

As Reported by the House Education Committee

131st General Assembly

Regular Session

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Sub. H. B. No. 148

Representatives Patterson, LaTourette

Cosponsors: Representatives Fedor, Smith, K.

A BILL

To amend sections 3318.02, 3318.024, and 3318.30, 1
to enact section 3318.036, and to repeal section 2
3318.32 of the Revised Code to require the 3
School Facilities Commission to give priority 4
for project funding to school districts that 5
resulted from certain types of transfers, 6
mergers, or consolidations and demonstrate an 7
efficient use of facility space as determined by 8
the Commission. 9

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

Section 1. That sections 3318.02, 3318.024, and 3318.30 be 10
amended and section 3318.036 of the Revised Code be enacted to 11
read as follows: 12

Sec. 3318.02. (A) For purposes of sections 3318.01 to 13
~~3318.32~~3318.20 of the Revised Code, the Ohio school facilities 14
commission shall periodically perform an assessment of the 15
classroom facility needs in the state to identify school 16
districts in need of additional classroom facilities, or 17
replacement or reconstruction of existent classroom facilities, 18

and the cost to each such district of constructing or acquiring 19
such additional facilities or making such renovations. 20

(B) Based upon the most recent assessment conducted 21
pursuant to division (A) of this section, the commission shall 22
conduct on-site visits to school districts identified as having 23
classroom facility needs to confirm the findings of the periodic 24
assessment and further evaluate the classroom facility needs of 25
the district. The evaluation shall assess the district's need to 26
construct or acquire new classroom facilities and may include an 27
assessment of the district's need for building additions or for 28
the reconstruction of existent buildings in lieu of constructing 29
or acquiring replacement buildings. 30

(C) (1) Except as provided in division (C) (2) of this 31
section, on-site visits performed on or after May 20, 1997, 32
shall be performed in the order specified in this division. The 33
first round of on-site visits first succeeding the effective 34
date of this amendment, May 20, 1997, shall be limited to the 35
school districts in the first through fifth percentiles, 36
excluding districts that are ineligible for funding under this 37
chapter pursuant to section 3318.04 of the Revised Code. The 38
second round of on-site visits shall be limited to the school 39
districts in the first through tenth percentiles, excluding 40
districts that are ineligible for funding under this chapter 41
pursuant to section 3318.04 of the Revised Code. Each succeeding 42
round of on-site visits shall be limited to the percentiles 43
included in the immediately preceding round of on-site visits 44
plus the next five percentiles. Except for the first round of 45
on-site visits, no round of on-site visits shall commence unless 46
eighty per cent of the districts for which on-site visits were 47
performed during the immediately preceding round, have had 48
projects approved under section 3318.04 of the Revised Code. 49

(2) Notwithstanding division (C)(1) of this section, the commission may perform on-site visits for school districts in the next highest percentile to the percentiles included in the current round of on-site visits, and then to succeeding percentiles one at a time, not to exceed the twenty-fifth percentile, if all of the following apply:

(a) Less than eighty per cent of the districts for which on-site visits were performed in the current round, and in any percentiles for which on-site visits were performed in addition to the current round pursuant to this division, have had projects approved under section 3318.04 of the Revised Code;

(b) There are funds appropriated for the purpose of sections 3318.01 to 3318.20 of the Revised Code that are not reserved and encumbered for projects pursuant to section 3318.04 of the Revised Code;

(c) The commission makes a finding that such available funds would be more thoroughly utilized if on-site visits were extended to the next highest percentile.

(D) Notwithstanding divisions (B) and (C) of this section, in any fiscal year, the commission may limit the number of districts for which it conducts on-site visits based upon its projections of the moneys available and moneys necessary to undertake projects under sections 3318.01 to ~~3318.32~~ 3318.20 of the Revised Code for that year.

