Redbook

LBO Analysis of Executive Budget Proposal

Ohio Facilities Construction Commission

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Attachment:

Appropriation Spreadsheet

LBO Redbook

Ohio Facilities Construction Commission

Quick look...

- The Ohio Facilities Construction Commission (OFCC) guides capital projects for state agencies, state-supported universities and community colleges, public K-12 schools, and state-funded cultural facilities.
- OFCC is a seven-member commission, three of whom are voting members: the directors of the Office of Budget and Management (OBM) and the Department of Administrative Services (DAS) and an additional administrative department head appointed by the Governor.
- Total budget recommendations: $313.3 million for FY 2026 and $289.2 million for FY 2027.
  - Sources of the budget: GRF (96.7%) and state construction management fees deposited into an Internal Service Activity (ISA) Fund (3.3%).
  - Uses of the budget: 93.0% for debt service on bonds issued to support school facilities and cultural and sports facilities and 7.0% for OFCC's operations.

Fund Group	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
General Revenue	$408,011,278	$338,750,000	$303,671,298	$278,942,393
Dedicated Purpose	$110,451,627	$91,292,959	$0	$0
Internal Service Activity	$7,930,654	$8,305,828	$9,590,355	$10,233,822
Total	$526,393,559	$438,348,787	$313,261,653	$289,176,215
% change	--	-16.7%	-28.5%	-7.7%
GRF % change	*--*	*-17.0%*	*-10.4%*	*-8.1%*

Chart 1: OFCC Budget by Fund Group FY 2026-FY 2027 Biennium

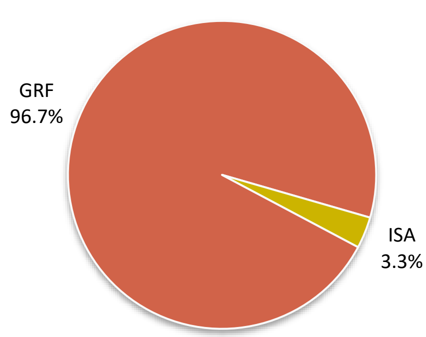
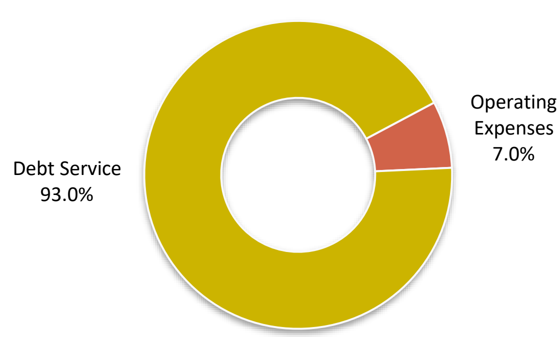


Chart 2: OFCC Budget by Expense Category FY 2026-FY 2027 Biennium



Biennial total: $602.4 million

Agency overview

The Ohio Facilities Construction Commission (OFCC) guides capital construction projects for state agencies and state-supported universities and community colleges, as well as overseeing Ohio's comprehensive public primary and secondary school construction and renovation program. OFCC also administers grants for cultural facilities. OFCC is a seven-member commission with three voting members. The voting members are the Director of Budget and Management, the Director of Administrative Services, and an additional administrative department head who is appointed by the Governor. Of the four nonvoting members, two are appointed by the President of the Senate and two are appointed by the Speaker of the House of Representatives. The Commission appoints an executive director who oversees the day-to-day operations of the agency. As of January 2025, OFCC has a staff of 105 full-time and three part-time or intermittent employees.

Analysis of FY 2026-FY 2027 budget proposal

Summary of executive recommendations

As an agency focused on capital projects, OFCC's funding mostly is appropriated in the capital budget. Of the biennial operating funding of $602.4 million proposed by the Governor, $560.0 million (93.0%) is for debt service on bonds issued to support school facilities and cultural and sports facilities and $42.4 million (7.0%) supports OFCC's operating costs. The preceding table and Chart 1 shown in the "**Quick look**" section present the executive recommended appropriations by fund group. As Chart 1 shows, the General Revenue Fund (GRF) supports 96.7% of the executive budget recommendations for OFCC, most of which (96.1%) is dedicated to debt service. In FY 2024 and FY 2025, federal American Rescue Plan Act (ARPA) funds were deposited into certain Dedicated Purpose Fund (DPF) funds to support construction projects at career-technical schools, grants to improve school security, radios in schools under the Multi-Agency Radio Communications System (MARCS)-in-Schools Program, and grants to establish community innovation centers in the Appalachian region of the state. These funds have expired.

