the district's valuation for the year preceding the year in which the controlling board approved the project under section 3318.04 of the Revised Code, plus [two one-hundredths of one per cent multiplied by (the percentile in which the district ranks minus one)].

(K) "Required percentage of the basic project costs" means 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 rules adopted under section 111.15 of the Revised Code by the 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.

"Basic project cost" also includes the value of classroom facilities authorized in a pre-existing bond issue as described in section 3318.033 of the Revised Code.

(M) A "school district's portion of the basic project cost" means the amount determined under section 3318.032 of the Revised Code.

(N) "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.

(O) "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.

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

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

(R) "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.

(S) "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 following formula:

The district's valuation per pupil -

[\$30,000 X (1 - the district's income factor)].

For purposes of this calculation:

(1) "Valuation per pupil" for a district means its average taxable value, divided by its formula ADM reported under section 3317.03 of the Revised Code for the previous fiscal year.

(2) "Average taxable value" means the average of the amounts certified for a district in the second, third, and fourth preceding fiscal years under divisions (A)(1) and (2) of section 3317.021 of the Revised Code.

(3) "Income factor" has the same meaning as in section 3317.02 of the Revised Code.

(B) Calculate for each district the three-year average of the adjusted valuation valuations per pupil of each city, local, and exempted village school ~~calculated for the district for the current and two preceding three~~ fiscal years;

(C) Rank all such districts in order of adjusted valuation per pupil from the district with the lowest three-year average adjusted valuation per pupil to the district with the highest three-year average adjusted valuation per pupil;

(D) Divide such ranking into percentiles with the first percentile containing the one per cent of school districts having the lowest three-year average adjusted valuations per pupil and the one-hundredth percentile containing the one per cent of school districts having the highest three-year average adjusted valuations per pupil;

(E) Determine the school districts that have three-year average adjusted valuations per pupil that are greater than the median three-year average adjusted valuation per pupil for all school districts in the state;

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

Sec. 3318.021. Notwithstanding section 3318.02 of the Revised Code, the Ohio school facilities commission ~~annually~~ may conduct on-site visits to ~~no more than five school districts in the twentieth to fortieth percentiles as determined under section 3318.011 of the Revised Code, if a~~ any school district whose district board adopts a resolution certifying to the commission the board's intent to participate in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code.

Sec. 3318.022. Notwithstanding anything to the contrary in section 3318.02 of the Revised Code, within two years following the request of the school district, the Ohio school facilities commission shall assess the current conditions of the classroom facilities needs of any school district that is not yet eligible for state assistance under Chapter 3318. of the Revised Code and that requests such an assessment. The assessment made under this section

shall not include a final agreement between the school district and the commission as to the basic project cost of the school district's classroom facilities needs. The commission shall not consider any request for an assessment under this section that is submitted sooner than the effective date of this section.

Sec. 3318.03. ~~Upon~~ BEFORE CONDUCTING an ON-SITE EVALUATION of a school district UNDER SECTION 3318.02 of the Revised Code, at the request of the district board of education, THE OHIO SCHOOL FACILITIES COMMISSION SHALL EXAMINE ANY CLASSROOM FACILITIES NEEDS ASSESSMENT that has been CONDUCTED by the district AND ANY MASTER PLAN DEVELOPED for meeting the facility needs of the district.

Upon conducting the on-site evaluation under section 3318.02 of the Revised Code, the Ohio school facilities commission shall make a determination of all of the following:

(A) The needs of the school district for additional classroom facilities;

(B) The number of classroom facilities to be included in a project, including classroom facilities authorized by a bond issue described in section 3318.033 of the Revised Code, and the basic project cost of constructing, acquiring, reconstructing, or making additions to each such facility;

(C) 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, including bonds authorized by the district's electors as described in section 3318.033 of the Revised Code, and by the issuance of bonds under section 3318.05 of the Revised Code;

(D) The remaining amount of such cost that shall be supplied by the state;

(E) If the state's portion of the basic project cost exceeds ~~forty~~ twenty-five million dollars, the amount of the state's portion to be encumbered in accordance with section 3318.11 of the Revised Code in the current and subsequent fiscal bienniums from funds appropriated for purposes of sections 3318.01 to 3318.20 of the Revised Code.

The commission shall make a 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, sparsity 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. 3318.032. (A) The portion of the basic project cost supplied by the school district shall be the greater of:

~~(A)~~(1) The required percentage of the basic project costs, determined based on the district's percentile ranking at the time the controlling board approved the project under section 3318.04 of the Revised Code;

~~(B)~~(2) An amount necessary to raise the school district's net bonded indebtedness, as of the date the controlling board approved the project, to within five thousand dollars of the required level of indebtedness.

(B) The amount of the district's share determined under this section shall be calculated only as of the date the controlling board approved the project, and that amount applies throughout the one-year period permitted under section 3318.05 of the Revised Code for the district's electors to approve the propositions described in that section. If the amount reserved and encumbered for a project is released because the electors do not approve those propositions within that year, and the school district later receives the controlling board's approval for the project, the district's portion shall be recalculated in accordance with this section as of the date of the controlling board's subsequent approval.

(C) Notwithstanding anything to the contrary in division (A) or (B) of this section, at no time shall a school district's portion of the basic project cost be greater than ninety-five per cent of the total basic project cost.

Sec. 3318.033. If the electors of a school district have approved the issuance of bonds for the acquisition of classroom facilities within eighteen months prior to the school district board's receipt of a notification by the Ohio school facilities commission that the school district is eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code, and if the classroom facilities supported by that bond measure comply with the commission's design specifications for a project under sections 3318.01 to 3318.20 of the Revised Code, the commission shall include the value of those classroom facilities in the basic project cost of the school district's project determined under section 3318.03 of the Revised Code and shall deduct the amount of the bonds authorized in that bond measure from the amount of the school district's portion of the basic project cost as determined under section 3318.032 of the Revised Code.

A school district board may combine the credit for previously issued bonds authorized under this section along with any local donated contribution, as described under section 3318.084 of the Revised Code, in meeting the school district's obligation to raise its portion of the basic project cost of its classroom facilities project under sections 3318.01 to 3318.20 of the Revised Code.

Sec. 3318.035. (A) This section applies only if there is a change in the assessment rates on gas pipelines imposed under state law.

(B) If at any time division (A) of this section applies and if the change in assessment rates described in that division affects a school district's valuation as determined under division (P) of section 3318.01 of the Revised Code by greater than ten per cent and if the Ohio school facilities commission had determined the state and school district portion of the basic project cost of such a district's project under section 3318.36 of the Revised Code prior to that change in valuation, the Commission shall adjust the state and school district portions of the basic project cost of the school district's project using the valuation altered by the change in assessment rates described in division (A) of this section.

