

**As Introduced**

**126th General Assembly  
Regular Session  
2005-2006**

**H. B. No. 520**

**Representative Schaffer**

—

**A BILL**

To amend sections 3318.01, 3318.011, 3318.023, and 1  
3318.36 of the Revised Code to prohibit ranking a 2  
school district participating in the School 3  
Building Assistance Expedited Local Partnership 4  
Program in a higher percentile on the eligibility 5  
list for state classroom facilities assistance 6  
after the district's electors have approved a bond 7  
issue for the district's portion of the basic 8  
project cost and to grant priority for such 9  
assistance to certain school districts 10  
participating in the Expedited Program that have a 11  
higher percentile ranking than three years ago. 12

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 3318.01, 3318.011, 3318.023, and 13  
3318.36 of the Revised Code be amended to read as follows: 14

**Sec. 3318.01.** As used in sections 3318.01 to 3318.20 of the 15  
Revised Code: 16

(A) "Ohio school facilities commission" means the commission 17  
created pursuant to section 3318.30 of the Revised Code. 18

(B) "Classroom facilities" means rooms in which pupils 19  
regularly assemble in public school buildings to receive 20

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 care facility or a community  
resource center is housed. "Classroom facilities" includes any  
space necessary for the operation of a vocational education  
program for secondary students in any school district that  
operates such a program.

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(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.

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(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 to 3318.20 of the Revised  
Code.

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For purposes of assistance provided under sections 3318.40 to  
3318.45 of the Revised Code, the term "school district" as used in  
this section and in divisions (A), (C), and (D) of section 3318.03  
and in sections 3318.031, 3318.042, 3318.07, 3318.08, 3318.083,  
3318.084, 3318.085, 3318.086, 3318.10, 3318.11, 3318.12, 3318.13,  
3318.14, 3318.15, 3318.16, 3318.19, and 3318.20 of the Revised  
Code means a joint vocational school district established pursuant  
to section 3311.18 of the Revised Code.

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

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(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 and any

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amounts the school district is obligated to pay under 52  
lease-purchase agreements entered into under section 3313.375 of 53  
the Revised Code, and the amount held in the sinking fund and 54  
other indebtedness retirement funds for their redemption. Notes 55  
issued for school buses in accordance with section 3327.08 of the 56  
Revised Code, notes issued in anticipation of the collection of 57  
current revenues, and bonds issued to pay final judgments shall 58  
not be considered in calculating the net bonded indebtedness. 59

"Net bonded indebtedness" does not include indebtedness 60  
arising from the acquisition of land to provide a site for 61  
classroom facilities constructed, acquired, or added to pursuant 62  
to sections 3318.01 to 3318.20 of the Revised Code or the par 63  
value of bonds that have been authorized by the electors and the 64  
proceeds of which will be used by the district to provide any part 65  
of its portion of the basic project cost. 66

(G) "Board of elections" means the board of elections of the 67  
county containing the most populous portion of the school 68  
district. 69

(H) "County auditor" means the auditor of the county in which 70  
the greatest value of taxable property of such school district is 71  
located. 72

(I) "Tax duplicates" means the general tax lists and 73  
duplicates prescribed by sections 319.28 and 319.29 of the Revised 74  
Code. 75

(J) "Required level of indebtedness" means: 76

(1) In the case of school districts in the first percentile, 77  
five per cent of the district's valuation for the year preceding 78  
the year in which the controlling board approved the project under 79  
section 3318.04 of the Revised Code. 80

(2) In the case of school districts ranked in a subsequent 81

percentile, five per cent of the district's valuation for the year 82  
preceding the year in which the controlling board approved the 83  
project under section 3318.04 of the Revised Code, plus [two 84  
one-hundredths of one per cent multiplied by (the percentile in 85  
which the district ranks for the fiscal year preceding the fiscal 86  
year in which the controlling board approved the district's 87  
project minus one)]. 88