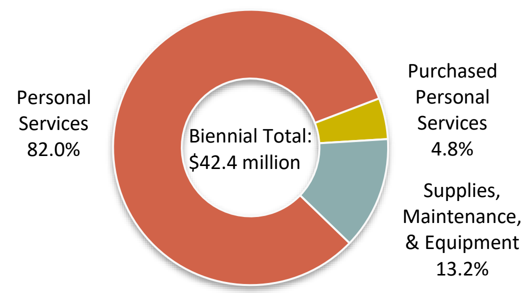
The following is an analysis of the Governor's recommended funding amounts for each appropriation item in OFCC's budget. Each appropriation item contains a table with six years of spending and appropriation data along with annual percentage changes for each appropriation item. Following the table is a narrative describing how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor.

Funding for operating expenses

The line items in this category are used to provide oversight of capital projects for K-12 schools, cultural facilities, 20 state agencies that perform construction, and 27 state-supported universities and community colleges. As can be seen from Chart 3, of the $42.4 million proposed by the Governor for OFCC's operating expenses over the biennium, 82.0% is for personal services to pay payroll costs for OFCC's employees; 13.2% is for supplies, maintenance, and equipment; and 4.8% is for purchased personal service contracts.

Total appropriations for operating expenses under the Governor's proposal decrease by 0.3% in FY 2026 from an estimated spending level of over $20.8 million in FY 2025 to just under $20.8 million in FY 2026, then increase by 4.4% to $21.7 million in FY 2027. According to OFCC, the Governor's proposed budget for operating expenses will support a total of 112 full-time and three part-time positions.

Chart 3: OFCC Operating Expenses by Expense Category, FY 2026-FY 2027 Biennium



Operating Expenses (ALI 230321)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
GRF ALI 230321, Operating Expenses					
$5,735,027	$6,772,155	$10,165,497	$10,750,000	$11,171,298	$11,442,393
% change	18.1%	50.1%	5.7%	3.9%	2.4%
GRF ALI 230458, State Construction Management Services					
$1,395,469	$1,906,019	$127,706	$0	$0	$0
% change	36.6%	-93.3%	-100.0%	N/A	N/A
Total					
$7,130,496	$8,678,175	$10,293,204	$10,750,000	$11,171,298	$11,442,393
% change	21.7%	18.6%	4.4%	3.9%	2.4%

Line item 230321 provides funding for OFCC's administration and oversight of various school facilities assistance programs and cultural facilities projects. Since FY 2024, it has also integrated line item 230458 to support OFCC staff who, in addition to administering cultural facilities projects and school safety grants, oversee the enterprise-wide project management system known as the Ohio Administrative Knowledge System Capital Improvement (OAKS-CI) module. OAKS-CI is the information technology (IT) application that supports state agency and university projects and is embedded in OFCC technology initiatives and financial processes. Funding largely supports personal services, such as agency payroll, but also supports contracts, supplies and maintenance, and equipment.

The approximately $421,000 (3.9%) and $271,000 (2.4%) increases in funding under line item 230321 for FY 2026 and FY 2027, respectively, will be used, in part, to support seven new full-time staff. The increases in this ALI will also be used for additional IT investments in the next biennium. OFCC's IT staff develop software and data systems that track project budgets, contracts, and other construction project information. In the FY 2026-FY 2027 biennium, OFCC also plans to upgrade the Educational Facilities Planning Guide, converting it into a dynamic website tailored to the specific needs of different users. The guide is an essential resource for districts as they begin exploring or planning new school facility projects. It provides important insights into working with OFCC, design considerations, and key decisions required before starting facility renovations or construction.

State Construction Management Operations (ALI 230639)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
Fund 1310 ALI 230639, State Construction Management Operations					
$5,578,876	$6,239,909	$7,930,654	$8,305,828	$9,590,355	$10,233,822
% change	11.8%	27.1%	4.7%	15.5%	6.7%

This non-GRF line item is funded in part via fees charged to state agencies and state-supported universities and community colleges for managing capital construction and energy projects. By law, agencies must use OFCC for projects greater than $3.0 million. According to OFCC, this line item's proposed funding in FY 2026 and FY 2027 is sufficient to support management of the agency projects funded in recent capital budgets. Line item 230639 supports OFCC staff who provide capital project management, contract management, and competitive selection services to state agencies, universities, and community colleges and the Office of Energy Services (OES) unit that provides state agency, higher education, and K-12 school clients with energy engineering and design services, energy auditing, and performance contracting to achieve cost-effective, efficient energy use.