Sec. 3318.04. (A) If the Ohio school facilities commission makes a determination under section 3318.03 of the Revised Code in favor of constructing, acquiring, reconstructing, or making additions to a classroom facility, the project shall be conditionally approved. Such conditional approval shall be submitted to the controlling board for approval thereof. The controlling board shall forthwith approve or reject the commission's determination, conditional approval, the amount of the state's portion of the basic project cost, and, if the state's portion exceeds ~~forty~~ twenty-five million dollars, the amount of the state's portion to be encumbered in the current fiscal biennium. In the event of approval thereof by the controlling board, the commission shall certify such conditional approval to the school district board and shall encumber from the total funds appropriated for the purpose of sections 3318.01 to 3318.20 of the Revised Code the amount of the state's portion of the basic project cost or, if the state's portion exceeds ~~forty~~ twenty-five million dollars, the amount approved under this section to be encumbered in the current fiscal biennium.

The basic project cost for a project approved under this section shall not exceed the cost that would otherwise have to be incurred if the classroom facilities to be constructed, acquired, or reconstructed, or the additions to be made to classroom facilities, under such project meet, but do not exceed, the specifications for plans and materials for classroom facilities adopted by the commission.

(B)(1) 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~~ school district has already received any assistance for 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~~ twenty years pursuant to any version of section 3318.06 of the Revised Code for purposes of qualifying for the funding of that project, unless the district demonstrates to the satisfaction of the commission that the district has experienced since approval of its prior project an exceptional increase in enrollment significantly above the district's design capacity under that prior project as determined by rule of the commission.

(2) Notwithstanding division (B)(1) of this section, any school district that received assistance under sections 3318.01 to 3318.20 of the Revised Code, as those sections existed prior to May 20, 1997, may receive additional assistance under those sections, as they exist on and after May 20, 1997, prior to the expiration of the period of time required under division (B)(1) of this section, if the percentile in which the school district is located, as determined under section 3318.011 of the Revised Code, is eligible for assistance as prescribed in section 3318.02 of the Revised Code.

The commission may provide assistance under sections 3318.01 to 3318.20 of the Revised Code pursuant to this division to no more than five school districts per fiscal year until all eligible school districts have received the additional assistance authorized under this division. The commission shall establish application procedures, deadlines, and priorities for funding projects under this division.

The commission at its discretion may waive current design specifications it has adopted for projects under sections 3318.01 to 3318.20 of the Revised Code when assessing an application for additional assistance under this division for the renovation of classroom facilities constructed or renovated under a school district's previous project. If the commission finds that a school district's existing classroom facilities are adequate to meet all of the school district's needs, the commission may determine that no additional state assistance be awarded to a school district under this division.

In order for a school district to be eligible to receive any additional assistance under this division, the school district electors shall extend the school district's existing levy dedicated for maintenance of classroom facilities under Chapter 3318. of the Revised Code, pursuant to section 3318.061 of the Revised Code or shall provide equivalent alternative

maintenance funds as specified in division (B) of section 3318.06 of the Revised Code.

Sec. 3318.05. The conditional approval of the 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 and the electors of the school district vote favorably on both of the propositions described in divisions (A) and (B) of this section within one year of the date of such certification, except that a school district described in division (C) of this section does not need to submit the proposition described in division (B) of this section. The propositions described in divisions (A) and (B) of this section shall be combined in a single proposal. 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 an amount equal to the school district's portion of the basic project cost less any deduction made under section 3318.033 of the Revised Code; 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 three-year average adjusted valuation per pupil is greater than the state-wide median three-year average 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 paid to the state.~~ Such tax shall be at the rate of not less than one-half mill for each dollar of valuation ~~until it generates an amount not to exceed the amount of the project cost supplied by the state, but in no case longer than for a period of twenty-three years, subject to any extension approved under section 3318.061 of the Revised Code.~~

(C) If a school district has in place a tax levied under section 5705.21 of the Revised Code for general ongoing permanent improvements of at least two mills for each dollar of valuation and the proceeds of such tax can be used for maintenance, the school district need not levy the additional tax required under division (B) of this section, provided the school district board includes in the agreement entered into under section 3318.08 of the Revised Code provisions earmarking an amount from the proceeds of that permanent improvement tax for maintenance of classroom facilities ~~or for payments to~~

~~the state~~ equivalent to the amount of the additional tax and for the equivalent number of years otherwise required under this section.

(D) Proceeds of the tax to be used for maintenance of the classroom facilities under either division (B) or (C) of this section shall be deposited into a separate fund established by the school district for such purpose.

Sec. 3318.052. Notwithstanding any provision of divisions (A), (B), and (C) of section 3318.05 of the Revised Code to the contrary, By resolution adopted by a majority of all its members, a school district board may opt to apply the proceeds of tax levied under section 5705.21 of the Revised Code for general ongoing permanent improvements or the proceeds of school district income tax levied under Chapter 5748. of the Revised Code, or proceeds from a combination of those two taxes, if the proceeds of such levies may lawfully be used for general construction, renovation, repair, or maintenance of classroom facilities, in lieu of all or part of the bonds and tax levies otherwise required under divisions (A), (B), and (C) of section 3318.05 of the Revised Code, to leverage bonds adequate to pay all or part of the school district portion of a project under sections 3318.01 to 3318.20 of the Revised Code or to generate an amount equivalent to all or part of the proceeds of the tax required under division (B) of section 3318.05 of the Revised Code to be used for maintenance of classroom facilities constructed, renovated, or repaired under such project. A school district undertaking a project under sections 3318.01 to 3318.20 of the Revised Code and opting to apply the proceeds of the tax levies pursuant to this section shall be subject to all other provisions of divisions (A), (B), and (C) of section 3318.05 of the Revised Code and the requirement for a separate maintenance fund under division (D) of section 3318.05 of the Revised Code. Bonds issued under this section shall be Chapter 133. securities, but the issuance of the bonds shall not be subject to a vote of the electors of the school district as long as the tax levies earmarked for payment of the service charges on the bonds may lawfully be used for that purpose.

No state moneys shall be released for a project to which this section applies until the proceeds of any bonds issued under this section that are dedicated for the payment of the school district portion of a project are first deposited into the school district's project construction fund.

Sec. 3318.055. Notwithstanding any provision to the contrary in sections 3318.05, 3318.06, 3318.061, 3318.08, 3318.36, 3318.361, and 3318.38 of the Revised Code, if the amount of money that would be raised in a school district by the twenty-three year maintenance tax specified in those sections during the first twelve-month period of its collection, as estimated by the department of taxation, would be less than ten per cent of

the amount of money that the school district was required to deposit into its capital and maintenance fund during the most recent fiscal year under section 3315.18 of the Revised Code, the school district shall not be required to include such maintenance tax on a ballot proposal, as otherwise required under sections 3318.05, 3318.06, 3318.061, 3318.08, 3318.36, 3318.361, and 3318.38 of the Revised Code.

