

Role and Overview

The Ohio School Facilities Commission (OSFC) provides funding to public school districts as authorized by the General Assembly and oversees the construction and renovation of school facilities. Senate Bill 102 of the 122nd General Assembly created OSFC in May 1997 and transferred the School Building Assistance Program from the Ohio Department of Education to the commission. The commission consists of seven members, three of whom are voting members. The voting members are the Director of Administrative Services, the Superintendent of Public Instruction, and the Director of the Office of Budget and Management. The four non-voting members include two members from both the House and the Senate. The commission has 59 employees with an annual operating budget of \$7.7 million. Appropriations for school building construction are typically provided through the state capital bill and tobacco bill.

Through six main programs, OSFC currently manages over \$8.7 billion in planning, design, and construction for over 649 school facilities. Through December 2006, the OSFC has opened 469 new or completely renovated buildings and has completed 112 district-wide fixes.

Additional information regarding the Ohio School Facilities Commission is available at <http://osfc.ohio.gov>.



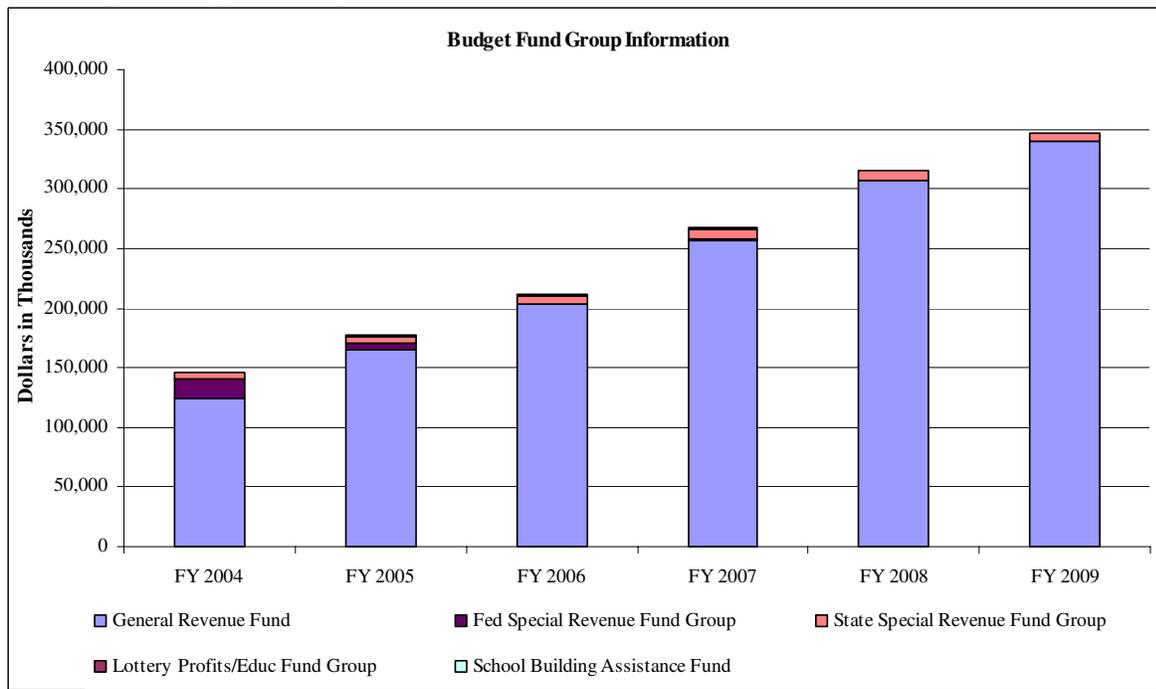
Turnaround Ohio Initiatives

- Create schools that work for every child by giving teachers the tools and technology they need to stimulate creative, problem-solving students to power Ohio’s 21st century economy.