OFCC administrative fees vary widely, mostly determined by the scope and type of project staff is administering. The project administration fee for OFCC administered single-site projects is calculated on a sliding scale based upon the total project costs: 3% for the first $4 million, 1% on costs from $4 million to $20 million, and 0.75% on costs above $20 million. OFCC administered multi-site projects are also calculated on a similar sliding scale with slightly higher fee rates to account for increased project management responsibilities. Fees for locally administered projects are 1% of total project costs. Agencies that use OFCC's prequalified consultant list for architectural and engineering services pay a flat fee of $2,000 per agreement. OFCC's criteria architect fees range from 1.5% to 3.0% of total construction costs. The fees are deposited into the Ohio Facilities Construction Commission Fund (Fund 1310).

Funding for debt service payments

The line items in this category support OFCC's debt service payments for K-12 and cultural facility capital projects appropriated through the biennial capital budget. These debt service payments are funded exclusively through the General Revenue Fund.

Cultural Facilities Lease Rental Bond Payments (ALI 230401)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
GRF ALI 230401, Cultural Facilities Lease Rental Bond Payments					
$27,553,710	$28,687,241	$30,860,700	$31,000,000	$37,500,000	$37,500,000
% change	4.1%	7.6%	0.5%	21.0%	0.0%

This line item supports the repayment of bonds issued by the Treasurer of State, the proceeds of which go towards the costs of capital improvement and construction projects for cultural, sports, and state historical facilities. Projects for cultural organizations are funded through a grant that requires a match of $1 of nonstate resources for every $2 of state funding. Sports facilities projects must raise a local match of at least 85% of the initial estimated construction costs. OFCC does not approve these grants until the necessary project funding has been raised.

Common Schools General Obligation Bond Debt Service (ALI 230908)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
GRF ALI 230908, Common Schools General Obligation Bond Debt Service					
$417,931,002	$381,462,381	$366,857,374	$297,000,000	$255,000,000	$230,000,000
% change	-8.7%	-3.8%	-19.0%	-14.1%	-9.8%

This line item is used to pay debt service on general obligation bonds issued to raise funds for the state share of school facilities projects. General obligation bonds are backed by the full faith and credit of the state and thus can be issued at lower interest rates than other types of bonds. Since FY 2000, only general obligation bonds have been issued for state-supported school facilities projects. According to OFCC, the reduction in payments for debt service over the last several years is due to fewer bonds being issued. For example, in June 2023 and June 2024, the Office of Budget and Management (OBM) Director transferred $150 million and $500 million, respectively, out of the GRF to support the School Building Program Assistance Fund (Fund 7032) pursuant to H.B. 687, the capital appropriations act of the 134th General Assembly.

Notable budget provisions

Sports Facilities Construction and Sports Education Fund

The executive budget establishes the Sports Facilities Construction and Sports Education Fund to support construction and renovation of major and minor league sports facilities throughout Ohio and to support youth sports education. OFCC will administer the fund. Projects supported by the fund will be evaluated and approved by a newly created seven-member Ohio Advisory Committee for Sports Facility Construction and Youth Sports Education. The committee must prioritize economic development through major sports facilities, major sports facility mixed-use projects and minor league sports facilities, youth sports education, and facilities that enable training in team or individual sports.

To support the fund, the executive budget allocates 50% of the sports gaming tax receipts be deposited into the fund. Additionally, it proposes to increase the sports gaming tax rate from 20% to 40%, beginning July 1, 2025. According to OBM, this change is estimated to increase sports gaming tax receipts from $209.7 million in FY 2025 to $322.7 million in FY 2026 and to $334.7 million in FY 2027.[1]

Under the proposal, an eligible major sports facility is one designed for the use of a professional sports franchise from certain major sports leagues, with construction or renovation costs of at least $1.0 billion or $100.0 million, respectively, of which 60% of the total project cost is supported by nonstate funds. An eligible minor league sports facility must have total project costs of at least $50.0 million for construction or $10.0 million for renovation. Eligible youth sports education programs, instruction, or facilities must be primarily designed for use by Ohio students and seek to encourage, teach, or enable lifelong health, physical readiness, and sports knowledge. Eligible programs can include ones operating in public and chartered nonpublic schools or those administered by nonprofit organizations that encourage outdoor physical activity and education.

