

As Introduced

**127th General Assembly
Regular Session
2007-2008**

S. B. No. 49

Senator 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 Expedited 3
Local Partnership Program in a higher percentile 4
on the eligibility list for state classroom 5
facilities assistance after the district's 6
electors have approved a bond issue for the 7
district's portion of the basic project cost. 8

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

Section 1. That sections 3318.01, 3318.011, 3318.023, and 9
3318.36 of the Revised Code be amended to read as follows: 10

Sec. 3318.01. As used in sections 3318.01 to 3318.20 of the 11
Revised Code: 12

(A) "Ohio school facilities commission" means the commission 13
created pursuant to section 3318.30 of the Revised Code. 14

(B) "Classroom facilities" means rooms in which pupils 15
regularly assemble in public school buildings to receive 16
instruction and education and such facilities and building 17
improvements for the operation and use of such rooms as may be 18
needed in order to provide a complete educational program, and may 19
include space within which a child care facility or a community 20

resource center is housed. "Classroom facilities" includes any 21
space necessary for the operation of a vocational education 22
program for secondary students in any school district that 23
operates such a program. 24

(C) "Project" means a project to construct or acquire 25
classroom facilities, or to reconstruct or make additions to 26
existing classroom facilities, to be used for housing the 27
applicable school district and its functions. 28

(D) "School district" means a local, exempted village, or 29
city school district as such districts are defined in Chapter 30
3311. of the Revised Code, acting as an agency of state 31
government, performing essential governmental functions of state 32
government pursuant to sections 3318.01 to 3318.20 of the Revised 33
Code. 34

For purposes of assistance provided under sections 3318.40 to 35
3318.45 of the Revised Code, the term "school district" as used in 36
this section and in divisions (A), (C), and (D) of section 3318.03 37
and in sections 3318.031, 3318.042, 3318.07, 3318.08, 3318.083, 38
3318.084, 3318.085, 3318.086, 3318.10, 3318.11, 3318.12, 3318.13, 39
3318.14, 3318.15, 3318.16, 3318.19, and 3318.20 of the Revised 40
Code means a joint vocational school district established pursuant 41
to section 3311.18 of the Revised Code. 42

(E) "School district board" means the board of education of a 43
school district. 44

(F) "Net bonded indebtedness" means the difference between 45
the sum of the par value of all outstanding and unpaid bonds and 46
notes which a school district board is obligated to pay and any 47
amounts the school district is obligated to pay under 48
lease-purchase agreements entered into under section 3313.375 of 49
the Revised Code, and the amount held in the sinking fund and 50
other indebtedness retirement funds for their redemption. Notes 51

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 or the par value of bonds that have been authorized by the electors and the proceeds of which will be used by the district to provide any part of its portion of the basic project cost.

(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 school 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 school 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 for the fiscal year preceding the fiscal

year in which the controlling board approved the district's 83
project minus one)]. 84

(K) "Required percentage of the basic project costs" means 85
one per cent of the basic project costs times the percentile in 86
which the school district ranks for the fiscal year preceding the 87
fiscal year in which the controlling board approved the district's 88
project. 89

(L) "Basic project cost" means a cost amount determined in 90
accordance with rules adopted under section 111.15 of the Revised 91
Code by the Ohio school facilities commission. The basic project 92
cost calculation shall take into consideration the square footage 93
and cost per square foot necessary for the grade levels to be 94
housed in the classroom facilities, the variation across the state 95
in construction and related costs, the cost of the installation of 96
site utilities and site preparation, the cost of demolition of all 97
or part of any existing classroom facilities that are abandoned 98
under the project, the cost of insuring the project until it is 99
completed, any contingency reserve amount prescribed by the 100
commission under section 3318.086 of the Revised Code, and the 101
professional planning, administration, and design fees that a 102
school district may have to pay to undertake a classroom 103
facilities project. 104