Sec. 3318.06. After receipt of the conditional approval of the 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 by issuing bonds in an amount equal to the school district's portion of the basic project cost, including bonds previously authorized by the district's electors as described in section 3318.033 of the Revised Code, the district is unable to provide adequate classroom facilities without assistance from the state;

(B) ~~That~~ Unless the school district board has resolved to apply the proceeds of a property tax or the proceeds of an income tax, or a combination of proceeds from such taxes, as authorized under section 3318.052 of the Revised Code, that to qualify for such state assistance it is necessary to do either of the following:

(1) 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 three-year average adjusted valuation per pupil is greater than the statewide median three-year average 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 paid to the state;~~

(2) Earmark for maintenance of classroom facilities ~~or for payments to the state~~ from the proceeds of an existing permanent improvement tax levied under section 5705.21 of the Revised Code, if such tax is of at least two mills for each dollar of valuation and can be used for maintenance, an amount equivalent to the amount of the additional tax otherwise required under this section and sections 3318.05 and 3318.08 of the Revised Code.

(C) That the question of any tax levy specified in a resolution described in division (B)(1) of this section, if required, 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

ution and which shall be in accordance with the requirements of section 3501.01 of the Revised Code.

Such resolution shall also state 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 not less than one-half mill for each one dollar of valuation, and that such tax shall be levied ~~until it generates an amount not to exceed the amount of the project cost supplied by the state, but in no case longer than~~ for a period of 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 three-year average adjusted valuation per pupil is greater than the statewide median three-year average 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 paid to the state.~~

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.

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 an amount equal to the school district's portion of the basic project cost, and state 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 not less than one-half mill for each one dollar of valuation, ~~that the levy shall be made until it generates an amount not to exceed the amount of the project cost supplied by the state, but in no case longer than~~ for a period of 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 three-year average adjusted valuation per pupil is greater than the statewide median three-year average 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 paid to the state.~~

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 (here insert name of school district) school district to pay the local share of school construction under the State of Ohio Classroom Facilities Assistance Program in the principal amount of (here insert principal amount of the bond issue), to be repaid annually over a maximum period of (here insert the 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 (here insert the number of mills estimated) mills for each one dollar of tax valuation, which amounts to (rate expressed in cents or dollars and cents, such as "thirty-six cents" or "\$0.36") for each one hundred dollars of tax valuation to pay the annual debt charges on the bonds and to pay debt charges on any notes issued in anticipation of the bonds?"

and, unless the additional levy of taxes is not required pursuant to division (C) of section 3318.05 of the Revised Code,

"Shall an additional levy of taxes be made for a period ~~not to exceed~~ of twenty-three years to benefit the (here insert name of school district) 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 three year average adjusted valuation per pupil is greater than the statewide median three year average 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 paid to the state,~~ at the rate of (here insert the number of mills, which shall not be less than one-half mill) mills for each one dollar of valuation?"

FOR THE BOND ISSUE AND TAX LEVY

AGAINST THE BOND ISSUE AND 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 (here insert name of the school district) school district to pay costs of acquiring a site for classroom facilities under the State of Ohio Classroom Facilities Assistance Program in the principal amount of (here insert principal amount of the bond issue), to be repaid annually over a maximum period of (here insert 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 (here insert number of mills) mills for each one dollar of tax valuation, which amount to (here insert rate expressed in cents or dollars and cents, such as "thirty-six cents" or "\$0.36") for each one hundred dollars of valuation to pay the annual debt charges on the bonds and to pay debt charges on any notes issued in anticipation of the bonds?"

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

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."

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. 3318.061. This section applies only to school districts eligible to receive additional assistance under division (B)(2) of section 3318.04 of the Revised Code and to big eight districts segmenting projects under section 3318.38 of the Revised Code.

The board of education of a school district in which a tax described by division (B) of section 3318.05 and levied under section 3318.06 of the Revised Code is in effect, may adopt a resolution by vote of a majority of its members to extend the term of that tax beyond the expiration of that tax as originally APPROVED under that section. the school district board may include in the resolution a proposal to extend the term of that TAX at the rate of not less than one-half mill for each dollar of valuation for a period of twenty-three years from the year in which the school district board and the Ohio school facilities commission enter into an agreement under division (b)(2) of section 3318.04 of the Revised Code or in the following year, as specified in the resolution or, as applicable in the case of a district segmenting a project under section 3318.38 of the Revised Code, from the year in which the last segment is undertaken. Such a resolution may be adopted at any time before such an agreement is entered into and before the tax levied pursuant to section 3318.06 of the Revised Code expires. If the resolution is combined with a resolution to issue bonds to pay the school district's portion of the basic project cost, it shall conform with the requirements of divisions (A), (B), and (C) of section 3318.06 of the Revised Code, except that the resolution also shall state that the tax levy proposed in the resolution is an extension of an existing tax levied under that section. A resolution proposing an extension adopted under this section does not take effect until it is approved by a majority of electors voting in favor of the resolution at a general, primary, or special election as provided in this section.

A tax levy extended under this section is subject to the same terms and limitations to which the original tax levied under section 3318.06 of the Revised Code is subject under that section, except the term of the extension shall be as specified in this section.

The school district board shall certify a copy of the resolution adopted under this section to the proper county board of elections not later than seventy-five days before the date set in the resolution as the date of the election at which the question will be submitted to electors. The notice of the election shall conform with the requirements of division (C) of section 3318.06 of the Revised Code, except that the notice also shall state that the maintenance tax levy is an extension of an existing tax levy.

The form of the ballot shall be as follows:

"Shall the existing tax levied to pay the cost of maintaining classroom facilities constructed with the proceeds of the previously issued bonds at the rate of (here insert the number of mills, which shall not be less than one-half mill) mills per dollar of tax valuation, be extended UNTIL (HERE INSERT THE YEAR THAT IS TWENTY-THREE YEARS AFTER THE YEAR IN WHICH THE DISTRICT AND COMMISSION WILL ENTER INTO AN AGREEMENT UNDER DIVISION (B)(2) OF SECTION 3318.04 OF THE REVISED CODE OR THE FOLLOWING YEAR)?

FOR EXTENDING THE EXISTING TAX LEVY
AGAINST EXTENDING THE EXISTING TAX LEVY
"

Section 3318.07 of the Revised Code applies to ballot questions under this section.