(K) "Required percentage of the basic project costs" means 89  
one per cent of the basic project costs times the percentile in 90  
which the school district ranks for the fiscal year preceding the 91  
fiscal year in which the controlling board approved the district's 92  
project. 93

(L) "Basic project cost" means a cost amount determined in 94  
accordance with rules adopted under section 111.15 of the Revised 95  
Code by the Ohio school facilities commission. The basic project 96  
cost calculation shall take into consideration the square footage 97  
and cost per square foot necessary for the grade levels to be 98  
housed in the classroom facilities, the variation across the state 99  
in construction and related costs, the cost of the installation of 100  
site utilities and site preparation, the cost of demolition of all 101  
or part of any existing classroom facilities that are abandoned 102  
under the project, the cost of insuring the project until it is 103  
completed, any contingency reserve amount prescribed by the 104  
commission under section 3318.086 of the Revised Code, and the 105  
professional planning, administration, and design fees that a 106  
school district may have to pay to undertake a classroom 107  
facilities project. 108

For a joint vocational school district that receives 109  
assistance under sections 3318.40 to 3318.45 of the Revised Code, 110  
the basic project cost calculation for a project under those 111  
sections shall also take into account the types of laboratory 112  
spaces and program square footages needed for the vocational 113

education programs for high school students offered by the school 114  
district. 115

(M)(1) Except for a joint vocational school district that 116  
receives assistance under sections 3318.40 to 3318.45 of the 117  
Revised Code, a "school district's portion of the basic project 118  
cost" means the amount determined under section 3318.032 of the 119  
Revised Code. 120

(2) For a joint vocational school district that receives 121  
assistance under sections 3318.40 to 3318.45 of the Revised Code, 122  
a "school district's portion of the basic project cost" means the 123  
amount determined under division (C) of section 3318.42 of the 124  
Revised Code. 125

(N) "Child care facility" means space within a classroom 126  
facility in which the needs of infants, toddlers, preschool 127  
children, and school children are provided for by persons other 128  
than the parent or guardian of such children for any part of the 129  
day, including persons not employed by the school district 130  
operating such classroom facility. 131

(O) "Community resource center" means space within a 132  
classroom facility in which comprehensive services that support 133  
the needs of families and children are provided by community-based 134  
social service providers. 135

(P) "Valuation" means the total value of all property in the 136  
school district as listed and assessed for taxation on the tax 137  
duplicates. 138

(Q) "Percentile" means the percentile in which the school 139  
district is ranked pursuant to ~~division (D)~~ of section 3318.011 of 140  
the Revised Code. 141

(R) "Installation of site utilities" means the installation 142  
of a site domestic water system, site fire protection system, site 143

gas distribution system, site sanitary system, site storm drainage 144  
system, and site telephone and data system. 145

(S) "Site preparation" means the earthwork necessary for 146  
preparation of the building foundation system, the paved 147  
pedestrian and vehicular circulation system, playgrounds on the 148  
project site, and lawn and planting on the project site. 149

**Sec. 3318.011.** For purposes of providing assistance under 150  
sections 3318.01 to 3318.20 of the Revised Code, the department of 151  
education shall annually do all of the following: 152

(A) Calculate the adjusted valuation per pupil of each city, 153  
local, and exempted village school district according to the 154  
following formula: 155

The district's valuation per pupil - 156  
[\$30,000 X (1 - the district's income factor)]. 157

For purposes of this calculation: 158

(1) "Valuation per pupil" for a district means its average 159  
taxable value, divided by its formula ADM reported under section 160  
3317.03 of the Revised Code for the previous fiscal year. 161

(2) "Average taxable value" means the average of the amounts 162  
certified for a district in the second, third, and fourth 163  
preceding fiscal years under divisions (A)(1) and (2) of section 164  
3317.021 of the Revised Code. 165

(3) "Income factor" has the same meaning as in section 166  
3317.02 of the Revised Code. 167