For a joint vocational school district that receives 105
assistance under sections 3318.40 to 3318.45 of the Revised Code, 106
the basic project cost calculation for a project under those 107
sections shall also take into account the types of laboratory 108
spaces and program square footages needed for the vocational 109
education programs for high school students offered by the school 110
district. 111

(M)(1) Except for a joint vocational school district that 112
receives assistance under sections 3318.40 to 3318.45 of the 113
Revised Code, a "school district's portion of the basic project 114

cost" means the amount determined under section 3318.032 of the Revised Code. 115
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(2) For a joint vocational school district that receives assistance under sections 3318.40 to 3318.45 of the Revised Code, a "school district's portion of the basic project cost" means the amount determined under division (C) of section 3318.42 of the Revised Code. 117
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(N) "Child 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. 122
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(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. 128
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(P) "Valuation" means the total value of all property in the school district as listed and assessed for taxation on the tax duplicates. 132
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(Q) "Percentile" means the percentile in which the school district is ranked pursuant to ~~division (D)~~ of section 3318.011 of the Revised Code. 135
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(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. 138
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(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. 142
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Sec. 3318.011. For purposes of providing assistance under 146
sections 3318.01 to 3318.20 of the Revised Code, the department of 147
education shall annually do all of the following: 148

(A) Calculate the adjusted valuation per pupil of each city, 149
local, and exempted village school district according to the 150
following formula: 151

The district's valuation per pupil - 152
[\$30,000 X (1 - the district's income factor)]. 153

For purposes of this calculation: 154

(1) "Valuation per pupil" for a district means its average 155
taxable value, divided by its formula ADM reported under section 156
3317.03 of the Revised Code for the previous fiscal year. 157

(2) "Average taxable value" means the average of the amounts 158
certified for a district in the second, third, and fourth 159
preceding fiscal years under divisions (A)(1) and (2) of section 160
3317.021 of the Revised Code. 161

(3) "Income factor" has the same meaning as in section 162
3317.02 of the Revised Code. 163

(B) Calculate for each district the three-year average of the 164
adjusted valuations per pupil calculated for the district for the 165
current and two preceding fiscal years; 166

(C) Rank all such districts in order of adjusted valuation 167
per pupil from the district with the lowest three-year average 168
adjusted valuation per pupil to the district with the highest 169
three-year average adjusted valuation per pupil; 170

(D) Divide such ranking into percentiles with the first 171
percentile containing the one per cent of school districts having 172
the lowest three-year average adjusted valuations per pupil and 173
the one-hundredth percentile containing the one per cent of school 174
districts having the highest three-year average adjusted 175

valuations per pupil; 176

(E) Determine the school districts that have three-year 177
average adjusted valuations per pupil that are greater than the 178
median three-year average adjusted valuation per pupil for all 179
school districts in the state; 180

(F) On or before the first day of September, certify the 181
information described in divisions (A) to (E) of this section to 182
the Ohio school facilities commission. 183

Notwithstanding anything in this section to the contrary, the 184
department shall not rank any school district subject to division 185
(F) of section 3318.36 of the Revised Code in a higher percentile 186
than the percentile in which the district was ranked on the date 187
the electors of the district approved a bond issue to pay the 188
district's portion of the basic project cost. The percentile 189
ranking resulting from this paragraph shall be used by the 190
commission only to determine when the district is eligible for 191
assistance under sections 3318.01 to 3318.20 of the Revised Code 192
and shall not be used to calculate the district's portion of the 193
basic project cost. For this purpose, the commission annually 194
shall notify the department of all school districts that have 195
become subject to division (F) of section 3318.36 of the Revised 196
Code since the department completed its most recent school 197
district rankings under this section. 198