Sec. 3318.08. If the requisite favorable vote on the election is obtained, or if the school district board has resolved to apply the proceeds of a property tax levy or the proceeds of an income tax, or a combination of proceeds from such taxes, as authorized in section 3318.052 of the Revised Code, the Ohio school facilities commission, upon certification to it of either the results of the election ~~to it~~ or the resolution under section 3318.052 of the Revised Code, 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 an amount equal to the school district's portion of the basic project cost, including any bonds previously authorized by the district's electors as described in section 3318.033 of the Revised Code; 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 the year in which the controlling board approved the project, 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 of the date of the controlling board's approval 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 controlling board approved the project, 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 the school district's portion of the basic project cost. 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 bonded 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 controlling board approved the project. Should there be a decrease in the tax valuation of the school district so that the amount of indebtedness that can be incurred on the tax duplicates for the year in which the controlling board approved the project is less than the amount of the first installment of bond anticipation notes, there shall be paid from the school district's project construction fund to the school district's bond retirement fund to be applied against such notes an amount sufficient to cause the net bonded indebtedness of the school district, as of the first day of the year following the year in which the controlling board approved the project, to be within five thousand dollars of the required level of indebtedness for the year in which the controlling board approved the project. The maximum amount of indebtedness to be incurred by any school district board as its share of the cost of the project is either an amount that will cause its net bonded indebtedness, as of the first day of the year following the year in which the controlling board approved the project, to be within five thousand dollars of

the required level of indebtedness, 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)(1) 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 fund;

(2) If section 3318.052 of the Revised Code applies, the earmarking of the proceeds of a tax levied under section 5705.21 of the Revised Code for general ongoing permanent improvements or the proceeds of a school district income tax levied under Chapter 5748. of the Revised Code, or the proceeds from a combination of those two taxes, in an amount to pay all or part of the service charges on bonds issued to pay the school district portion of the project and an amount equivalent to all or part of the tax required under division (B) of section 3318.05 of the Revised Code.

(C) ~~Either~~ If section 3318.052 of the Revised Code does not apply, either of the following:

(1) The levy of the tax authorized at the election for the payment of maintenance costs ~~or payments to the state~~, as specified in division (B) of section 3318.05 of the Revised Code;

(2) If the school district electors have approved a continuing tax of at least two mills for each dollar of valuation for general ongoing permanent improvements under section 5705.21 of the Revised Code and that tax can be used for maintenance, the earmarking of an amount of the proceeds from such tax for maintenance of classroom facilities ~~or payments to the state~~ as specified in division (B) of section 3318.05 of the Revised Code.

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

(E) Maintenance of the state's interest in the project until any obligations issued for the project under section 3318.26 of the Revised Code are no longer outstanding;

(F) The insurance of the project by the school district from the time there is an insurable interest therein and so long as the state retains any ownership or interest in the project pursuant to division (D) of this section, in such amounts and against such risks as the 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;

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

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

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

(K) Limitations upon use of the project or any part of it so long as any obligations issued to finance the project under section 3318.26 of the Revised Code are outstanding;

(L) Provision for vesting the state's interest in the project to the school district board when the obligations issued to finance the project under section 3318.26 of the Revised Code are outstanding;

(M) Provision for deposit of an executed copy of the agreement in the office of the commission;

(N) 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 fund 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 commission;

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

(P) 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, unless the school district certifies to the commission that expenditure by the school district is necessary to maintain the tax-exempt status of notes or bonds issued by the school district to pay for its share of the project cost in which case, the school district may commit to spend, or spend, a portion of the funds it provides;

(Q) A provision stipulating that the commission may prohibit the district from proceeding with any project if the commission determines that the site is not suitable for construction purposes. The commission may perform soil tests in its determination of whether a site is appropriate for construction purposes.

Sec. 3318.084. Notwithstanding anything to the contrary in Chapter 3318. of the Revised Code, A school district board may apply any local donated contribution toward the district's portion of the basic project cost of a project under sections 3318.01 to 3318.20 of the Revised Code and may use such local donated contribution to reduce the amount of bonds the district otherwise must issue in order to receive state assistance under those sections.

As used in this section, "local donated contribution" means either of the following:

(A) Any moneys irrevocably donated or granted to a school district board by a source other than the state which the board has the authority to apply to the school district's project under sections 3318.01 to 3318.20 of the Revised Code and which the board has pledged for that purpose by resolution adopted by a majority of its members;

(B) Any irrevocable letter of credit issued on behalf of a school district or any cash a school district has on hand, including any year-end operating fund balances, that can be spent for classroom facilities, either of which the school district board has encumbered for payment of the school district's share of its project under sections 3318.01 to 3318.20 of the Revised Code and either of which has been approved by the Ohio school facilities commission in consultation with the department of education.

No state moneys shall be released for a project to which this section applies until any donated local contribution authorized under this section is first deposited into the school district's project construction fund.

Sec. 3318.085. (A) As used in this section, "eligible school district" means a school district that is eligible for state assistance under Chapter 3318. of the Revised Code, and for which the amount of bond money that will be used to raise the school district's portion of the basic project cost of a classroom facilities project under that chapter is not greater than fifteen million dollars.

(B) Beginning January 1, 2001, solely for the purpose of acquiring classroom facilities under any program authorized in Chapter 3318. of the Revised Code, the boards of education of two or more eligible school districts may enter into an agreement with the Treasurer of State and a trustee selected by the Treasurer of State, which trustee shall be a bank or

trust company authorized to exercise corporate trust powers within the state. Under that agreement, the trustee shall purchase bonds that have been approved for issuance by the electors of those school districts to pay the school districts' respective portions of their projects under Chapter 3318. of the Revised Code, and the trustee shall issue and sell certificates of participation in the principal and interest payments to be paid on those bonds. The liability of any school district under the agreement shall not exceed the amount necessary to pay the principal of and interest on that school district's bonds plus that school district's share of the costs associated with the issuance of the certificates of participation. The aggregate principal amount of any issue of certificates of participation shall not be less than ten million dollars. The agreement and any certificates of participation issued in accordance with the agreement shall hold the state harmless from any liability or obligation incurred by a school district under the agreement or under the school district's bonds. The Treasurer of State may appoint or provide for the appointment of trustees, paying agents, registrars, securities depositories, clearing corporations, and transfer agents, and may without need for any other approval retain or contract for the services of underwriters, investment bankers, financial advisers, accounting experts, marketing, remarketing, indexing, and administrative agents, or other consultants and independent contractors, including providers of printing services, as are necessary in the judgment of the Treasurer of State to carry out the functions provided for in this section. Financing costs are payable, as may be provided in the proceedings authorizing the certificates of participation, from the proceeds of the obligations, from special funds, or from other participating school district moneys that are available and may lawfully be used for such purpose. Except for agreements entered into in connection with the refunding of bonds and certificates of participation therein, the Treasurer of State shall not enter into more than two agreements under this section in any fiscal year.

Sec. 3318.11. For any project for which the state's portion of the basic project cost exceeds ~~forty~~ twenty-five million dollars, the amount of state appropriations to be encumbered for the project in each fiscal biennium shall be determined by the Ohio school facilities commission based on the project's estimated construction schedule for that biennium. In each fiscal biennium subsequent to the first biennium in which state appropriations are encumbered for the project, the project has priority for state funds over projects for which initial state funding is sought.

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 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 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 Ohio school facilities commission any proceeds of the tax levy provided in section 3318.13 of the Revised Code to be paid to the state.~~

Sec. 3318.15. There is hereby created the public school building fund within the state treasury consisting of ~~all moneys received from payments to the state pursuant to division (C) of section 3318.08 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 Ohio school facilities commission to be used for the purposes of the fund. All investment earnings of the fund shall be credited to 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 for the purposes of sections 3318.01 to 3318.20 of the Revised Code. The moneys in the fund received from payments to the state pursuant to division (C) of section 3318.08 of the Revised Code shall be held in a separate account in the fund. Such moneys may be used partially for the purposes of sections 3318.01 to 3318.20 of the Revised Code and partially to pay bond

service charges as defined in division (C) of section 3318.21 of the Revised Code on obligations.

