

**Ohio School Facilities Commission**  
**July 7, 2011**  
**William McKinley Room**  
**1:30 PM**

***MINUTES***

Chairman Keen called the meeting to order at 1:43 PM.

**Roll Call**

Members present: Chairman Keen, Vice Chair Blair, Representative Gentile (arrived at 1:46 PM), Cindy Peters for Senator Sawyer and Aleah Page for Senator Manning.

**Adoption of the June 23, 2011 Meeting Minutes**

Vice Chair Blair moved to approve the June 23, 2011 meeting minutes.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

**Fiscal Year 2012 Projects Approval**

Melanie Drerup presented the Fiscal Year 2012 projects for the Commission's conditional approval. Ms. Drerup stated that at the first Commission meeting of the fiscal year, the staff recommends new projects for Commission approval. The recommendations are based on several factors including what is affordable given approved appropriations and cash, as well as forecasts for future funding. Each project will spend money into the future: not only in Fiscal Year 2012, but into years beyond that as well. The funding for the projects presented along with projects underway, depend on future appropriations. These projects will be with us beyond the current biennium.

Ms. Drerup stated that the staff was seeking approval of Master Facilities Plans totaling \$543 million, a 57 percent increase over FY2011 when Master Plans totaling \$344 million were approved. Ms. Drerup explained that each of these district projects was developed using a comprehensive planning process which includes a ten year enrollment projection, a building condition assessment of each of the districts classroom facilities, an enhanced environmental assessment and review of the educational adequacy and review for LEED (Leadership in Energy and Environmental Design). All of the projects are the result of partnerships with districts around the state and all have been approved by their respective school district boards. Upon Commission and Controlling Board Approval, the districts have one year to obtain the local share and maintenance funding to be able to move ahead with their project.

The 13 projects totaled \$543 million with an average state share of 48 percent. No ELLP credit was being leveraged. There were six segmented projects and most were addressing the worst building in the district. Of the 21 school buildings, all but one was new. The average building budget was \$25 million. Buildings being replaced followed the two-thirds guideline with exceptions noted.

## Classroom Facilities Assistance Program (CFAP)/1990 Look Back

### Resolution 11-73

Melanie Drerup presented the Master Facilities Plans and Segment Facility Plans for nine school districts for the Classroom Facilities Assistance Program for Commission approval. Ms. Drerup noted that there were nine CFAP districts. The highest ranked district was Napoleon Area City SD. Elyria City SD was the largest project at \$88 million for five new elementary schools housing 3,278 students, which would replace 11 existing elementary schools. Elyria City SD is currently finishing a high school under the Exceptional Needs Program. There was one 1990 district, Botkins Local SD, which is replacing their existing K-12 with a new K-12

School District	County	State Share	Local Share	Total Budget
Ayersville Local SD - Segment 1	Defiance	\$8,724,698	\$8,053,568	\$16,778,266
Carlisle Local SD	Warren	\$29,839,940	\$23,445,667	\$53,285,607
Elyria City SD - Segment 1	Lorain	\$37,962,240	\$50,322,038	\$88,284,278
Greenville City SD - Segment 1	Darke	\$18,192,750	\$27,289,125	\$45,481,875
Napoleon Area City SD	Henry	\$17,456,733	\$28,482,039	\$45,938,772
New Bremen Local SD	Auglaize	\$6,845,203	\$6,485,203	\$13,690,406
Northmont City SD - Segment 1	Montgomery	\$34,764,870	\$39,202,939	\$73,967,809
Piqua City SD - Segment 1	Miami	\$25,793,854	\$29,086,686	\$54,880,540
Wynford Local SD - Segment 1	Crawford	\$10,659,559	\$8,375,367	\$19,034,926

Ms. Drerup also presented the Master Facilities Plan for one school district for the "1990" School District Classroom Facilities Assistance Program Project for Commission approval.