Sec. 3318.023. Notwithstanding anything to the contrary in 199
section 3318.02 of the Revised Code, each fiscal year, at the time 200
that the Ohio school facilities commission conditionally approves 201
projects of school districts under ~~section~~ sections 3318.01 to 202
3318.20 of the Revised Code for which it plans to provide 203
assistance under those sections for that fiscal year, the 204
commission also shall identify the next ten school districts from 205
lowest to highest in order of the ranking calculated for the 206

previous fiscal year under ~~division (D)~~ of section 3318.011 of the Revised Code that have not yet been conditionally approved for assistance under ~~section~~ sections 3318.01 to 3318.20 of the Revised Code. Those districts shall have priority in the order of such ranking with the lowest valuation having the highest priority for future assistance under those sections over all other school districts except for districts receiving assistance under division (B)(2) of section 3318.04, section 3318.37, or section 3318.38 of the Revised Code or districts that have priority under section 3318.05 of the Revised Code.

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

(a) "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.

(b) "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 minus one)].

(c) "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.

(2) For purposes of determining either the required level of indebtedness, as defined in division (A)(1)(b) of this section, or the required percentage of the basic project costs, under division (C)(1) of this section, the percentile ranking of a school

district with which the commission has entered into an agreement 237
under this section between the first day of July and the 238
thirty-first day of August in each fiscal year is the percentile 239
ranking calculated for that district for the immediately preceding 240
fiscal year, and the percentile ranking of a school district with 241
which the commission has entered into such agreement between the 242
first day of September and the thirtieth day of June in each 243
fiscal year is the percentile ranking calculated for that district 244
for the current fiscal year. 245

(B)(1) There is hereby established the school building 246
assistance expedited local partnership program. Under the program, 247
the Ohio school facilities commission may enter into an agreement 248
with the school district board of any school district under which 249
the school district board may proceed with the new construction or 250
major repairs of a part of the school district's classroom 251
facilities needs, as determined under sections 3318.01 to 3318.20 252
of the Revised Code, through the expenditure of local resources 253
prior to the school district's eligibility for state assistance 254
under sections 3318.01 to 3318.20 of the Revised Code and may 255
apply that expenditure toward meeting the school district's 256
portion of the basic project cost of the total of the school 257
district's classroom facilities needs, as determined under 258
sections 3318.01 to 3318.20 of the Revised Code and as 259
recalculated under division (E) of this section, that are eligible 260
for state assistance under sections 3318.01 to 3318.20 of the 261
Revised Code when the school district becomes eligible for such 262
state assistance. Any school district that is reasonably expected 263
to receive assistance under sections 3318.01 to 3318.20 of the 264
Revised Code within two fiscal years from the date the school 265
district adopts its resolution under division (B) of this section 266
shall not be eligible to participate in the program. 267

(2) To participate in the program, a school district board 268

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 300
application of local resources under this section. 301

(C) Based on the results of the on-site visits and assessment 302
conducted under division (B)(2) of this section, the commission 303
shall determine the basic project cost of the school district's 304
classroom facilities needs. The commission shall determine the 305
school district's portion of such basic project cost, which shall 306
be the greater of: 307

(1) The required percentage of the basic project costs, 308
determined based on the school district's percentile ranking; 309

(2) An amount necessary to raise the school district's net 310
bonded indebtedness, as of the fiscal year the commission and the 311
school district enter into the agreement under division (B) of 312
this section, to within five thousand dollars of the required 313
level of indebtedness. 314

(D)(1) When the commission determines the basic project cost 315
of the classroom facilities needs of a school district and the 316
school district's portion of that basic project cost under 317
division (C) of this section, the project shall be conditionally 318
approved. Such conditional approval shall be submitted to the 319
controlling board for approval thereof. The controlling board 320
shall forthwith approve or reject the commission's determination, 321
conditional approval, and the amount of the state's portion of the 322
basic project cost; however, no state funds shall be encumbered 323
under this section. Upon approval by the controlling board, the 324
school district board may identify a discrete part of its 325
classroom facilities needs, which shall include only new 326
construction of or additions or major repairs to a particular 327
building, to address with local resources. Upon identifying a part 328
of the school district's basic project cost to address with local 329
resources, the school district board may allocate any available 330
school district moneys to pay the cost of that identified part, 331

including the proceeds of an issuance of bonds if approved by the 332
electors of the school district. 333