(B) Calculate for each district the three-year average of the 168  
adjusted valuations per pupil calculated for the district for the 169  
current and two preceding fiscal years; 170

(C) Rank all such districts in order of adjusted valuation 171  
per pupil from the district with the lowest three-year average 172

adjusted valuation per pupil to the district with the highest 173  
three-year average adjusted valuation per pupil; 174

(D) Divide such ranking into percentiles with the first 175  
percentile containing the one per cent of school districts having 176  
the lowest three-year average adjusted valuations per pupil and 177  
the one-hundredth percentile containing the one per cent of school 178  
districts having the highest three-year average adjusted 179  
valuations per pupil; 180

(E) Determine the school districts that have three-year 181  
average adjusted valuations per pupil that are greater than the 182  
median three-year average adjusted valuation per pupil for all 183  
school districts in the state; 184

(F) On or before the first day of September, certify the 185  
information described in divisions (A) to (E) of this section to 186  
the Ohio school facilities commission. 187

Notwithstanding anything in this section to the contrary, the 188  
department shall not rank any school district subject to division 189  
(F) of section 3318.36 of the Revised Code in a higher percentile 190  
than the percentile in which the district was ranked on the date 191  
the electors of the district approved a bond issue to pay the 192  
district's portion of the basic project cost. The percentile 193  
ranking resulting from this paragraph shall be used by the 194  
commission only to determine when the district is eligible for 195  
assistance under sections 3318.01 to 3318.20 of the Revised Code 196  
and shall not be used to calculate the district's portion of the 197  
basic project cost. For this purpose, the commission annually 198  
shall notify the department of all school districts that have 199  
become subject to division (F) of section 3318.36 of the Revised 200  
Code since the department completed its most recent school 201  
district rankings under this section. 202

**Sec. 3318.023.** Notwithstanding anything to the contrary in 203  
section 3318.02 of the Revised Code, each fiscal year, at the time 204  
that the Ohio school facilities commission conditionally approves 205  
projects of school districts under ~~section~~ sections 3318.01 to 206  
3318.20 of the Revised Code for which it plans to provide 207  
assistance under those sections for that fiscal year, the 208  
commission also shall identify the next ten school districts from 209  
lowest to highest in order of the ranking calculated for the 210  
previous fiscal year under ~~division (D)~~ of section 3318.011 of the 211  
Revised Code that have not yet been conditionally approved for 212  
assistance under ~~section~~ sections 3318.01 to 3318.20 of the 213  
Revised Code. Those districts shall have priority in the order of 214  
such ranking with the lowest valuation having the highest priority 215  
for future assistance under those sections over all other school 216  
districts except for districts receiving assistance under division 217  
(B)(2) of section 3318.04, section 3318.37, or section 3318.38 of 218  
the Revised Code or districts that have priority under section 219  
3318.05 of the Revised Code. 220

**Sec. 3318.36.** (A)(1) As used in this section: 221

(a) "Ohio school facilities commission," "classroom 222  
facilities," "school district," "school district board," "net 223  
bonded indebtedness," "required percentage of the basic project 224  
costs," "basic project cost," "valuation," and "percentile" have 225  
the same meanings as in section 3318.01 of the Revised Code. 226

(b) "Required level of indebtedness" means five per cent of 227  
the school district's valuation for the year preceding the year in 228  
which the commission and school district enter into an agreement 229  
under division (B) of this section, plus [two one-hundredths of 230  
one per cent multiplied by (the percentile in which the district 231  
ranks minus one)]. 232

(c) "Local resources" means any moneys generated in any 233  
manner permitted for a school district board to raise the school 234  
district portion of a project undertaken with assistance under 235  
sections 3318.01 to 3318.20 of the Revised Code. 236