School District	County	State Share	Local Share	Total Budget
Botkins Local SD	Shelby	\$17,473,917	\$5,824,639	\$23,298,556

Vice Chair Blair asked Ms. Drerup to confirm his understanding that the schools have one year to come up with their match. Ms. Drerup confirmed that they do.

Chairman Keen asked if 100 percent of the districts obtain their local match or are there some districts that do not come up with their share. Ms. Drerup replied that we expect that a percentage of the districts will not obtain their local share. When the Commission was first formed, we had close to 100 percent passage, but as the local shares increase, the passage rate decreased. It is closer to two-thirds of the districts passing their local share.

Chairman Keen asked if those districts that do not pass within the one year will continue to try later on and whether they will be a candidate in future programs. Ms. Drerup replied that the districts will have the one year period and after that time period, with the recent language put in the H. B. 153 budget bill, OSFC will be able to bring them back to the Commission upon their request, reestablish their program and budgets and they will have a year from that point where they can count on those numbers being fixed.

Chairman Keen asked how many districts previously approved have been unable to pass their levies and are now in a holding pattern. After a brief discussion of lapsed and deferred districts, Ms. Drerup responded that there are 50 lapsed districts and 105 districts that have deferred. Every year, the OSFC staff goes back to those districts to ask if they want to come back into the planning process.

Chairman Keen asked if there are 613 districts and if that number includes the JVS districts. Director Hickman confirmed that there are 613 districts but that does not include JVS districts. There is a separate list for vocational schools. Ms. Drerup added that the highest ranked district presented for approval in CFAP is ranked 379 on the eligibility list.

In response to Chairman Keen's questions regarding the priority order, Ms. Drerup clarified that the priority order of funding list remains fixed in terms of going through a planning process with these districts. For example this year 46 districts of these 155 lapsed and deferred districts indicated that they wanted to move forward with the planning process. The Department of Education's eligibility list has a wide range of numbers and the district's presented for Commission approval span a wide range on the eligibility ranking list.

Vice Chair Blair requested a listing of the school districts that have tried and failed and how many times they have failed. Ms. Drerup indicated that staff would provide that information.

Chairman Keen asked how we balance the known, on-going liabilities of the previously approved projects when determining how many districts we are willing to bring forward. Ms. Drerup replied that we rely on the Chief Financial Officer to assist in looking at the spending patterns of a typical district in order to be able to project into the future.

Chairman Keen next asked about funding obligations associated with previously approved projects, assuming that no additional projects were approved. Ms. Drerup replied that there are districts that require continued funding. Director Hickman commented that we currently have 175 buildings under construction and another 60 buildings in active design. As soon as the design process is completed, the buildings will move into construction.

Chairman Keen next asked about the funding sources and asked whether in the current state capital biennium, FY11 and 12, there was a capital appropriation made to OSFC and if there were remnants of the tobacco settlement dollars that were available and also remnants of some of the cash funds. Director Hickman confirmed that funding is available.

Chairman Keen stated that those are the resources that are currently in play and we will rely on the General Assembly to make appropriations in an upcoming capital bill and to otherwise provide other non-capital resources to fund the projects that are currently underway and that were before the Commission.

Mr. Blair commented that it shows that there is a need out there to continue on with some of these school districts, especially those districts that have tried a number of times to pass a levy.

Chairman Keen added that these are not the same conditions as existed at the start of the program. Chairman Keen further noted that the drop-off rate and passage of levies is a result of a

number of factors, such as the economy, the matching rate, and the fact that the condition of the buildings may not be as clear-cut in voters' minds as in the beginning of the program.

Director Hickman commented that in many of these districts, as we go forward, we are seeing a number of projects where fewer buildings are being built either for elementary or middle school. This brings about certain efficiencies to districts in terms of the cost of operating the buildings and the cost of staffing them. The program not only eliminates buildings that are not useful for current educational delivery, but it also provides opportunities to achieve efficiencies with regard to educational delivery as well as building operating costs.