Local share calculation for CFAP

As described in the "**Classroom Facilities Assistance Program: *State and local share determination***" section of the Redbook, a school district is responsible for financing its share of the basic project cost with local resources to receive state funding for a facilities project under the Classroom Facilities Assistance Program (CFAP), OFCC's main school facilities assistance program. Under current law, a school district's local share is the greater amount calculated (up to a maximum 95%) from either (1) the district's required percentage of the basic project cost or (2) the district's required level of indebtedness, which can range from 5.00% to 6.98% of its total taxable valuation, depending on the district's percentile ranking, and includes its local share plus its current debt that qualifies for the calculation.

The executive budget eliminates the latter method of determining a school district's local share of its facilities assistance project, meaning that a school district's local share will be determined by only its required percentage of the basic project cost. Historically, nearly all school districts served under CFAP have had their local shares determined by their percentage of the basic project cost, so OFCC expects the elimination of the net indebtedness method will affect only a small number of school districts in the future by not penalizing them for not having debt. OFCC anticipates that when qualifying for CFAP these school districts will have a lower local share than they otherwise would have had calculated under the current method of local share determination.

Similarly, a school district that opts to segment its classroom facilities project has its local share determined by the greater of either the district's required percentage of the basic project

[1] See OBM's Executive Budget Fiscal Years 2026-2027 Table B-8: Actual and Estimated Revenues-All Funds (PDF), which is available on OBM's website: obm.ohio.gov.

cost or the required level of indebtedness method. The executive budget, instead, requires for a segmented project that the local share of the basic project cost for the first segment be calculated using the required percentage of the basic project costs method. It further requires that any future segment's portion of the basic project cost use the same share as the one calculated in the first segment.

Facilities construction process

The executive budget contains a number of provisions related to streamlining the facilities construction process, some of which are summarized below. According to OFCC, these provisions will generally provide more flexibility, reduce project delays, and significantly improve efficiency. For more details about these provisions, please see the LSC bill analysis and comparison document for H.B. 96. The executive budget:

- Eliminates the requirement that the Controlling Board or the OBM Director release money appropriated to state agencies for capital projects and related procedures associated with approval of capital expenditures.
- Exempts from Controlling Board approval competitively bid contracts made by OFCC for the following services: construction management services, professional design services, criteria architect or engineer services, design-build services, and integrated project delivery services.
- Permits public authorities to enter into multi-party integrated project delivery (IPD) contracts with IPD contractors for capital projects and requires OFCC to adopt rules related to IPD contractors.
- Permits public authorities to enter into an indefinite delivery indefinite quantity (IDIQ) contract without Controlling Board approval if the contract meets certain requirements.
- Permits OFCC to establish a list of prequalified vendors for IDIQ contracts and requires OFCC to adopt rules that establish objective prequalification criteria for vendors, a process for public authorities to use the list of prequalified vendors, and the form, terms, and conditions of IDIQ contracts.
- Establishes, for contracts between public authorities and construction managers at risk (CMR) or design-build firms (DBF), an expedited proposal and selection process for projects under $4.0 million (adjusted biannually for the rate of inflation by OFCC) whereby an authority may require a CMR or DBF to submit an initial qualification proposal or statement, respectively, and pricing proposal at the same time, instead of sending them in separate rounds.
- Decreases, for partial payments on a public improvements contract, the public authority's required retainage amount from 8% of the contractor's estimate to 4% or less and eliminates certain current law requirements that the public authority deposit the retained amount in an escrow account.
- Requires, for contracts authorized by competitive bidding, a state agency or political subdivision that finds a low bidder is not responsive or responsible to send the bidder a

notice electronically, permitting certified mail delivery only if an electronic method is not available (rather than by either method).

- Requires, for contracts to employ a construction manager or CMR, a public authority to advertise its intent by electronic means and permits advertising in news media available in the county (rather than requiring advertisement in a newspaper of general circulation and permitting electronic advertisement).
- Reduces the minimum advertisement period for contracts to employ a construction manager from 30 days to 14 days.

Capital appropriation overview

Much of OFCC's operations are in support of school, state agency, and cultural facility projects appropriated through the capital budget. Such projects totaled $3.5 billion for the FY 2025-FY 2026 capital biennium, including $607 million for school facilities. A snapshot of a portion of OFCC's projects in progress, broken down by category and phase of the project, is shown below.