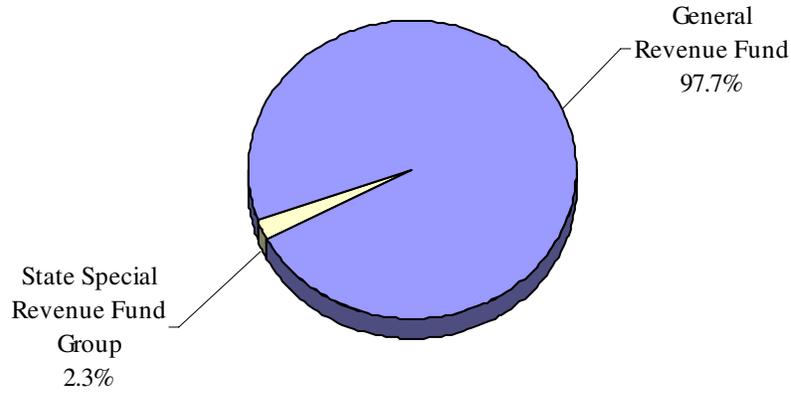
Agency Priorities

- Administer and oversee the construction and renovation of school buildings, as funded in the Capital Budget, to provide an appropriate learning environment for Ohio’s school children.

Summary of Budget History and Recommendations

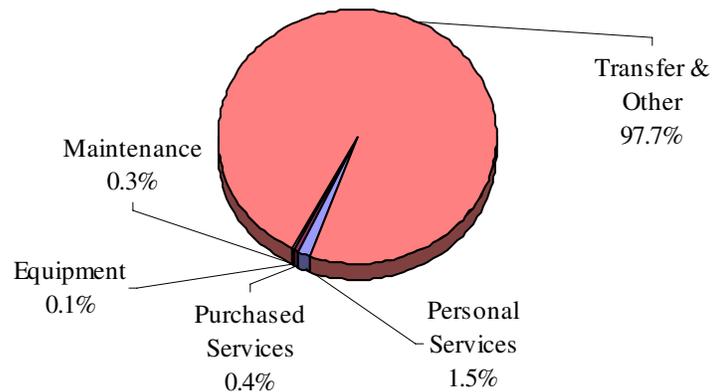


**FY 2008-09 Biennial Appropriation
by Budget Fund Group**



(In thousands) BUDGET FUND GROUP	ACTUAL			ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED			
	FY 2004	FY 2005	FY 2006			FY 2008	% CHANGE	FY 2009	% CHANGE
General Revenue Fund	123,625	165,365	203,140	256,515	26.3	307,470	19.9	339,648	10.5
Fed Special Revenue Fund Group	16,489	4,976	890	1,461	64.2	0	(100.0)	0	.0
State Special Revenue Fund Group	5,426	6,244	6,458	7,691	19.1	7,750	.8	7,786	.5
Lottery Profits/Educ Fund Group	0	0	0	2,000	.0	0	(100.0)	0	.0
School Building Assistance Fund	0	578	603	0	(100.0)	0	.0	0	.0
TOTAL	145,540	177,162	211,091	267,667	26.8	315,220	17.8	347,434	10.2

**FY 2008-09 Biennial Appropriation
by Expense Category**



State of Ohio
School Facilities Commission

(In thousands) OBJECT OF EXPENSE	ACTUAL			ESTIMATE FY 2007	% CHANGE FY 06-07	RECOMMENDED			
	FY 2004	FY 2005	FY 2006			FY 2008	% CHANGE	FY 2009	% CHANGE
Personal Services	3,947	4,086	4,375	5,284	20.8	4,998	(5.4)	5,081	1.7
Purchased Services	432	1,190	1,106	1,123	1.5	1,351	20.3	1,269	(6.1)
Maintenance	938	895	875	1,123	28.3	1,054	(6.1)	1,084	2.9
Equipment	218	119	121	181	49.6	346	91.4	352	1.6
Subsidy	16,380	4,929	871	1,441	65.4	0	(100.0)	0	.0
Transfer & Other	123,625	165,942	203,743	258,515	26.9	307,470	18.9	339,648	10.5
TOTAL	145,540	177,162	211,091	267,667	26.8	315,220	17.8	347,434	10.2

PROGRAM SERIES 01: School Facilities Construction

This program series is comprised of programs that provide school facilities construction assistance to public school districts, joint vocational school districts, and qualifying community schools throughout the State of Ohio. Appropriations for the planning and construction of these facilities are funded primarily through the capital and tobacco bills. The operating budget provides for the proper administration of these programs and debt service payments.