David Chovan noted that as a point of reference to Chairman Keen's questions, we have about \$800 million. Currently approved projects will take about \$600 million in FY12. The projects being presented to the Commission for approval are about \$60 to \$70 million additional cash outlay. The \$800 million is made up of current appropriations and money left over from the tobacco securitization funds.

Vice Chair Blair moved to approve Resolution 11-73.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

#### **Classroom Facilities Assistance Program (CFAP) Lapsed**

##### *Resolution 11-74*

Ms. Drerup presented one school district with a lapse of one year certification for participation in the Classroom Facilities Assistance Program for Commission approval, Willard City SD. The project was originally approved by the Commission in July 2008 for three separate buildings, but the school bond issue failed. The district tried again in May of 2011 for a single PK-12 and the bond issue passed.

<b>School District</b>	<b>County</b>	<b>State Share</b>	<b>Local Share</b>	<b>Total Budget</b>
Willard City SD	Huron	\$32,538,753	\$19,110,062	\$51,648,815

Vice Chair Blair moved to approve Resolution 11-74.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

#### **Exceptional Needs Program (ENP)**

##### *Resolution 11-75*

Ms. Drerup presented two school districts for participation in the Exceptional Needs Program for Commission approval, Dover City SD and Indian Creek Local SD. She stated that the ENP provides funding to school districts with a compelling need for immediate classroom facilities assistance. In October of each year, applications are received by OSFC and then scored by architectural/engineering professionals and a short list of applicants is developed and on-site visits are conducted. The following December, an evaluation Committee reviews and ranks the

short-list and then Master Plans are developed for those districts prioritized by need. Ms. Drerup noted that in 2008, Indian Creek was approved for a middle school under this program, but this year the staff is recommending a new high school.

School District	County	State Share	Local Share	Total Budget
Dover City SD	Tuscarawas	\$9,484,059	\$24,387,581	\$33,871,640
Indian Creek Local SD	Jefferson	\$7,109,983	\$15,825,447	\$22,935,430

Representative Gentile commented one project is in his district and is a project that certainly has an exceptional need. The other project is close to his district and they have struggled for some time. He knows that they have been working hard in pushing forward with this and would be very grateful for its approval. Representative Gentile voiced his support for these projects. Chairman Keen thanked Representative Gentile for his comments in support of the district that he represents.

Chairman Keen then asked where the two school districts are on the funding list, because we clearly have not gotten to them yet under CFAP. Ms. Drerup responded that Dover City SD is 437 and Indian Creek is 417 on the list. Chairman Keen commented that given the fact that we have only gotten to 404 on the list, we have not quite reached these two school districts for CFAP, and therefore they would need to use ENP to be funded.

Representative Gentile asked what qualifies a district for ENP. Ms. Drerup answered that if a school district is under the 75<sup>th</sup> percentile, then it can apply in the fall based on a building and its condition. OSFC looks at the health and the safety as well as overcrowding. Representative Gentile commented that the condition of the buildings and noted that his mother taught in the district.

Chairman Keen moved to approve Resolution 11-75.

Vice Chair Blair seconded the motion.

Approval: Vote 2-0.

### **Future Eligibility Approval**

#### **Expedited Local Partnership Program (ELPP) Eligibility**

##### *Resolution 11-76*

David Chovan presented the changes to the Commission Expedited Local Partnership Program's eligibility requirements for Commission approval. Mr. Chovan stated that the resolution allows the school districts to fund a distinct portion of their Master Facility Plan with local moneys before becoming eligible for CFAP. Once a district enters CFAP, it receives credit against its required local contribution for work completed under ELPP. By law, a district must at least two years away from participation in CFAP to be eligible to enter ELPP. Based upon our assessment of districts that would be eligible for CFAP within two years, we have established a cutoff of priority order 126.

Chairman Keen asked for confirmation that the Commission members were not voting specifically on any district. Mr. Chovan responded that they are not. The resolution establishes a

cutoff point below which no district would be approved for ELPP because of the proximity to them getting approved for CFAP within the next two years.