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 and section 3318.36~~ Chapter 3318. 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 and section 3318.36~~ programs authorized under Chapter 3318. 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 and section 3318.36~~ programs authorized under Chapter 3318. 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 and section 3318.36~~ programs authorized under Chapter 3318. 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 and section 3318.36~~ Chapter 3318. 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. 3318.311. Not less than six months after the effective date of this section, the Ohio school facilities commission shall present to the speaker of the house of representatives, the president of the senate, and the governor a proposal for legislation to provide classroom facilities assistance to joint vocational school districts.

Not later than six months after the effective date of this section, the commission shall establish design specifications for classroom facilities that are appropriate for joint vocational education programs. The specifications shall provide standards for appropriate pupil instruction space but shall not include standards for any vocational education furnishings or equipment that

is not comparable to, or the vocational education equivalent of, the furnishings or equipment for which assistance is available to other school districts under sections 3318.01 to 3318.20 of the Revised Code.

Sec. 3318.351. (A) As used in this section:

(1) "Classroom facilities" has the same meaning as in section 3318.01 of the Revised Code.

(2) "Emergency project" means reconstruction or renovation of or repair to any classroom facilities made necessary because of damage due to an act of God.

(3) "Eligible school district" means any school district in the first through one-hundredth percentiles as determined under section 3318.011 of the Revised Code.

(B)(1) There is hereby established the School building emergency assistance program, under which the Ohio School Facilities commission shall distribute grants to eligible school districts from moneys specifically appropriated by the General Assembly for the purposes of this section to assist in emergency projects. Any assistance under this section shall be used to pay the cost of only the portion of an emergency project that is not covered by insurance or other public or private emergency assistance received by or payable to the school district. Any damage to classroom facilities caused by age of the facilities or by lack of timely maintenance to the facilities shall not constitute damage that is subject to assistance under this section.

(2) The commission shall establish procedures and deadlines for eligible school districts to follow in applying for assistance under this section. The commission shall consider such applications on a case-by-case basis taking into account the amount of moneys available under this section.

(3) Every effort shall be made to conform an emergency project to design specifications adopted by the Commission, including minimum capacity requirements adopted under section 3318.03 of the Revised Code, unless in the judgment of the commission it is not possible to conform the project to such specifications.

Sec. 3318.36. (A) As used in this section:

(1) "Ohio school facilities commission," "classroom facilities," "school district," "school district board," "net bonded indebtedness," "required percentage of the basic project costs," "basic project cost," "valuation," and "percentile" have the same meanings as in section 3318.01 of the Revised Code.

(2) "Required level of indebtedness" means five per cent of the school district's valuation for the year preceding the year in which the commission

and school district enter into an agreement under division (B) of this section, plus [two one-hundredths of one per cent multiplied by (the percentile in which the district ranks in the fiscal year the commission and the school district enter into such agreement minus one)].

(3) "Local resources" means any moneys generated in any manner permitted for a school district board to raise the school district portion of a project undertaken with assistance under sections 3318.01 to 3318.20 of the Revised Code.

~~(B)(1) There is hereby established the school building assistance expedited local partnership program. Under the program, the Ohio school facilities commission may enter into an agreement with the school district board of any school district ranked in the twentieth to fortieth percentiles, as determined under section 3318.011 of the Revised Code in the fiscal year that the commission and school district board enter into such agreement. Under the agreement, under which the school district board may proceed with the new construction or major repairs of a part of the school district's classroom facilities needs, as determined under sections 3318.01 to 3318.20 of the Revised Code, through the expenditure of local resources prior to the school district's eligibility for state assistance under sections 3318.01 to 3318.20 of the Revised Code and may apply that expenditure toward meeting the school district's portion of the basic project cost of the total of the school district's classroom facilities needs, as determined under sections 3318.01 to 3318.20 of the Revised Code and as recalculated under division (E) of this section, that are eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code when the school district becomes eligible for such state assistance. Any school district that is reasonably expected to receive assistance under sections 3318.01 to 3318.20 of the Revised Code within two fiscal years from the date the school district adopts its resolution under division (B) of this section shall not be eligible to participate in the program.~~

~~The commission may enter into an agreement under this section with no more than five school districts each year.~~

(2) To participate in the program, a school district board shall first adopt a resolution certifying to the commission the board's intent to participate in the program.

~~The commission shall consider school districts for participation in the program under this section each year in the order in which they adopt the resolutions required under this section and submit them to the commission.~~

The resolution shall specify the approximate date that the board intends to seek elector approval of any bond or tax measures or to apply other local

resources to use to pay the cost of classroom facilities to be constructed under this section. The resolution shall not specify an election sooner than twelve months after the date the resolution is adopted by the board. The board shall submit its resolution to the Commission not later than ten days after the date the resolution is adopted by the board.

The commission shall not consider any resolution that is submitted pursuant to division (B)(2) of this section, as amended by this amendment, sooner than the effective date of this amendment.

(3) Any project under this section shall comply with section 3318.03 of the Revised Code and with any specifications for plans and materials for classroom facilities adopted by the commission under section 3318.04 of the Revised Code.

~~(C) If the commission and a school district board enter into an agreement authorized under division (B) of this section, the commission shall conduct on-site visits to the school district and shall conduct an assessment of the school district's classroom facilities needs as authorized in section 3318.021 of the Revised Code within six months of the execution of the agreement.~~ Based on the results of the on-site visits and assessment conducted under division (B)(2) of this section, the commission shall determine the basic project cost of the school district's classroom facilities needs. The commission shall determine the school district's portion of such basic project cost, which shall be the greater of:

(1) The required percentage of the basic project costs, determined based on the school district's percentile ranking in the fiscal year the commission and the school district enter into the agreement under division (B) of this section;

(2) An amount necessary to raise the school district's net bonded indebtedness, as of the fiscal year the commission and the school district enter into the agreement under division (B) of this section, to within five thousand dollars of the required level of indebtedness.

(D)(1) When the commission determines the basic project cost of the classroom facilities needs of a school district and the school district's portion of that basic project cost under division (C) of this section, the project shall be conditionally approved. Such conditional approval shall be submitted to the controlling board for approval thereof. The controlling board shall forthwith approve or reject the commission's determination, conditional approval, and the amount of the state's portion of the basic project cost; however, no state funds shall be encumbered under this section. Upon approval by the controlling board, the school district board may identify a discrete part of its classroom facilities needs, which shall include only new

construction of or additions or major repairs to a particular building, to address with local resources. Upon identifying a part of the school district's basic project cost to address with local resources, the school district board may allocate any available school district moneys to pay the cost of that identified part, including the proceeds of an issuance of bonds if approved by the electors of the school district.