OFCC Active Project Summary, January 2025			
Category	**Number of Projects in Design**	**Number of Projects in Construction**	**Value of Projects in Design and Construction**
K-12 Schools	12	28	$1,864 million
State Agencies	34	114	$2,743 million
Cultural Grants	0	106	$140 million
Higher Education	3	5	$68 million
Total	**49**	**253**	**$4,815 million**

In addition to completed and active facilities projects, 69 additional K-12 district projects are in the planning phase, with OFCC able to begin projects for 15 to 17 districts each biennium, including two joint vocational school districts (JVSDs), at current funding levels.

Overview of school facilities programs

Classroom Facilities Assistance Program

The Classroom Facilities Assistance Program (CFAP) – OFCC's largest – was established in 1997. Through CFAP, OFCC utilizes a comprehensive approach to address the entire facilities needs of a district from kindergarten to the twelfth grade. Of the nearly $13.9 billion in capital funds OFCC has distributed through FY 2024, approximately 87% ($12.0 billion) was disbursed through CFAP. Funding is prioritized based on the relative property wealth per pupil (using a three-year average) of each district, with priority going to lower wealth districts. The state-local share breakdown of each project is also based on this relative wealth measure. The calculation for the three-year property wealth average and the district ranking process are discussed in more detail below.

As OFCC has finished projects for high priority districts (i.e., the least wealthy), the average state share of each project has decreased, from 60% at OFCC's creation, to 51% currently. While this signifies reduced costs for the state, this reduction also provides challenges because the same level of funding requires OFCC to manage more capital projects.

CFAP eligibility and state and local share determinations

As mentioned above, lower wealth districts generally receive state funding sooner and receive a larger share than higher wealth districts. A district's wealth is measured as the three-year average adjusted valuation per pupil. This converts to a percentile ranking that largely determines the order in which a district is served, as well as the state-local share of the district's basic project cost.

Eligibility ranking list

By September 1 of each year, the Department of Education and Workforce (DEW) must certify a ranking of all districts in the state according to their three-year average adjusted valuation per pupil. The three-year average adjusted valuation per pupil encompasses the current and prior two fiscal years. Below is the formula for one year of this wealth measure:

Adjusted Valuation Per Pupil =
Taxable Property Valuation / ADM - [$30,000 x (1 - income factor)]
ADM = Average Daily Membership (a measure of student enrollment)
Income Factor = District's Median Income / Statewide Median Income

The adjustment is based on the income level of the district's residents and is applied to a uniform valuation per pupil ($30,000) to standardize its effects. This means two districts with the same median income will have the same adjustment regardless of their property valuations per pupil. This makes a district with a median income below the state median appear poorer, and conversely, a district with a median income above the state median appear wealthier. The adjustment is intended to measure a district's ability to pay for education services, whereas a district's property wealth is considered a measure of its capacity to pay.

DEW ranks school districts from lowest to highest based on the three-year average adjusted valuation per pupil and divides them into percentiles (i.e., 100 approximately equal groups). Each percentile contains about six districts, with the first percentile containing the least wealthy districts and the 100th containing the wealthiest. OFCC uses these percentile rankings to determine which schools are next in line for funding assistance, as well as the state and local share of each district's basic project cost.

State and local share determination

Upon receipt of DEW's certified rankings, OFCC identifies the districts next in line for funding and then assesses their facilities' needs to determine their basic project cost. To receive state funding, each district is responsible for financing its share of the basic project cost with local resources. A district's local share is the greater amount calculated from the following two methods (up to a maximum of 95%):

1. The district's required percentage of the basic project cost.

District's Required Project % =
0.01 x (District's Percentile Ranking)
Local Share = District's Required Project % x Basic Project Cost

2. The district's required level of indebtedness. A district's required level of indebtedness can range from 5.00% to 6.98% of its total taxable valuation, depending on the district's percentile ranking, and includes its local share plus its current debt that qualifies for the calculation. As mentioned in the "**Notable budget provisions: Local share calculation for CFAP**" section of the Redbook, the executive budget eliminates this method of determining a district's local share.

District's Required Level of Indebtedness % =
0.05 + 0.0002 x (District's Percentile Ranking - 1)
Local Share = (District's Required Level of Indebtedness % x District's Taxable Valuation) - Current Qualifying Debt

The state share for each district is the difference between the total basic project cost and the district's calculated local share.

Examples of local share determination

Two examples are provided below to demonstrate calculations of the local share for two fictitious school districts.