All local resources utilized under this division shall first 334
be deposited in the project construction account required under 335
section 3318.08 of the Revised Code. 336

(2) Unless the school district board exercises its option 337
under division (D)(3) of this section, for a school district to 338
qualify for participation in the program authorized under this 339
section, one of the following conditions shall be satisfied: 340

(a) The electors of the school district by a majority vote 341
shall approve the levy of taxes outside the ten-mill limitation 342
for a period of twenty-three years at the rate of not less than 343
one-half mill for each dollar of valuation to be used to pay the 344
cost of maintaining the classroom facilities included in the basic 345
project cost as determined by the commission. The form of the 346
ballot to be used to submit the question whether to approve the 347
tax required under this division to the electors of the school 348
district shall be the form for an additional levy of taxes 349
prescribed in section 3318.361 of the Revised Code, which may be 350
combined in a single ballot question with the questions prescribed 351
under section 5705.218 of the Revised Code. 352

(b) As authorized under division (C) of section 3318.05 of 353
the Revised Code, the school district board shall earmark from the 354
proceeds of a permanent improvement tax levied under section 355
5705.21 of the Revised Code, an amount equivalent to the 356
additional tax otherwise required under division (D)(2)(a) of this 357
section for the maintenance of the classroom facilities included 358
in the basic project cost as determined by the commission. 359

(c) As authorized under section 3318.051 of the Revised Code, 360
the school district board shall, if approved by the commission, 361
annually transfer into the maintenance fund required under section 362

3318.05 of the Revised Code the amount prescribed in section 363
3318.051 of the Revised Code in lieu of the tax otherwise required 364
under division (D)(2)(a) of this section for the maintenance of 365
the classroom facilities included in the basic project cost as 366
determined by the commission. 367

(d) If the school district board has rescinded the agreement 368
to make transfers under section 3318.051 of the Revised Code, as 369
provided under division (F) of that section, the electors of the 370
school district, in accordance with section 3318.063 of the 371
Revised Code, first shall approve the levy of taxes outside the 372
ten-mill limitation for the period specified in that section at a 373
rate of not less than one-half mill for each dollar of valuation. 374

(e) The school district board shall apply the proceeds of a 375
tax to leverage bonds as authorized under section 3318.052 of the 376
Revised Code or dedicate a local donated contribution in the 377
manner described in division (B) of section 3318.084 of the 378
Revised Code in an amount equivalent to the additional tax 379
otherwise required under division (D)(2)(a) of this section for 380
the maintenance of the classroom facilities included in the basic 381
project cost as determined by the commission. 382

(3) A school district board may opt to delay taking any of 383
the actions described in division (D)(2) of this section until 384
such time as the school district becomes eligible for state 385
assistance under sections 3318.01 to 3318.20 of the Revised Code. 386
In order to exercise this option, the board shall certify to the 387
commission a resolution indicating the board's intent to do so 388
prior to entering into an agreement under division (B) of this 389
section. 390

(4) If pursuant to division (D)(3) of this section a district 391
board opts to delay levying an additional tax until the district 392
becomes eligible for state assistance, it shall submit the 393
question of levying that tax to the district electors as follows: 394

(a) In accordance with section 3318.06 of the Revised Code if 395
it will also be necessary pursuant to division (E) of this section 396
to submit a proposal for approval of a bond issue; 397

(b) In accordance with section 3318.361 of the Revised Code 398
if it is not necessary to also submit a proposal for approval of a 399
bond issue pursuant to division (E) of this section. 400

(5) No state assistance under sections 3318.01 to 3318.20 of 401
the Revised Code shall be released until a school district board 402
that adopts and certifies a resolution under division (D) of this 403
section also demonstrates to the satisfaction of the commission 404
compliance with the provisions of division (D)(2) of this section. 405

