

Ohio School Facilities Commission

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 \$7.1 million. Appropriations for school building construction are typically provided through the state's capital bill and tobacco legislation.

The OSFC oversees the largest capital building program, public or private, in the state. Through eight programs, OSFC currently manages over \$4 billion in design and construction for over 300 school facilities. Through December 2004, the OSFC has opened 293 new or completely renovated buildings and has completed 92 district-wide fixes.

Executive Priorities for the Ohio School Facilities Commission

- Provide the resources to effectively administer and properly oversee the implementation of the Governor's Rebuild Ohio's Schools Initiative, which constructs and renovates school facilities to provide an appropriate learning environment for Ohio's school children.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL			ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED			
	FY 2002	FY 2003	FY 2004			FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	71,630	79,546	123,625	173,417	40.3	220,416	27.1	256,515	16.4
Fed Special Revenue Fund Group	0	4,614	16,489	7,111	(56.9)	0	(100.0)	0	.0
State Special Revenue Fund Group Lottery Profits/Education Fund Group	4,963	5,549	5,426	7,010	29.2	7,320	4.4	7,691	5.1
	0	0	0	0	.0	2,000	.0	2,000	.0
TOTAL	76,594	89,709	145,540	187,538	28.9	229,736	22.5	266,206	15.9

(In thousands) OBJECT OF EXPENSE	ACTUAL			ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED			
	FY 2002	FY 2003	FY 2004			FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	3,643	3,613	3,947	4,599	16.5	4,839	5.2	5,284	9.2
Purchased Services	155	739	432	1,253	189.9	1,218	(2.8)	1,103	(9.4)
Maintenance	1,046	1,017	938	1,038	10.7	1,085	4.5	1,123	3.6
Equipment	120	245	218	168	(23.1)	178	6.0	181	1.9
Subsidy	0	4,549	16,380	7,064	(56.9)	2,000	(71.7)	2,000	.0
Transfer & Other	71,630	79,546	123,625	141,712	14.6	220,416	55.5	256,515	16.4
TOTAL	76,594	89,709	145,540	155,833	7.1	229,736	47.4	266,206	15.9

Ohio School Facilities Commission

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.

Program 01.01: Classroom Facilities Assistance

The Classroom Facilities Assistance Program (CFAP) is the largest 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 Equity List. There are 63 projects underway for this program in fiscal year 2005. The number of projects will likely rise to 65 and to 72 in fiscal years 2006 and 2007, respectively. From the inception of CFAP through December 2004, 84 school districts have been completed.

What the Budget Buys:

- Provides the payment of interest and principal, or debt service, to retire debt created by the issuance of bonds or notes to finance the CFAP projects;
- Supports 44 and 49 staff positions in fiscal year 2006 and 2007, respectively, who are primarily project administrators needed to oversee construction efforts;
- Funds the professional service contracts needed to develop contracting and design guidance, as provided to school districts through the OSFC Design Manual; and
- Provides information technology support for the employees, school districts, and contractors on each project.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	230-428	Lease Rental Payments	31,691,700	31,603,200
GRF	GRF	230-908	Common Schools G. O. Debt Service	161,038,786	191,916,983
SSR	5E3	230-644	Operating Expenses	4,913,695	5,306,902
TOTAL FOR PROGRAM				197,644,181	228,827,085

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 a specific building. To be eligible for the program, the building must need replacement. Applications are rank ordered based on the severity of the problem. There are nine projects being completed under this program in fiscal year 2005. The number of projects will likely rise to 12 and to 15 in fiscal years 2006 and 2007 respectively. From the inception of ENP through December 2004, 18 school buildings have been completed.

What the Budget Buys:

- Provides the payment of interest and principal, or debt service, to retire debt created by the issuance of bonds or notes to finance the ENP projects;
- Supports seven employees in fiscal years 2006 and 2007 for the continued administration of current ENP projects as well as the addition of approximately three new projects in each year; and
- Provides information technology support for the employees, school districts, and contractors on each project.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	230-908	Common Schools G. O. Debt Service	15,211,211	18,127,867
SSR	5E3	230-644	Operating Expenses	805,058	798,427
TOTAL FOR PROGRAM				16,016,269	18,926,294

Ohio School Facilities Commission

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 "distinct portion" of their 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. There are 88 projects participating in this program in fiscal year 2005. The number of projects will likely decrease to 78 and to 68 in fiscal years 2006 and 2007, respectively, as more districts become eligible through other OSFC programs.