1. **School District A.** District A has an adjusted valuation per pupil of $108,000, ranking it 150th in the state and placing it in the 25th percentile. The district's total taxable valuation is $112.9 million, and it currently has no debt that qualifies for the required indebtedness calculation. District A's total basic project cost is estimated at $26.0 million, and its local share is equal to the greater of the following two calculations.

District A's Required Project % =
0.01 x (District A's Percentile Ranking) = 0.01 x 25 = 0.25 = 25%
Local Share = District A's Required Project % x Basic Project Cost
= 25% x $26.0 million = $6.5 million

District A's Required Indebtedness % =
0.05 + 0.0002 x (District A's Percentile Ranking - 1) = 0.05 + 0.0002 x (25 - 1) = 0.0548 = 5.48%
Local Share = District A's Required Indebtedness % x Taxable Valuation
= 5.48% x $112.9 million = $6.2 million

District A's local share of the basic project cost would be \$6.5 million, leading to a state share of \$19.5 million (\$26.0 million - \$6.5 million).

2. **School District B.** District B has an adjusted valuation per pupil of \$227,258, ranking it 560th in the state and placing it in the 92nd percentile. The district's total taxable valuation is \$201.0 million, and it currently has no debt that qualifies for the required indebtedness calculation. District B's total basic project cost is estimated at \$14.5 million, and its local share is equal to the greater of the following two calculations.

District B's Required Project % =
0.01 x (District B's Percentile Ranking) = 0.01 x 92 = 0.92 = 92%
Local Share = District B's Required Project % x Basic Project Cost
= 92% x \$14.5 million = \$13.3 million

District B's Required Indebtedness % =
0.05 + 0.0002 x (District B's Percentile Ranking - 1) = 0.05 + 0.0002 x (92 - 1) = 0.0682 = 6.82%
Local Share = District B's Required Indebtedness % x Taxable Valuation
= 6.82% x \$201.0 million = \$13.7 million

District B's local share of the basic project cost would be \$13.7 million, and is based on the district's required level of indebtedness. This would result in a state share of \$0.8 million (\$14.5 million - \$13.7 million).

Most school districts' state and local shares have been and will likely continue to be determined by the "required percentage of the basic project cost," as seen in the first example with fictitious school district A. However, higher wealth districts (such as fictitious district B) and districts with smaller projects are more likely to have their state and local shares determined by the "required level of indebtedness" method.

It should be noted that, under the current method, as the basic project cost increases, so does the likelihood that the local share will be determined by the "required percentage of basic project cost" method. Since the required local share will increase proportionately with the overall cost of the project, the relationship between project size and the method of calculating the local share acts as a built-in incentive for districts to hold down costs. For example, if school district B's actual project cost is \$23.0 million, instead of \$14.5 million, its local share under the "required percentage of basic project cost" method would be approximately \$21.2 million (\$23.0 million x 92%), which is higher than the \$13.7 million calculated under the "required level of indebtedness" method. Therefore, the required local share for school district B in this case would be \$21.2 million rather than \$13.7 million.

Accelerated Urban Initiative

S.B. 272 of the 123rd General Assembly, enacted in 2000, established a program to provide accelerated service under CFAP beginning in FY 2003 to six of the state's major urban school districts (Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo). These six districts were otherwise not yet eligible for service under CFAP at the time due to their ranking on the equity list (the two other major urban districts, Canton and Youngstown, had already been served by CFAP prior to FY 2003). Due to size and complexity, these projects were divided into multiple segments. As of the end of FY 2024, about 250 of the districts' buildings had been constructed or renovated. Akron, Cincinnati, Dayton, and Toledo have completed their master facilities plans, while work is ongoing in Columbus and Cleveland. In total, master facility plan costs for the six districts are about $4.3 billion, with the state share amounting to approximately $2.3 billion.

Expedited Local Partnership Program

The Expedited Local Partnership Program (ELPP), which was created by S.B. 272 of the 123rd General Assembly, permits a school district that is not yet eligible for CFAP to enter into an agreement with OFCC allowing the district to spend local resources for new construction or renovation of existing classroom facilities. The local resources spent are later applied to the district's share of the basic project cost when it becomes eligible for CFAP funding. Through FY 2024, 415 districts have applied to participate in ELPP. Of those districts, 85 have signed project agreements, which allow them to receive credit towards their CFAP project. Districts approved for ELPP have accumulated $1.9 billion in credit that will ultimately be counted towards their local share when they become eligible for CFAP.