Any amount required for maintenance under division (D)(2) of 406
this section shall be deposited into a separate fund as specified 407
in division (B) of section 3318.05 of the Revised Code. 408

(E)(1) If the school district becomes eligible for state 409
assistance under sections 3318.01 to 3318.20 of the Revised Code 410
based on its percentile ranking as determined under division (B) 411
of this section, the commission shall conduct a new assessment of 412
the school district's classroom facilities needs and shall 413
recalculate the basic project cost based on this new assessment. 414
The basic project cost recalculated under this division shall 415
include the amount of expenditures made by the school district 416
board under division (D)(1) of this section. The commission shall 417
then recalculate the school district's portion of the new basic 418
project cost, which shall be the percentage of the original basic 419
project cost assigned to the school district as its portion under 420
division (C) of this section. The commission shall deduct the 421
expenditure of school district moneys made under division (D)(1) 422
of this section from the school district's portion of the basic 423
project cost as recalculated under this division. If the amount of 424
school district resources applied by the school district board to 425
the school district's portion of the basic project cost under this 426

section is less than the total amount of such portion as 427
recalculated under this division, the school district board by a 428
majority vote of all of its members shall, if it desires to seek 429
state assistance under sections 3318.01 to 3318.20 of the Revised 430
Code, adopt a resolution as specified in section 3318.06 of the 431
Revised Code to submit to the electors of the school district the 432
question of approval of a bond issue in order to pay any 433
additional amount of school district portion required for state 434
assistance. Any tax levy approved under division (D) of this 435
section satisfies the requirements to levy the additional tax 436
under section 3318.06 of the Revised Code. 437

(2) If the amount of school district resources applied by the 438
school district board to the school district's portion of the 439
basic project cost under this section is more than the total 440
amount of such portion as recalculated under this division, within 441
one year after the school district's portion is recalculated under 442
division (E)(1) of this section the commission may grant to the 443
school district the difference between the two calculated 444
portions, but at no time shall the commission expend any state 445
funds on a project in an amount greater than the state's portion 446
of the basic project cost as recalculated under this division. 447

Any reimbursement under this division shall be only for local 448
resources the school district has applied toward construction cost 449
expenditures for the classroom facilities approved by the 450
commission, which shall not include any financing costs associated 451
with that construction. 452

The school district board shall use any moneys reimbursed to 453
the district under this division to pay off any debt service the 454
district owes for classroom facilities constructed under its 455
project under this section before such moneys are applied to any 456
other purpose. However, the district board first may deposit 457
moneys reimbursed under this division into the district's general 458

fund or a permanent improvement fund to replace local resources 459
the district withdrew from those funds, as long as, and to the 460
extent that, those local resources were used by the district for 461
constructing classroom facilities included in the district's basic 462
project cost. 463

(F) If a school district has entered into an agreement with 464
the commission under this section and the electors of the district 465
have approved a bond issue to pay the district's portion of the 466
basic project cost, the district shall not be ranked in a higher 467
percentile under section 3318.011 of the Revised Code than the 468
percentile in which the district was ranked on the date that the 469
bond issue was approved, regardless of the district's three-year 470
average adjusted valuation per pupil calculated under that section 471
for any subsequent fiscal year. 472

Section 2. That existing sections 3318.01, 3318.011, 473
3318.023, and 3318.36 of the Revised Code are hereby repealed. 474

Section 3. Section 3318.01 of the Revised Code is presented 475
in this act as a composite of the section as amended by Am. Sub. 476
H.B. 11 of the 125th General Assembly and Am. Sub. H.B. 16 of the 477
126th General Assembly. The General Assembly, applying the 478
principle stated in division (B) of section 1.52 of the Revised 479
Code that amendments are to be harmonized if reasonably capable of 480
simultaneous operation, finds that the composite is the resulting 481
version of the section in effect prior to the effective date of 482
the section as presented in this act. 483