



# Ohio Legislative Service Commission

## Bill Analysis

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### Sub. H.B. 148\*

131st General Assembly  
(As Reported by H. Education)

**Reps.** Patterson and LaTourette

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## BILL SUMMARY

- Requires the School Facilities Commission to give a school district first priority for funding for a project under the Classroom Facilities Assistance Program if that district (1) results from a transfer, merger, consolidation, or creation of a new local district that becomes effective between July 1, 2013, and June 30, 2018 and (2) has demonstrated to the Commission an efficient use of facility space.
- Specifies that, if an eligible school district results from a transfer, merger, consolidation, or creation of a new local district that takes place prior to the bill's effective date, the district's portion of the total project cost must be the required percentage of the basic project cost based on the percentile ranking of the lowest wealth district that was transferred, merged, consolidated, or existed prior to the creation of the new district.
- Permits the Commission to reduce an eligible school district's portion of the total cost of the project by 25 percentage points, provided the district's portion is at least 5%.
- Permits the Commission to reduce an eligible school district's portion of the total cost of the project by an additional 10 percentage points, provided the district's portion is at least 5%, if the district's project involves construction of a building on land owned by a state institution of higher education that is participating in the College Credit Plus Program and certain criteria are satisfied.

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\* This analysis was prepared before the report of the House Education Committee appeared in the House Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

- Repeals a provision of existing law that requires the Commission to adopt rules providing guidelines for prioritizing facility funding for districts that voluntarily develop certain joint use agreements and permits the Commission to advance the funding priority for projects of districts that are parties to such agreements.

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## **CONTENT AND OPERATION**

### **Classroom facilities assistance for certain consolidating school districts**

The bill requires the School Facilities Commission, if it determines that a city, local, or exempted village school district is an eligible school district, to give that district first priority for funding for a project under the Classroom Facilities Assistance Program as such funds become available, regardless of the district's percentile ranking for that program.<sup>1</sup>

#### **Eligible school district**

For purposes of this provision, an "eligible school district" is a city, local, or exempted village school district that satisfies both of the following:

(1) The district resulted from one of the following that became effective between July 1, 2013, and June 30, 2018:

-- The transfer of all of the territory of one or more local school districts to an adjoining local school district within the same educational service center;<sup>2</sup>

-- The transfer of all of the territory of one or more local school districts to an adjoining educational service center or an adjoining city or exempted village school district;<sup>3</sup>

-- The voluntary transfer of the entire territory of a city, local, or exempted village school district to an adjoining district by action initiated by the district board or by a citizen petition;<sup>4</sup>

-- The voluntary transfer of the entire territory of a city, local, or exempted village school district to one or more contiguous or noncontiguous city, local, or

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<sup>1</sup> R.C. 3318.036(B)(1).

<sup>2</sup> R.C. 3311.22, not in the bill.

<sup>3</sup> R.C. 3311.231, not in the bill.

<sup>4</sup> R.C. 3311.24, not in the bill.

exempted village school districts by action initiated by the State Board of Education or the district board;<sup>5</sup>

-- The merger of two or more city, local, or exempted village school districts primarily located in the same county, provided that county has a population of less than 100,000;<sup>6</sup>

-- The creation of a new local school district from all of one or more local school districts by resolution of the State Board;<sup>7</sup> or

-- The consolidation of two or more contiguous city, local, or exempted village school districts into a new district following a proposal for consolidation by the State Board and a vote by the electors residing in the territory of the new district.<sup>8</sup>

(2) The district has demonstrated to the Commission an efficient use of facility space, including a reduction in the number of buildings used by students and administrative staff.<sup>9</sup>

### **School district portion of the total cost of the project**

#### **Initial determination of a district's portion of the total cost**

The bill specifies that, if an eligible school district results from a transfer, merger, consolidation, or creation of a new local district that takes effect prior to the bill's effective date, the district's portion of the total cost of the project must be the "required percentage of the basic project cost" (1% times a district's wealth percentile)<sup>10</sup> based on the percentile ranking of the lowest wealth district that was transferred, merged, consolidated, or existed prior to the creation of the new district.<sup>11</sup>

However, if an eligible school district results from a transfer, merger, consolidation, or creation of a new local district that takes effect on or after the bill's effective date, the district's portion of the total cost of the project must be the "required

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<sup>5</sup> R.C. 3311.38, not in the bill.

<sup>6</sup> R.C. 3311.25, not in the bill.

<sup>7</sup> R.C. 3311.26, not in the bill.

<sup>8</sup> R.C. 3311.37, not in the bill.

<sup>9</sup> R.C. 3318.036(A)(1).

<sup>10</sup> R.C. 3318.01, not in the bill.

<sup>11</sup> R.C. 3318.036(B)(1).



percentage of the basic project cost" based on the percentile ranking of the newly formed district (as required under current law).<sup>12</sup>

### **Reductions of the initial determination of a district's portion of the total cost**

The bill provides that the Commission may reduce an eligible school district's portion of the total cost of the project by 25 percentage points, provided that the district's portion is at least 5%.<sup>13</sup>

Additionally, the bill provides that the Commission may reduce an eligible school district's portion of the total cost of the project by an additional 10 percentage points if the district's project satisfies all of the following conditions, provided the district's portion is at least 5%:

(1) It involves construction of a building on land owned by a state institution of higher education, and the Commission approves the project.<sup>14</sup>

(2) The district and the institution enter into a written agreement regarding the continued use of the institution's land by the district, and the Commission approves the agreement.

(3) On the date the district and institution enter into the written agreement, the institution is participating in the College Credit Plus Program (CCP).<sup>15</sup> The CCP Program allows high school students who are enrolled in public or nonpublic high schools or who are home-instructed to enroll in nonsectarian college courses at any public or private college, or any eligible out-of-state college, in order to receive high school and college credit.<sup>16</sup>

### **Repeal of current provision for prioritizing facility funding for joint projects**

The bill repeals a provision of existing law that does both of the following:

(1) Requires the Commission to adopt rules providing guidelines for prioritizing facility funding for districts that voluntarily develop joint use or other cooperative

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<sup>12</sup> R.C. 3318.032, not in the bill.

<sup>13</sup> R.C. 3318.036(B)(2).

<sup>14</sup> R.C. 3345.011, not in the bill.

<sup>15</sup> R.C. 3318.036(B)(3).

<sup>16</sup> R.C. Chapter 3365., not in the bill.



agreements that significantly improve the efficiency of the use of facility space within or between districts;

(2) Permits the Commission to advance the funding priority for projects of districts that are parties to such agreements if the Commission determines that the agreements comply with the guidelines.<sup>17</sup>

## Background

As an independent agency of the Ohio Facilities Construction Commission, the School Facilities Commission (SFC) administers several programs that provide state assistance to school districts and community schools in constructing classroom facilities. The main program, the Classroom Facilities Assistance Program (CFAP), is designed to provide each city, exempted village, and local school district with partial funding to address all of the district's classroom facilities needs. It is a graduated, cost-sharing program where a district's portion of the total cost of the project and priority for funding are based on the district's relative wealth. Districts are ranked by wealth into percentiles. The poorest districts are served first and receive a greater amount of state assistance than wealthier districts will receive when it is their turn to be served based on their respective wealth percentile.<sup>18</sup>

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## HISTORY

ACTION	DATE
Introduced	04-13-15
Reported, H. Education	---

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<sup>17</sup> Repealed R.C. 3318.32; conforming changes in R.C. 3318.02, 3318.024, and 3318.30.

<sup>18</sup> R.C. 3318.01 to 3318.20, not in the bill.