Exceptional Needs Program

Created by H.B. 850 of the 122nd General Assembly, the Exceptional Needs Program (ENP) is designed to assist school districts in addressing the health and safety needs of a specific building rather than the district's entire facilities' needs. S.B. 316 of the 129th General Assembly removed any qualifications for school districts to utilize ENP, which, prior to S.B. 316's passage, were limited to school districts ranked up to the 75th percentile or with territory larger than 300 square miles. The state and local share breakdown of an ENP project are the same as they would be under CFAP. As of the end of FY 2024, 61 districts have been approved – and 55 have signed project agreements – for ENP funding and OFCC has disbursed state funds totaling $844.0 million.

Extreme Environmental Contamination Program

The Extreme Environmental Contamination Program is a subprogram of ENP, codified by H.B. 153 of the 129th General Assembly. It was established for the purpose of a necessary relocation or replacement of school facilities as the result of extreme environmental contamination. River Valley Local (Marion), Gorham-Fayette Local (Fulton), and Three Rivers Local (Hamilton) received assistance under this program in 2000, 2006, and 2010, respectively.

Vocational Facilities Assistance Program

Created by H.B. 675 of the 124th General Assembly, the Vocational Facilities Assistance Program (VFAP) provides classroom facilities assistance to the state's 49 JVSDs. The program is similar to CFAP in that lower wealth JVSDs are generally served first and with a greater state share. Under current law, OFCC has the authority to spend 2% of its annual capital appropriations on VFAP projects. The executive budget, instead, permits OFCC to set aside a portion of its capital appropriations to provide assistance to at least two JVSDs per biennium. OFCC has disbursed $272.4 million in capital funds to 17 JVSDs since VFAP's creation in 2003.

Vocational Expedited Local Partnership Program (VFAP ELPP)

JVSDs may participate in a slightly modified version of ELPP that was authorized by H.B. 675 of the 124th General Assembly and created by OFCC rule. The program allows JVSDs to use local resources for new construction or renovations prior to being eligible for VFAP. No state funding is disbursed, but OFCC provides assessments, planning, approval, and monitoring of the local construction projects. Through FY 2024, two JVSDs have been approved for participation in this program, with a total of $10.3 million local dollars spent that will be counted towards the JVSDs' local share upon program eligibility.

Funding for community and STEM schools

STEM Schools Facilities Assistance Program

H.B. 153 of the 129th General Assembly established a facilities assistance program for science, technology, engineering, and mathematics (STEM) schools. Specifically, it authorized OFCC, with Controlling Board approval, to provide funding to any STEM school that is not governed by a single school district board for constructing, reconstructing, repairing, or making additions to the school's classroom facilities. STEM schools are required to secure at least 50% of the total project cost. Through FY 2024, five schools have been approved for participation. OFCC has disbursed $44.2 million in support of this program.

Community Schools Classroom Facilities Grants Program

The Community Schools Classroom Facilities Grants Program, originally created in H.B. 64 of the 131st General Assembly, provides competitive grants to certain "high performing" community schools for the purchase, construction purchase, construction, or renovation of classroom facilities. To receive a grant, an eligible community school must demonstrate that the funds will be used to increase classroom seating, serve unmet student needs, and show innovation in design and the potential for replication. Additionally, any facility supported by the grant funds must be used for educational purposes for at least ten years. Like the program for STEM schools described above, community schools are required to secure at least 50% of the total project cost. A total of 16 community schools have been approved to participate in the program. Through FY 2024, $24.9 million has been spent in support of the program.

Corrective Action Program

The Corrective Action Program (CAP) is used to correct or remediate work found to be defective or omitted from a facility constructed with OFCC assistance. A district must notify the Executive Director within five years of occupancy to be eligible. OFCC evaluates the work and determines a scope of work to be funded proportionately through state and local funding. OFCC also assesses responsibility for the omissions or defections and seeks cost recovery. Any recovered funds are first credited to the district, then to OFCC. As of the end of FY 2024, OFCC has spent $6.2 million on this program.

Alternative Facilities Assistance Program

Also known as the 1:1 School Facilities Option Program, the Alternative Facilities Assistance Program (AFAP) was established by S.B. 8 of the 132nd General Assembly. Under this program, OFCC provides a reduced portion of projected state funds to assist eligible districts in constructing, reconstructing, or making additions to any feature of a classroom facility, such that it is consistent with the Master Facilities Plan (MFP) and meets the standards of the Ohio School Design Manual (OSDM). The reduced state share allows districts more flexibility in creating the project's scope of work. Through the end of FY 2024, one district (Northridge Local in Licking County) has applied.