Sec. 3318.024. In the first year of a capital biennium, any funds appropriated to the Ohio school facilities commission for classroom facilities projects under this chapter in the previous capital biennium that were not spent or encumbered, or for which an encumbrance has been canceled under section 3318.05

of the Revised Code, shall be used by the commission only for 79
projects under sections 3318.01 to 3318.20 of the Revised Code, 80
subject to appropriation by the general assembly. 81

In the second year of a capital biennium, any funds 82
appropriated to the Ohio school facilities commission for 83
classroom facilities projects under this chapter that were not 84
spent or encumbered in the first year of the biennium and which 85
are in excess of an amount equal to half of the appropriations 86
for the capital biennium, or for which an encumbrance has been 87
canceled under section 3318.05 of the Revised Code, shall be 88
used by the commission only for projects under sections 3318.01 89
to 3318.20, ~~3318.32~~, 3318.351, 3318.364, 3318.37, 3318.371, 90
3318.38, and 3318.40 to 3318.46 of the Revised Code, subject to 91
appropriation by the general assembly. 92

Sec. 3318.036. (A) For purposes of this section: 93

(1) "Eligible school district" is a city, local, or 94
exempted village school district that satisfies both of the 95
following conditions: 96

(a) The district resulted from one of the following that 97
became effective between July 1, 2013, and June 30, 2018: 98

(i) A transfer of all of the territory of one school 99
district to another school district in accordance with section 100
3311.22, 3311.231, 3311.24, or 3311.38 of the Revised Code; 101

(ii) The merger of two or more districts in accordance 102
with section 3311.25 of the Revised Code; 103

(iii) The creation of a new local school district from all 104
of one or more local school districts in accordance with section 105
3311.26 of the Revised Code; 106

(iv) The consolidation of two or more school districts 107
under section 3311.37 of the Revised Code. 108

(b) The district has demonstrated to the Ohio school 109
facilities commission an efficient use of facility space, 110
including a reduction in the number of buildings used by 111
students and administrative staff. 112

(2) "Basic project cost" and "required percentage of the 113
basic project cost" have the same meanings as in section 3318.01 114
of the Revised Code. 115

(B) Notwithstanding anything to the contrary in this 116
chapter: 117

(1) If the commission determines that a district is an 118
eligible school district, the commission shall give that 119
district first priority for funding for a project under sections 120
3318.01 to 3318.20 of the Revised Code as such funds become 121
available, regardless of the district's percentile rank under 122
section 3318.011 of the Revised Code. If the district results 123
from a transfer, merger, consolidation, or creation of a new 124
local district that takes effect prior to the effective date of 125
this section, the district's portion of the basic project cost 126
shall be the required percentage of the basic project cost based 127
on the percentile ranking of the district that was transferred, 128
merged, consolidated, or existed prior to the creation of the 129
new district that has the lowest three-year average adjusted 130
valuation per pupil, as calculated under section 3318.011 of the 131
Revised Code, on the date that the transfer, merger, 132
consolidation, or creation of the new district became effective. 133

(2) If an eligible school district is given priority under 134
division (B) (1) of this section, the commission may reduce that 135

district's portion of the basic project cost by twenty-five 136
percentage points from the portion determined under section 137
3318.032 of the Revised Code or, if the district results from a 138
transfer, merger, consolidation, or creation of a new local 139
district that takes effect prior to the effective date of this 140
section, from the portion determined under division (B) (1) of 141
this section. At no time, however, shall that district's portion 142
of the basic project cost be less than five per cent. 143

(3) If an eligible school district is given priority under 144
division (B) (1) of this section, the commission may reduce that 145
district's portion of the basic project cost by ten percentage 146
points from the portion determined under section 3318.032 of the 147
Revised Code or, if the district results from a transfer, 148
merger, consolidation, or creation of a new local district that 149
takes effect prior to the effective date of this section, from 150
the portion determined under division (B) (1) of this section, if 151
the district's project satisfies the following conditions: 152

(a) The project involves construction of a building on 153
land owned by a state institution of higher education, as that 154
term is defined in section 3345.011 of the Revised Code, and the 155
commission approves the project. 156

(b) The district and the state institution of higher 157
education enter into a written agreement regarding the continued 158
use of the institution's land by the district, and the 159
commission approves the agreement. 160

(c) On the date that the district and the state 161
institution of higher education enter into the written agreement 162
described in division (B) (3) (b) of this section, the state 163
institution of higher education is participating in the college 164
credit plus program established under Chapter 3365. of the 165

Revised Code. 166

At no time, however, shall that district's portion of the 167
basic project cost be less than five per cent. 168

The reduction of the district's portion of the basic 169
project cost described in division (B) (3) of this section may be 170
in addition to a reduction of the district's portion of the 171
basic project cost under division (B) (2) of this section. 172

(C) Except as provided in division (B) of this section, a 173
district's project undertaken pursuant to this section shall be 174
subject to all other requirements in sections 3318.01 to 3318.20 175
of the Revised Code. 176