Program 01.01: Classroom Facilities Assistance

The Classroom Facilities Assistance Program (CFAP) is the most comprehensive program OSFC administers. Under CFAP, OSFC evaluates the facility needs of an entire school district and then provides the state share of funding for necessary construction and renovation. The OSFC also provides standard contracting and design guidance and managerial oversight during the design and construction phases of the projects. School district eligibility to participate in CFAP is based on their placement on the Ohio Department of Education's Eligibility Ranking List. CFAP also includes the six districts participating in the Accelerated Urban Initiative (Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo). There are 58 projects underway for this program in fiscal year 2007. The number of projects will likely rise to 65 and to 72 in fiscal years 2008 and 2009, respectively. From the inception of CFAP through December 2006, 102 school districts have been completed.

The Executive Recommendation will:

- Pay interest and principal for bonds issued to finance Classroom Facilities Assistance Program projects.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	230-428	Lease Rental Payments	22,702,000	0
GRF	GRF	230-908	Common Schools G.O. Debt Svc	242,227,800	289,511,820
TOTAL FOR PROGRAM				264,929,800	289,511,820

Program 01.02: Exceptional Needs

The Exceptional Needs Program (ENP) is designed to address the health and safety needs of districts that are below the median per pupil property wealth. Unlike the eligibility determination and the district-wide renovation of CFAP, districts receiving ENP funding have submitted an application for the renovation or replacement of specific buildings. Applications are rank ordered based on the severity of the problem. There are nine projects being completed under this program in fiscal year 2007. The number of projects will likely rise to 12 and to 15 in fiscal

State of Ohio
School Facilities Commission

years 2008 and 2009, respectively. From the inception of ENP through December 2006, 32 school buildings have been opened.

The Executive Recommendation will:

- Pay interest and principal for bonds issued to finance Exceptional Needs Program projects.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	230-908	Common Schools G.O. Debt Svc	27,439,054	33,578,199
TOTAL FOR PROGRAM				27,439,054	33,578,199

Program 01.03: Expedited Local Partnership

The Expedited Local Partnership Program (ELPP) is designed to give districts not yet eligible to participate in CFAP the opportunity to move ahead with portions of their project. After a district applies for the ELPP, the OSFC performs an assessment of the district's facilities and enters into an agreement with the district on a Facility Master Plan that covers the entire needs of the district. The district then chooses a "discrete portion" of its Master Plan to fund through local efforts. When the district later becomes eligible for CFAP, the money spent by the district will be credited toward the overall CFAP project. While school districts receive no state money under ELPP, OSFC still must assess, plan, provide approval, and monitor construction. Through December 2006, 67 buildings were opened under ELPP. The number of projects will likely decrease as more districts become eligible through other OSFC programs.

The Executive Recommendation will:

- Allow for continued administration of this program, which is funded by local school districts, with technical support from OSFC shown in Program 01.07, General School Facilities Assistance.
- Provide information technology support for the employees, school districts, and contractors on each project.

Program 01.04: Joint Vocational Facilities Assistance

The Vocational Facilities Assistance Program is designed to provide funding and technical assistance to ensure quality classroom and career-technical facilities to all students attending Ohio's 49 joint vocational school districts (JVSD). As with CFAP, OSFC evaluates the facility needs of an entire JVSD and then provides the state share of funding for necessary construction and renovation. The OSFC also provides standard contracting and design guidance, and managerial oversight during the design and construction phases of the projects. There were four JVSDs offered assistance under this program in fiscal year 2007, a number that is expected to rise to six and then to seven in fiscal years 2008 and 2009, respectively. Projects first started in fiscal year 2007 will likely begin to be completed in 2009.

In fiscal year 2006, OSFC assumed the responsibilities from the Department of Education for the vocational school building loan program, shown below as the Career-Tech School Building Assistance line item. This program provides interest-free loans to eligible school districts and joint vocational school districts to assist in financing the construction and renovation of vocational classroom facilities. Historically, one to two loans are made per year. OSFC is positioned to eliminate the loan program and align this program with the Vocational Facilities Assistance Program, detailed above.