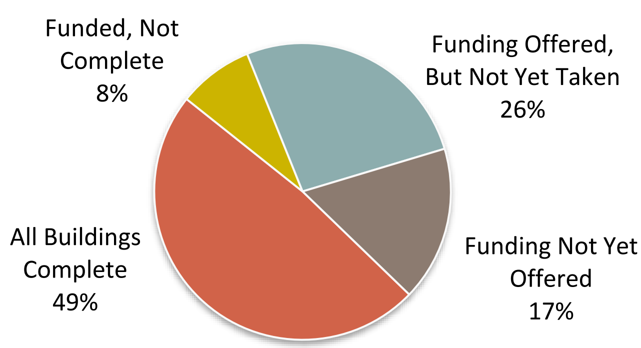
Green Schools Program

The Green Schools Program has been in existence since 2007, when OFCC adopted the Leadership in Energy and Environmental Design (LEED) for Schools as the standard for K-12 projects. LEED for Schools utilizes a rating system that considers design and construction practices, including classroom acoustics, indoor air quality, building materials, and energy efficiency. As of January 2025, Ohio has 450 LEED-certified schools.

Progress in rebuilding Ohio's schools

Through FY 2024, 304 traditional school districts (50%) and 15 JVSDs (31%) have completed all buildings on their master facilities plans. An additional 52 districts (9%) and two JVSDs (4%) have projects that have been funded but not yet completed. Finally, 160 districts (26%) and 14 JVSDs (29%) have been offered funding, but have either deferred the offer or allowed it to lapse because they were unable to secure the local share, or are currently seeking the required local share within the 16-month window allowed by law. These districts will be eligible for funding in the future. This leaves 93 districts (15%) and 18 JVSDs (37%) that have not been offered funding. These statistics are summarized in the following chart.

Chart 4: Status of School Districts Completing Master Facilities Plans, July 2024



FCC/zg

Detail by Agency			FY 2024	Estimate FY 2025	Introduced FY 2026	Introduced FY 2027	FY 2025 to FY 2026 % Change	FY 2026 to FY 2027 % Change
FCC	**Ohio Facilities Construction Commission**							
GRF	230321	Operating Expenses	$10,165,497	$10,750,000	$11,171,298	$11,442,393	3.92%	2.43%
GRF	230401	Cultural Facilities Lease Rental Bond Payments	$30,860,700	$31,000,000	$37,500,000	$37,500,000	20.97%	0.00%
GRF	230458	State Construction Management Services	$127,706	$0	$0	$0	N/A	N/A
GRF	230908	Common Schools General Obligation Bond Debt Service	$366,857,374	$297,000,000	$255,000,000	$230,000,000	-14.14%	-9.80%
General Revenue Fund Subtotal			**$408,011,278**	**$338,750,000**	**$303,671,298**	**$278,942,393**	**-10.36%**	**-8.14%**
5CV3	230650	ARPA School Security	$9,995,000	$1,272	$0	$0	-100.00%	N/A
5CV3	230652	Career-Technical Construction Program	$100,456,627	$91,687	$0	$0	-100.00%	N/A
5CV3	230655	Multi-Agency Radio Communication System (MARCS)-In-School Security Grant	$0	$1,200,000	$0	$0	-100.00%	N/A
5CV5	230654	Appalachian Community Innovation Centers	$0	$90,000,000	$0	$0	-100.00%	N/A
Dedicated Purpose Fund Group Subtotal			**$110,451,627**	**$91,292,959**	**$0**	**$0**	**-100.00%**	**N/A**
1310	230639	State Construction Management Operations	$7,930,654	$8,305,828	$9,590,355	$10,233,822	15.47%	6.71%
Internal Service Activity Fund Group Subtotal			**$7,930,654**	**$8,305,828**	**$9,590,355**	**$10,233,822**	**15.47%**	**6.71%**
Ohio Facilities Construction Commission Total			**$526,393,559**	**$438,348,787**	**$313,261,653**	**$289,176,215**	**-28.54%**	**-7.69%**
Main Operating Appropriations Bill Total			**$526,393,559**	**$438,348,787**	**$313,261,653**	**$289,176,215**	**-28.54%**	**-7.69%**