Sec. 3318.30. (A) There is hereby created the Ohio school 177
facilities commission as an independent agency of the state 178
within the Ohio facilities construction commission, which is 179
created under section 123.20 of the Revised Code. The Ohio 180
school facilities commission shall administer the provision of 181
financial assistance to school districts for the acquisition or 182
construction of classroom facilities in accordance with ~~sections~~ 183
~~3318.01 to 3318.32 of the Revised Code~~ this chapter. 184

The Ohio school facilities commission is a body corporate 185
and politic, an agency of state government and an 186
instrumentality of the state, performing essential governmental 187
functions of this state. The carrying out of the purposes and 188
the exercise by the Ohio school facilities commission of its 189
powers conferred by ~~sections 3318.01 to 3318.32 of the Revised~~ 190
~~Code~~ this chapter are essential public functions and public 191
purposes of the state. The Ohio school facilities commission 192
may, in its own name, sue and be sued, enter into contracts, and 193
perform all the powers and duties given to it by ~~sections~~ 194

~~3318.01 to 3318.32 of the Revised Code, this chapter,~~ but it does 195
not have and shall not exercise the power of eminent domain. In 196
its discretion and as it determines appropriate, the Ohio school 197
facilities commission may delegate to any of its members, 198
executive director, or other employees any of the Ohio school 199
facilities commission's powers and duties to carry out its 200
functions. 201

(B) The Ohio school facilities commission shall consist of 202
seven members, three of whom are voting members. The voting 203
members of the Ohio school facilities commission shall be the 204
director of the office of budget and management, the director of 205
administrative services, and the superintendent of public 206
instruction, or their designees. Of the nonvoting members, two 207
shall be members of the senate appointed by the president of the 208
senate, and two shall be members of the house of representatives 209
appointed by the speaker of the house. Each of the appointees of 210
the president, and each of the appointees of the speaker, shall 211
be members of different political parties. 212

Nonvoting members shall serve as members of the Ohio 213
school facilities commission during the legislative biennium for 214
which they are appointed, except that any such member who ceases 215
to be a member of the legislative house from which the member 216
was appointed shall cease to be a member of the Ohio school 217
facilities commission. Each nonvoting member shall be appointed 218
within thirty-one days of the end of the term of that member's 219
predecessor. Such members may be reappointed. Vacancies of 220
nonvoting members shall be filled in the manner provided for 221
original appointments. 222

Members of the Ohio school facilities commission shall 223
serve without compensation. 224

After the initial nonvoting members of the Ohio school 225
facilities commission have been appointed, the Ohio school 226
facilities commission shall meet and organize by electing voting 227
members as the chairperson and vice-chairperson of the Ohio 228
school facilities commission, who shall hold their offices until 229
the next organizational meeting of the Ohio school facilities 230
commission. Organizational meetings of the Ohio school 231
facilities commission shall be held at the first meeting of each 232
calendar year. At each organizational meeting, the Ohio school 233
facilities commission shall elect from among its voting members 234
a chairperson and vice-chairperson, who shall serve until the 235
next annual organizational meeting. The Ohio school facilities 236
commission shall adopt rules pursuant to section 111.15 of the 237
Revised Code for the conduct of its internal business and shall 238
keep a journal of its proceedings. Including the organizational 239
meeting, the Ohio school facilities commission shall meet at 240
least once each calendar quarter. 241

Two voting members of the Ohio school facilities 242
commission constitute a quorum, and the affirmative vote of two 243
members is necessary for approval of any action taken by the 244
Ohio school facilities commission. A vacancy in the membership 245
of the Ohio school facilities commission does not impair a 246
quorum from exercising all the rights and performing all the 247
duties of the Ohio school facilities commission. Meetings of the 248
Ohio school facilities commission may be held anywhere in the 249
state and shall be held in compliance with section 121.22 of the 250
Revised Code. 251

(C) The Ohio school facilities commission shall file an 252
annual report of its activities and finances with the governor, 253
speaker of the house of representatives, president of the 254
senate, and chairpersons of the house and senate finance 255

committees.	256
(D) The Ohio school facilities commission shall be exempt	257
from the requirements of sections 101.82 to 101.87 of the	258
Revised Code.	259
(E) The Ohio school facilities commission may share	260
employees and facilities with the Ohio facilities construction	261
commission.	262
Section 2. That existing sections 3318.02, 3318.024, and	263
3318.30 and section 3318.32 of the Revised Code are hereby	264
repealed.	265