All local resources utilized under this division shall first be deposited in the project construction account required under section 3318.08 of the Revised Code.

(2) ~~For~~ Unless the school district board exercises its option under division (D)(3) of this section, for a school district to qualify for participation in the program authorized under this section, the either:

(a) The electors of the school district by a majority vote shall approve the levy of taxes outside the ten-mill limitation for a period ~~not to exceed~~ of twenty-three years at the rate of not less than one-half mill for each dollar of valuation to be used to pay the cost of maintaining the classroom facilities included in the basic project cost as determined by the commission. The form of the ballot to be used to submit the question whether to approve the tax required under this division to the electors of the school district shall be the form for an additional levy of taxes prescribed in ~~division (C) of section 3318.06~~ 3318.361 of the Revised Code. ~~Proceeds of this additional levy of taxes~~

(b) As authorized under division (C) of section 3318.05 of the Revised Code, the school district board shall earmark from the proceeds of a permanent improvement tax levied under section 5705.21 of the Revised Code, an amount equivalent to the additional tax otherwise required under division (D)(2)(a) of this section for the maintenance of the classroom facilities included in the basic project cost as determined by the commission.

(3) A school district board may opt to delay levying the additional tax required under division (D)(2)(a) of this section or earmarking of the proceeds of a permanent improvement tax alternatively required under division (D)(2)(b) of this section until such time as the school district becomes eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code. In order to exercise its option under this division, the board shall certify to the commission a resolution indicating the board's intent to do so prior to entering into an agreement under division (B) of this section.

(4) If pursuant to division (D)(3) of this section a district board opts to delay levying an additional tax until the district becomes eligible for state assistance, it shall submit the question of levying that tax to the district

electors as follows:

(a) In accordance with section 3318.06 of the Revised Code if it will also be necessary pursuant to division (E) of this section to submit a proposal for approval of a bond issue;

(b) In accordance with section 3318.361 of the Revised Code if it is not necessary to also submit a proposal for approval of a bond issue pursuant to division (E) of this section.

(5) No state assistance under sections 3318.01 to 3318.20 of the Revised Code shall be released until a school district board that adopts and certifies a resolution under this division either has levied the additional tax or has earmarked the proceeds of a tax as specified in division (D) of this section.

Any amount required for maintenance under division (D)(2) of this section shall be deposited into a separate fund as specified in division (B) of section 3318.05 of the Revised Code.

(E)(1) If the school district becomes eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code based on its percentile ranking as determined under division (B) of this section, the commission shall conduct a new assessment of the school district's classroom facilities needs and shall recalculate the basic project cost based on this new assessment. The basic project cost recalculated under this division shall include the amount of expenditures made by the school district board under division (D)(1) of this section. The commission shall then recalculate the school district's portion of the new basic project cost by utilizing, which shall be the ~~proportion~~ percentage of the original basic project cost assigned to the school district as its portion under division (C) of this section. The commission shall deduct the expenditure of school district moneys made under division (D)(1) of this section from the school district's portion of the basic project cost as recalculated under this division. If the amount of school district resources applied by the school district board to the school district's portion of the basic project cost under this section is less than the total amount of such portion as recalculated under this division, the school district board by a majority vote of all of its members shall, if it desires to seek state assistance under sections 3318.01 to 3318.20 of the Revised Code, adopt a resolution as specified in section 3318.06 of the Revised Code to submit to the electors of the school district the question of approval of a bond issue in order to pay any additional amount of school district portion required for state assistance. ~~The~~ Any tax levy approved under division (D)(2) of this section ~~shall satisfy~~ satisfies the requirements to levy the ~~one-half mill~~ additional tax under section 3318.06 of the Revised Code.

(2) If the amount of school district resources applied by the school

district board to the school district's portion of the basic project cost under this section is more than the total amount of such portion as recalculated under this division, within one year after the school district's portion is recalculated under division (E)(1) of this section the commission may reimburse grant to the school district the difference between the two calculated portions, but at no time shall the commission expend any state funds on a project in an amount greater than the state's portion of the basic project cost as recalculated under this division.

Any reimbursement under this division shall be only for local resources the school district has applied toward construction cost expenditures for the classroom facilities approved by the commission, which shall not include any financing costs associated with that construction.

The school district board shall use any moneys reimbursed to the district under this division to pay off any debt service the district owes for classroom facilities constructed under its project under this section before such moneys are applied to any other purpose.

Sec. 3318.361. A school district board opting to qualify for state assistance pursuant to section 3318.36 of the Revised Code through levying the tax specified in division (D)(2)(a) or (D)(4) of that section shall declare by resolution that the question of a tax levy specified in division (D)(2)(a) or (4), as applicable, of section 3318.36 of the Revised Code 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 specify both of the following:

(A) That the rate which it is necessary to levy shall be at the rate of not less than one-half mill for each one dollar of valuation, and that such tax shall be levied for a period of twenty-three years;

(B) That the proceeds of the tax shall be used to pay the cost of maintaining the classroom facilities included in the project.

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.

Notice of the election shall include the fact that the tax levy shall be at the rate of not less than one-half mill for each one dollar of valuation for a period of 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.

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

"Shall a levy of taxes be made for a period of twenty-three years to benefit the (here insert name of school district) school district, the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project at the rate of (here insert the number of mills, which shall not be less than one-half mill) mills for each one dollar of valuation?"

FOR THE TAX LEVY

AGAINST THE TAX LEVY

"

Sec. 3318.362. This section applies only to a school district that participates in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code.

Notwithstanding the twenty-three year maximum maturity for bonds proposed to be issued by a school district board for a classroom facilities project pursuant to division (C) of section 3318.06 of the Revised Code, a school district board that enters into an agreement with the Ohio School facilities commission under division (B) of section 3318.36 of the Revised Code may propose for issuance any bonds necessary for its participation in the program under section 3318.36 of the Revised Code for a term longer than twenty-three years but not to exceed the term calculated pursuant to section 133.20 of the Revised Code. Any moneys received from the state under division (E)(2) of section 3318.36 of the Revised Code shall be applied, as agreed in writing by the school district board and the commission, to pay debt service on outstanding bonds or bond anticipation notes issued by the school district board for its participation in the expedited local partnership program, including by placing those moneys in an applicable escrow fund under division (D) of section 133.34 of the Revised Code.

Sec. 3318.37. (A) As used in this section:

(1) "Low wealth school district" means a school district in the first through fiftieth percentiles as determined under section 3318.011 of the Revised Code.

(2) A "school district with an exceptional need for immediate classroom facilities assistance" means a low wealth school district with an exceptional need for new facilities in order to protect the health and safety of all or a portion of its students. School districts reasonably expected to be eligible for

state assistance under sections 3318.01 to 3318.20 of the Revised Code within three fiscal years after assistance under this section is being considered by the Ohio school facilities commission, and school districts that participate in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code shall not be eligible for assistance under this section.