(2) For purposes of determining either the required level of 237  
indebtedness, as defined in division (A)(1)(b) of this section, or 238  
the required percentage of the basic project costs, under division 239  
(C)(1) of this section, the percentile ranking of a school 240  
district with which the commission has entered into an agreement 241  
under this section between the first day of July and the 242  
thirty-first day of August in each fiscal year is the percentile 243  
ranking calculated for that district for the immediately preceding 244  
fiscal year, and the percentile ranking of a school district with 245  
which the commission has entered into such agreement between the 246  
first day of September and the thirtieth day of June in each 247  
fiscal year is the percentile ranking calculated for that district 248  
for the current fiscal year. 249

(B)(1) There is hereby established the school building 250  
assistance expedited local partnership program. Under the program, 251  
the Ohio school facilities commission may enter into an agreement 252  
with the school district board of any school district under which 253  
the school district board may proceed with the new construction or 254  
major repairs of a part of the school district's classroom 255  
facilities needs, as determined under sections 3318.01 to 3318.20 256  
of the Revised Code, through the expenditure of local resources 257  
prior to the school district's eligibility for state assistance 258  
under sections 3318.01 to 3318.20 of the Revised Code and may 259  
apply that expenditure toward meeting the school district's 260  
portion of the basic project cost of the total of the school 261  
district's classroom facilities needs, as determined under 262  
sections 3318.01 to 3318.20 of the Revised Code and as 263  
recalculated under division (E) of this section, that are eligible 264

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.

(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 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 may specify the application of local resources or  
elector-approved bond or tax measures after the resolution is  
adopted by the board, and in such case the board may proceed with  
a discrete portion of its project under this section as soon as  
the commission and the controlling board have approved the basic  
project cost of the district's classroom facilities needs as  
specified in division (D) of this section. 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 September 14, 2000.

(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.

(4) If a school district that enters into an agreement under

this section has not begun a project applying local resources as  
provided for under that agreement at the time the district is  
notified by the commission that it is eligible to receive state  
assistance under sections 3318.01 to 3318.20 of the Revised Code,  
all assessment and agreement documents entered into under this  
section are void.

(5) Only construction of or repairs to classroom facilities  
that have been approved by the commission and have been therefore  
included as part of a district's basic project cost qualify for  
application of local resources under this section.

(C) 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;

(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 327  
under this section. Upon approval by the controlling board, the 328  
school district board may identify a discrete part of its 329  
classroom facilities needs, which shall include only new 330  
construction of or additions or major repairs to a particular 331  
building, to address with local resources. Upon identifying a part 332  
of the school district's basic project cost to address with local 333  
resources, the school district board may allocate any available 334  
school district moneys to pay the cost of that identified part, 335  
including the proceeds of an issuance of bonds if approved by the 336  
electors of the school district. 337

All local resources utilized under this division shall first 338  
be deposited in the project construction account required under 339  
section 3318.08 of the Revised Code. 340

(2) Unless the school district board exercises its option 341  
under division (D)(3) of this section, for a school district to 342  
qualify for participation in the program authorized under this 343  
section, one of the following conditions shall be satisfied: 344

(a) The electors of the school district by a majority vote 345  
shall approve the levy of taxes outside the ten-mill limitation 346  
for a period of twenty-three years at the rate of not less than 347  
one-half mill for each dollar of valuation to be used to pay the 348  
cost of maintaining the classroom facilities included in the basic 349  
project cost as determined by the commission. The form of the 350  
ballot to be used to submit the question whether to approve the 351  
tax required under this division to the electors of the school 352  
district shall be the form for an additional levy of taxes 353  
prescribed in section 3318.361 of the Revised Code, which may be 354  
combined in a single ballot question with the questions prescribed 355  
under section 5705.218 of the Revised Code. 356

(b) As authorized under division (C) of section 3318.05 of 357

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.