Chairman Keen asked if a district would be eligible at a point later this year if they wanted to participate and once they went through the process. Mr. Chovan replied that yes, as long they were ranked higher than P-126, then we would recommend that they could enter the program.

Chairman Keen asked if we reserve some level of resources for these alternates programs, such as ELPP. Director Hickman answered that we do in terms of consultant resources and staff resources that are used to oversee the work that they are doing to ensure that a district that is participating in ELPP complies with the design manual as they proceed with construction of a building. There are internal funds that are used to provide that support.

Vice Chair Blair moved to approve Resolution 11-76.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

### **Vocational Facilities Assistance Program (VFAP) Eligibility**

#### *Resolution 11-77*

Mr. Chovan presented the changes to the eligibility requirements for the Commission's Vocational Facilities Assistance Program for Commission approval. Mr. Chovan stated that this resolution is similar to the ELPP eligibility requirements, but for the Joint Vocational Districts. This resolution allows districts the opportunity to move forward on facility improvements prior to their participation in VFAP. Once a district enters VFAP, it receives credit against its required local contribution for work completed under VFAP-ELPP. By law, a district here must also be over two years away from participation in VFAP to be eligible to enter VFAP-ELPP. Based on our assessment of districts that would likely be eligible for VFAP within two year, we have established the cutoff at priority 11 on the list for the vocational school districts.

Vice Chair Blair moved to approve Resolution 11-77.

Chairman Keen seconded the motion.

Approval: Vote 2-0.

### **"Next Ten" List**

#### *Resolution 11-78*

Mr. Chovan also presented the next ten school districts eligible for funding under the Classroom Facilities Assistance Program for Commission approval. He informed the Commission that this is required by law and it identifies the priority of the next ten school districts for future CFAP funding, in order from lowest to highest in ranking, for districts that have not yet been conditionally approved for assistance. Relating to an earlier question, these would be districts that have deferred participation, but would be the first to be eligible in the next round. These districts would be approached in July to ask for their participation the upcoming year.

"Next 10"	School District	County	Priority Rank
1	Eastern Local SD	Meigs	P-001
2	College Corner Local SD	Preble	P-004
3	Mansfield City SD	Richland	P-005
4	Rolling Hills Local SD	Guernsey	P-006
5	La Brae Local SD	Trumbull	P-007
6	Crestview Local SD	Columbiana	P-009
7	Bristol Local SD	Trumbull	P-010
8	East Clinton Local SD	Clinton	P-011
9	Preble-Shawnee Local SD	Preble	P-012
10	Massillon City SD	Stark	P-014

Vice Chair Blair asked if College Corner Local SD is priority rank 004 and if that means that 002 and 003 have already somehow been taken care of. Director Hickman replied that was correct. Mr. Chovan added that College Corner Local SD is ranked 105 and is definitely the lowest, so they would have an 80 plus percent state share on their project if they are approved.

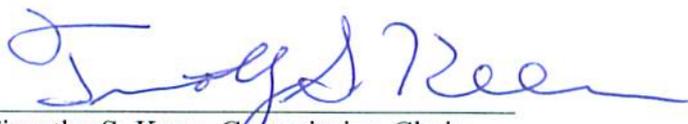
Chairman Keen asked if Eastern Local SD was below 105 and Mr. Chovan replied that Eastern Local SD is ranked 46.

Chairman Keen moved to approve Resolution 11-78.  
Vice Chair Blair seconded the motion.  
Approval: Vote 2-0.

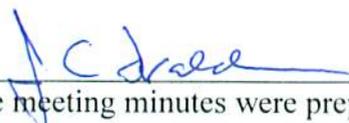
**Public Testimony**

There was no public testimony.

The meeting was adjourned at 2:13 PM.



Timothy S. Keen, Commission Chair



These meeting minutes were prepared by  
Jon C. Walden, Secretary to the Commission