(B)(1) There is hereby established the Exceptional Needs School Facilities Assistance Program. Under the program, the Ohio School Facilities Commission may set aside from the moneys annually appropriated to it for classroom facilities assistance projects up to twenty-five per cent for assistance to school districts with exceptional needs for immediate classroom facilities assistance.

(2)(a) After consulting with education and construction experts, the commission shall adopt guidelines for identifying school districts with an exceptional need for immediate classroom facilities assistance.

(b) The guidelines shall include application forms and instructions for school districts that believe they have an exceptional need for immediate classroom facilities assistance.

(3) The commission shall evaluate the classroom facilities, and the need for replacement classroom facilities from the applications received under this section. The commission, utilizing the guidelines adopted under division (B)(2)(a) of this section, shall prioritize the school districts to be assessed.

Notwithstanding section 3318.02 of the Revised Code, the commission may conduct on-site evaluation of the school districts prioritized under this section and approve and award funds until such time as all funds set aside under division (B)(1) of this section have been encumbered under section 3318.04 of the Revised Code.

(4) Notwithstanding division (A) of section 3318.05 of the Revised Code, the school district's portion of the basic project cost under this section shall be the "required percentage of the basic project costs," as defined in division (K) of section 3318.01 of the Revised Code.

(5) Except as otherwise specified in this section, any project undertaken with assistance under this section shall comply with all provisions of sections 3318.01 to 3318.20 of the Revised Code. A school district may receive assistance under sections 3318.01 to 3318.20 of the Revised Code for the remainder of the district's classroom facilities needs as assessed under this section when the district is eligible for such assistance pursuant to section 3318.02 of the Revised Code, but any classroom facility constructed with assistance under this section shall not be included in a district's project at that time unless the commission determines the district has experienced

the increased enrollment specified in division (B)(1) of section 3318.04 of the Revised Code.

Sec. 3318.38. (A) As used in this section, "Big-eight school district" has the same meaning as in section 3314.02 of the Revised Code.

(B) There is hereby established the Accelerated urban school building assistance program. under the program, notwithstanding section 3318.02 of the Revised Code, any big-eight school district that has not been approved to receive assistance under sections 3318.01 to 3318.20 of the Revised Code by July 1, 2002, may beginning on that date apply for approval of and be approved for such assistance. Except as otherwise provided in this section, Any project approved and undertaken pursuant to this section shall comply with all provisions of sections 3318.01 to 3318.20 of the Revised Code.

The Ohio school facilities commission shall provide assistance to any big-eight school district eligible for assistance under this section in the following manner:

(1) Notwithstanding section 3318.02 of the Revised Code:

(a) Not later than June 30, 2002, the commission shall conduct an on-site visit and shall assess the classroom facilities needs of each big-eight school district eligible for assistance under this section;

(b) Beginning July 1, 2002, any big-eight school district eligible for assistance under this section may apply to the commission for conditional approval of its project as determined by the assessment conducted under division (B)(1)(a) of this section. The commission may conditionally approve that project and submit it to the controlling board for approval pursuant to section 3318.04 of the Revised Code.

(2) If the controlling board approves the project of a big-eight school district eligible for assistance under this section, the commission and the school district shall enter into an agreement as prescribed in section 3318.08 of the Revised Code. Any agreement executed pursuant to this division shall include any applicable segmentation provisions as approved by the commission under division (B)(3) of this section.

(3) Notwithstanding any provision to the contrary in sections 3318.05, 3318.06, and 3318.08 of the Revised Code, a big-eight school district eligible for assistance under this section may with the approval of the Commission opt to divide the project as approved under division (B)(1)(b) of this section into discrete segments to be completed sequentially. Any project divided into segments shall comply with all other provisions of sections 3318.05, 3318.06, and 3318.08 of the Revised Code except as otherwise specified in this division.

If a project is divided into segments under this division:

(a) The school district need raise only the amount equal to its proportionate share, as determined under section 3318.032 of the Revised Code, of each segment at any one time and may seek voter approval of each segment separately;

(b) The state's proportionate share, as determined under section 3318.032 of the Revised Code, of only the segment which has been approved by the school district electors or for which the district has applied a local donated contribution under section 3318.084 of the Revised Code shall be encumbered at any one time. Encumbrance of additional amounts to cover the state's proportionate share of later segments shall be approved separately as they are approved by the school district electors or as the district applies a local donated contribution to the segments under section 3318.084 of the Revised Code. If the state's share of any one segment exceeds twenty-five million dollars, encumbrance of that share is subject to the provisions of section 3318.11 of the Revised Code.

(c) If it is necessary to levy the additional tax for maintenance under division (B) of section 3318.05 of the Revised Code with respect to any segment of the project, the district may utilize the provisions of section 3318.061 of the Revised Code to ensure that the maintenance tax extends for twenty-three years after the last segment of the project is undertaken.

SECTION 2. That existing sections 133.06, 3317.012, 3318.01, 3318.011, 3318.021, 3318.03, 3318.032, 3318.04, 3318.05, 3318.06, 3318.08, 3318.11, 3318.13, 3318.14, 3318.15, 3318.31, and 3318.36 and section 3318.18 of the Revised Code are hereby repealed.

SECTION 3. The board of education of any school district whose electors have approved a bond issue or tax levy for the construction of or additions or major repair to a classroom facility within eighteen months prior to the effective date of this section may apply the expenditures of the proceeds from such bond issue or tax levy as local resources for purposes of the district's participation in the School Building Assistance Expedited Local Partnership Program under section 3318.36 of the Revised Code, as long as the actual construction or repair work authorized under the bond issue or tax levy has not commenced prior to the execution of the agreement between the Ohio School Facilities Commission and the school district board under section 3318.36 of the Revised Code and the design of the project authorized by the bond issue or tax levy complies with specifications of the Commission as required under division (B)(3) of section 3318.36 of the

vised Code.

SECTION 4. In fiscal year 2001 only, with the approval of the Controlling Board, the Ohio School Facilities Commission may limit to not less than fifty-five school districts the number of school districts with which the Commission will enter into agreements under the School Building Assistance Expedited Local Partnership Program pursuant to section 3318.36 of the Revised Code, as amended by this act. The Commission shall adopt reasonable guidelines to determine the school districts with which it will enter into agreements under that section in the event that it limits the number of such school districts pursuant to this section and more than the specified number of school districts apply for participation in the program in that fiscal year.

SECTION 5. Notwithstanding the limitation on additional assistance to five school districts per year as prescribed in division (B)(2) of section 3318.04 of the Revised Code as amended by this act, in fiscal years 2001 and 2002, the Ohio School Facilities Commission may at its discretion provide such additional assistance to more than five districts in any fiscal year, provided any additional district receiving such assistance had approved a tax levy under section 3318.06 of the Revised Code at least ten years prior to the effective date of this section and is located in a percentile that has received assistance under sections 3318.01 to 3318.20 of the Revised Code since May 20, 1997, and if the Commission determines that it is necessary in the interest of fairness to provide additional assistance to the district because otherwise the district would be required to wait more than ten years after its previous levy was approved to be considered for additional assistance.