(c) The school district board shall apply the proceeds of a  
tax to leverage bonds as authorized under section 3318.052 of the  
Revised Code or dedicate a local donated contribution in the  
manner described in division (B) of section 3318.084 of the  
Revised Code in 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 389  
if it is not necessary to also submit a proposal for approval of a 390  
bond issue pursuant to division (E) of this section. 391

(5) No state assistance under sections 3318.01 to 3318.20 of 392  
the Revised Code shall be released until a school district board 393  
that adopts and certifies a resolution under this division either 394  
has levied the additional tax or has earmarked the proceeds of a 395  
tax as specified in division (D) of this section. 396

Any amount required for maintenance under division (D)(2) of 397  
this section shall be deposited into a separate fund as specified 398  
in division (B) of section 3318.05 of the Revised Code. 399

(E)(1) If the school district becomes eligible for state 400  
assistance under sections 3318.01 to 3318.20 of the Revised Code 401  
based on its percentile ranking as determined under division (B) 402  
of this section, the commission shall conduct a new assessment of 403  
the school district's classroom facilities needs and shall 404  
recalculate the basic project cost based on this new assessment. 405  
The basic project cost recalculated under this division shall 406  
include the amount of expenditures made by the school district 407  
board under division (D)(1) of this section. The commission shall 408  
then recalculate the school district's portion of the new basic 409  
project cost, which shall be the percentage of the original basic 410  
project cost assigned to the school district as its portion under 411  
division (C) of this section. The commission shall deduct the 412  
expenditure of school district moneys made under division (D)(1) 413  
of this section from the school district's portion of the basic 414  
project cost as recalculated under this division. If the amount of 415  
school district resources applied by the school district board to 416  
the school district's portion of the basic project cost under this 417  
section is less than the total amount of such portion as 418  
recalculated under this division, the school district board by a 419  
majority vote of all of its members shall, if it desires to seek 420

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. Any tax levy approved under division (D) of this section satisfies the requirements to levy the 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 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.

(F) If a school district has entered into an agreement with the commission under this section and the electors of the district have approved a bond issue to pay the district's portion of the

basic project cost, the district shall not be ranked in a higher 452  
percentile under section 3318.011 of the Revised Code than the 453  
percentile in which the district was ranked on the date that the 454  
bond issue was approved, regardless of the district's three-year 455  
average adjusted valuation per pupil calculated under that section 456  
for any subsequent fiscal year. 457

**Section 2.** That existing sections 3318.01, 3318.011, 458  
3318.023, and 3318.36 of the Revised Code are hereby repealed. 459

**Section 3.** Notwithstanding section 3318.023 of the Revised 460  
Code, as amended by this act, any school district that has not 461  
received assistance under sections 3318.01 to 3318.20 of the 462  
Revised Code and to which all of the following conditions apply 463  
shall have highest priority for assistance under those sections 464  
over all other school districts: 465

(A) The district entered into an agreement with the Ohio 466  
School Facilities Commission under division (B) of section 3318.36 467  
of the Revised Code not later than three years prior to the 468  
effective date of this section. 469

(B) The electors of the district have approved a bond issue 470  
to pay the district's portion of the basic project cost of the 471  
district's classroom facilities needs. 472

(C) The district's ranking under division (C) of section 473  
3318.011 of the Revised Code on the effective date of this section 474  
is higher than the district's ranking under that division three 475  
years prior to the effective date of this section and the 476  
difference between the district's rankings on those two dates is 477  
equal to or greater than twenty per cent of the total number of 478  
school districts ranked under section 3318.011 of the Revised Code 479  
on the effective date of this section. 480

**Section 4.** Section 3318.01 of the Revised Code is presented 481

in this act as a composite of the section as amended by Am. Sub. 482  
H.B. 11 of the 125th General Assembly and Am. Sub. H.B. 16 of the 483  
126th General Assembly. The General Assembly, applying the 484  
principle stated in division (B) of section 1.52 of the Revised 485  
Code that amendments are to be harmonized if reasonably capable of 486  
simultaneous operation, finds that the composite is the resulting 487  
version of the section in effect prior to the effective date of 488  
the section as presented in this act. 489