The Executive Recommendation will:

- Pay interest and principal for bonds issued to finance Joint Vocational Facilities Assistant Program projects.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	230-908	Common Schools G.O. Debt Svc	1,534,432	2,668,129
TOTAL FOR PROGRAM				1,534,432	2,668,129

Program 01.05: Energy Conservation

This program gives school districts an opportunity to make energy efficient improvements to their buildings and use the cost savings to pay for those improvements. As statutorily authorized, the Energy Conservation Program gives districts the ability to borrow funds, in this one limited instance, without having to pass a ballot issue for the authority to borrow. That limited borrowing authority has given districts the ability to save millions in utility bills and operating costs. The cost of the improvements may not exceed the savings in energy, operation, and maintenance costs. The OSFC approves the projects following an analysis and review of a district's application, but is not involved in the actual financing, design, or construction.

The Executive Recommendation will:

- Allow for continued administration of this program, which is supported by Program 01.07, General School Facilities Assistance;

Program 01.06: Community School Guaranteed Loans

This program offers assistance to community schools to help meet their facility needs. Ohio community schools can apply for a state guarantee on a loan from a bank or lending firm to the community school, not to exceed \$1 million for up to 15 years. Of the \$10 million allowed by the program, \$1.5 million remains for additional rounds of applications in fiscal years 2008 and 2009. OSFC's specific charge is to review and approve the application for a loan guarantee.

The Executive Recommendation will:

- Allow for continued administration of this program, which is supported by Program 01.07, General School Facilities Assistance;

Program 01.07: General School Facilities Assistance

General School Facilities Assistance supports the continued administration necessary to provide an appropriate level of management and oversight for the school construction projects.

The Executive Recommendation will:

- Fund 59.5 staff positions to provide the management and oversight required to ensure accountability for the various school facilities programs; to support project planning, budgeting, and review for compliance with the Ohio School Design Manual; and to provide project administration including tracking, approval, and assistance at every phase of the project through building design, construction, and final closeout;
- Provide the professional service contracts needed to develop contracting and design guidance, as provided to school districts through the OSFC Design Manual;
- Provide information technology support for the employees, school districts, and contractors on each project;
- Maintain purchased personal service levels, primarily for information technology systems, design manual updates, and auditing;
- Replace computer equipment for aging technology systems and maintain and upgrade equipment as necessary to support both on-going and additional construction projects; and
- Pay interest and principal for debt incurred for the "Big 8" and Emergency Repair programs. These are programs that largely have been closed out and are not scheduled for additional appropriations.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
GRF	GRF	230-908	Common Schools G.O. Debt Svc	13,567,114	13,890,152
SSR	5E3	230-644	Operating Expenses	7,749,813	7,786,197
TOTAL FOR PROGRAM				21,316,927	21,676,349

LINE ITEM SUMMARY - School Facilities Commission

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
GRF	230-428	Lease Rental Payments	31,765,182	31,697,465	31,684,689	31,603,200	22,702,000	(28.2)	0	(100.0)
GRF	230-908	Common Schools G.O. Debt Svc	91,859,332	133,667,174	171,455,309	224,911,500	284,768,400	26.6	339,648,300	19.3
TOTAL General Revenue Fund			123,624,514	165,364,639	203,139,998	256,514,700	307,470,400	19.9	339,648,300	10.5
3X9	230-601	Fed School Facilities Grant	16,489,008	4,976,397	889,532	1,460,663	0	(100.0)	0	.0
TOTAL Fed Special Revenue Fund Group			16,489,008	4,976,397	889,532	1,460,663	0	(100.0)	0	.0
5E3	230-644	Operating Expenses	5,426,340	6,243,680	6,458,321	7,691,485	7,749,813	.8	7,786,197	.5
TOTAL State Special Revenue Fund Group			5,426,340	6,243,680	6,458,321	7,691,485	7,749,813	.8	7,786,197	.5
020	230-620	Career Tech School Building	0	0	0	2,000,000	0	(100.0)	0	.0
TOTAL Lottery Profits/Educ Fund Group			0	0	0	2,000,000	0	(100.0)	0	.0
021	CAP-605	Hardship Loan Program	0	577,642	602,677	0	0	.0	0	.0
TOTAL School Building Assistance Fund			0	577,642	602,677	0	0	.0	0	.0
TOTAL School Facilities Commission			145,539,862	177,162,358	211,090,528	267,666,848	315,220,213	17.8	347,434,497	10.2