SECTION 6. Any school district whose agreement with the Ohio School Facilities Commission requires that the school district make payments to the state in an amount of one-half the proceeds of the tax required under division (B) of section 3318.05 of the Revised Code in any year that the district's adjusted valuation per pupil is above the statewide median adjusted valuation per pupil shall not be required to make any such payments to the state in any years after the effective date of this act.

SECTION 7. That Sections 10 and 10.02 of Am. Sub. H.B. 282 of the 123rd General Assembly be amended to read as follows:

" Sec. 10. SFC SCHOOL FACILITIES COMMISSION

General Revenue Fund

GRF 230-428	Lease Rental Payments	\$	55,400,000	\$	70,300,000
TOTAL GRF General Revenue Fund		\$	55,400,000	\$	70,300,000

State Special Revenue Fund Group

5E3 230-644	Operating Expenses	\$	2,609,726	\$	<u>2,738,277</u>
TOTAL SSR State Special Revenue Fund Group		\$	2,609,726	\$	<u>5,228,277</u>
TOTAL ALL BUDGET FUND GROUPS		\$	58,009,726	\$	<u>73,038,277</u>
					<u>75,528,277</u>

Lease Rental Payments

The foregoing appropriation item 230-428, Lease Rental Payments, shall be used by the School Facilities Commission to pay bond service charges on obligations issued pursuant to Chapter 3318. of the Revised Code.

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.

Within ten days after the effective date of this section, or as soon as possible thereafter, the Executive Director of the Ohio School Facilities Commission shall certify to the Director of Budget and Management the amount of cash to be transferred from the School Building Assistance Fund (Fund 032) or the Public School Building Fund (Fund 021) to the Ohio School Facilities Commission Fund (Fund 5E3).

By July 10, 2000, the Executive Director of the Ohio School Facilities Commission shall certify to the Director of Budget and Management the amount of cash to be transferred from the School Building Assistance Fund (Fund 032) or the Public School Building Fund (Fund 021) to the Ohio School Facilities Commission Fund (Fund 5E3).

Prior Year Encumbrances

At the request of the Director of the Ohio School Facilities Commission, the Director of Budget and Management may cancel encumbrances from fiscal years 1998 and 1999 in CAP-770, School Building Program Assistance, and reestablish such encumbrances or parts of encumbrances to CAP-622, Public School Buildings, for fiscal years 2000 and 2001. Appropriations to CAP-622 shall not be increased as a result of reestablishing such encumbrances. An amount equal to the canceled encumbrances in CAP-770 shall be appropriated to CAP-775.

Disability Access Projects

The unencumbered and unallotted balances as of June 30, 1999, in appropriation item 230-649, Disability Access Project, are hereby reappropriated. The unencumbered and unallotted balances of the appropriation at the end of fiscal year 2000 are hereby reappropriated in fiscal year 2001 to fund capital projects pursuant to this section.

(A) As used in this section:

(1) "Percentile" means the percentile in which a school district is ranked according to the fiscal year 1998 ranking of school districts with regard to income and property wealth under division (B) of section 3318.011 of the Revised Code.

(2) "School district" means a city, local, or exempted village school district, but excluding a school district that is one of the state's 21 urban school districts as defined in division (O) of section 3317.02 of the Revised Code, as that section existed prior to July 1, 1998.

(3) "Valuation per pupil" means a district's total taxable value as defined in section 3317.02 of the Revised Code divided by the district's ADM as defined in division (A) of section 3317.02 of the Revised Code as that section existed prior to July 1, 1998.

(B) The School Facilities Commission shall adopt rules for awarding grants to school districts with a valuation per pupil of less than \$200,000, to be used for construction, reconstruction, or renovation projects in classroom facilities, the purpose of which is to improve access to such facilities by physically handicapped persons. The rules shall include application procedures. No school district shall be awarded a grant under this section in excess of \$100,000. In addition, any school district shall be required to pay a percentage of the cost of the project or which the grant is being awarded equal to the percentile in which the district is ranked.

(C) The School Facilities Commission is hereby authorized to transfer a portion of appropriation item CAP-622, Public School Buildings, contained in Am. Sub. H.B. No. 283 of the 123rd General Assembly, to CAP-777, Disability Access Projects, to provide funds to make payments resulting from the approval of applications for disability access granted received prior to January 1, 1999. The amounts transferred are hereby appropriated.

Sec. 10.02. Extreme Environmental Contamination of School Facilities

Notwithstanding the provisions of Section 26 of Am. Sub. H.B. 850 of the 122nd General Assembly regarding eligibility for the Exceptional Needs Pilot Program, the School Facilities Commission may provide assistance under the Exceptional Needs Pilot Program to any school district and not exclusively a school district in the lowest 50 per cent of adjusted valuation per pupil on the fiscal year 1999 ranking of school districts established

pursuant to section 3317.02 of the Revised Code, for the purpose of the relocation or replacement of school facilities required as a result of extreme environmental contamination. If in the assessment of the school district's classroom facilities needs conducted under the Exceptional Needs Pilot Program pursuant to Section of Am. Sub. H.B. 850 of the 123rd General Assembly, the Commission determines that all the school district's classroom facilities ultimately will require replacement under sections 3318.01 to 3318.20 of the Revised Code, then the Commission may undertake a district-wide project under sections 3318.01 to 3318.20 of the Revised Code.

The School Facilities Commission shall contract with an independent environmental consultant to conduct a study and to report to the Commission as to the seriousness of the environmental contamination, whether the contamination violates applicable state and federal standards, and whether the facilities are no longer suitable for use as school facilities. The Commission shall then make a determination regarding funding for the relocation or replacement of the school facilities. If the federal government or other public or private entity provides funds for restitution of costs incurred by the state or school district in the relocation or replacement of the school facilities, ~~the state and the school district shall divide use~~ such funds on the basis of the relative share of total project cost contributed by each in excess of the school district's share to refund the state for the state's contribution to the environmental contamination portion of the project. The school district may apply an amount of such restitution funds up to an amount equal to the school district's portion of the project, as defined by the commission, toward paying its portion of that project to reduce the amount of bonds the school district otherwise must issue to receive state assistance under sections 3318.01 to 3318.20 of the Revised Code."

SECTION 8. That existing Sections 10 and 10.02 of Am. Sub. H.B. 282 of the 123rd General Assembly are hereby repealed.

SECTION 9. Except as otherwise specifically provided in this act, the codified and uncodified sections of law contained in this act are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the sections take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against a section, the section, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 10. Section 3317.012 of the Revised Code, as amended by this act, is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, section 3317.012 of the Revised Code, as amended by this act, goes into immediate effect when this act becomes law.

SECTION 11. Sections 7 and 8 of this act are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, Sections 7 and 8 of this act go into immediate effect when this act becomes law.

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 _____