What the Budget Buys:

- Employs 11 employees for the assessment of districts, master planning process and project oversight for current ELPP projects as well as those districts transitioning from ELPP to other commission programs; and
- Provides information technology support for the employees, school districts, and contractors on each project.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2006	FY 2007
SSR	5E3	230-644	Operating Expenses	1,345,940	1,333,973
TOTAL FOR PROGRAM				1,345,940	1,333,973

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-tech 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 three JVSD offered assistance under this program in fiscal year 2005, a number that is expected to rise to six and then to seven in fiscal years 2006 and 2007, respectively. Projects first started in fiscal year 2005 will likely begin to be completed in 2007.

OSFC will assume 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 align this program with the Vocational Facilities Assistance Program, detailed above.

What the Budget Buys:

- Provides the payment of interest and principal, or debt service, to retire debt created by the issuance of bonds or notes to finance the JVSD projects;
- Funds the professional service contracts needed to develop contracting and design guidance, as provided to school districts through the OSFC Design Manual;
- Provides one employee for the oversight of the program; and
- Provides information technology support for the employees, school districts, and contractors on each project.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2006	FY 2007
SSR	5E3	230-644	Operating Expenses	125,782	124,340
LPE	020	230-620	Career-Tech School Building Assistance	2,000,000	2,000,000
TOTAL FOR PROGRAM				2,125,782	2,124,340

Ohio School Facilities Commission

Program 01.05: Energy Conservation

This program is an innovative initiative that gives school districts an opportunity to make energy efficiency improvements to their districts' buildings and use the cost savings to pay for those improvements. As statutorily authorized, the Energy Conservation Program gives districts the ability, in this one limited instance, to borrow funds 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.

What the Budget Buys:

- OSFC staff coordination with the Ohio Department of Development in the review and recommendation of proposed projects; and
- Funds the payment of fees required for plan review by the Ohio Department of Development.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
SSR	5E3	230-644	Operating Expenses	35,049	34,472
TOTAL FOR PROGRAM				35,049	34,472

Program 01.06: Community School Guaranteed Loans

This program offers assistance to community schools (charter 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, \$2.4 million remains for additional rounds of applications in fiscal year 2006 and 2007. OSFC's specific charge is to review and approve the application for a loan guarantee.

What the Budget Buys:

- Supports the personal service contract and associated administrative expenses for the review and approval of the loan guarantee applications and the monitoring costs to track the loans once they have been made.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
SSR	5E3	230-644	Operating Expenses	31,201	31,201
TOTAL FOR PROGRAM				31,201	31,201

Ohio School Facilities Commission

Program 01.07: General School Facilities Assistance

General School Facilities Assistance is comprised of other initiatives administered by the OSFC and includes the Federal Emergency Repair Program, the Big 8 Program, the Disabilities Access Program, and the Emergency Assistance Program. Many programs in this category are in the process of being closed out.

What the Budget Buys:

- Provides the payment of interest and principal, or debt service, to retire debt created by the issuance of bonds or notes to finance the general school facilities assistance projects;
- Supports the staff time required to reconcile temporary program records and properly closeout those programs that have exhausted their funding allocations; and
- Provides information technology support for the employees, school districts and contractors on each project.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
GRF	GRF	230-908	Common Schools G. O. Debt Service	12,474,703	14,866,650
SSR	5E3	230-644	Operating Expenses	62,892	62,170
TOTAL FOR PROGRAM				12,537,595	14,928,820

LINE ITEM SUMMARY - School Facilities Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	230-428	Lease Rental Payments	41,615,833	37,642,524	31,765,182	31,704,700	31,691,700	.0	31,603,200	(.3)
GRF	230-908	Common Schools G. O. Debt Service	30,014,488	41,903,405	91,859,332	141,712,490	188,724,700	33.2	224,911,500	19.2
TOTAL General Revenue Fund			71,630,321	79,545,929	123,624,514	173,417,190	220,416,400	27.1	256,514,700	16.4
3X9	230-601	Federal School Facilities Grant	0	4,613,891	16,489,008	7,111,162	0	(100.0)	0	.0
TOTAL Fed Special Revenue Fund Group			0	4,613,891	16,489,008	7,111,162	0	(100.0)	0	.0
5E3	230-644	Operating Expenses	4,963,290	5,549,472	5,426,340	7,009,766	7,319,617	4.4	7,691,485	5.1
TOTAL State Special Revenue Fund Group			4,963,290	5,549,472	5,426,340	7,009,766	7,319,617	4.4	7,691,485	5.1
020	230-620	Career-Tech School Building Assist	0	0	0	0	2,000,000	.0	2,000,000	.0
TOTAL Lottery Profits/Educ Fund Group			0	0	0	0	2,000,000	.0	2,000,000	.0
TOTAL School Facilities Commission			76,593,611	89,709,292	145,539,862	187,538,118	229,736,017	22.5	266,206,185	15.9