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## LOCAL SHARE AND MAINTENANCE FUNDING POLICY

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**Subject:** K12 Funding  
**Approval:** Executive Staff  
**Code Section/Reference:** R.C. 3318.05  
**Owner:** Operations-Finance

**Policy Number:** OP-FI-09  
**Originally Issued:** May 2004  
**Revised:** February 2012; December 2017

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### APPLIES TO

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CFAP, ENP, and Accelerated Urban Programs

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#### I. Options for Raising the School District Share

- A. Districts may now use a variety of local resources to raise all or part of their local share. The following revenue sources are now permitted:
1. Bond issue approved under R.C. Section 3318.06 for the local share of project costs for a period not to exceed to thirty years;
  2. Bond issue approved under R.C. Section 133.06 for a period not to exceed thirty years (the size of the issue may exceed the local share of project costs);
  3. A combination bond issue and tax levy under R.C. Section 5705.218 (in combination can include additional funding, funding for the maintenance requirement, or an operating levy);
  4. Bonds supported by an Ongoing Permanent Improvement Tax;
  5. Bonds supported by a School District Income Tax;
  6. Local donated contribution, including an irrevocable letter of credit and cash-on-hand; and
  7. Lease-purchase financing based on the reference in the R.C. Section 3318.084 definition of cash on hand to specifically include proceeds from R.C. Section 3313.375 and require protection of the state's investment in the facility during the time in which the state has an interest. This would prevent remedy of a lease-purchase financier taking the property during this period.
- B. Except for a bond issue approved under R.C. Section 3318.06 all local resources utilized for the project must first be deposited in the project construction fund prior to the release of any state moneys.

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## II. The One-Half Maintenance Funding Requirement

- A. Districts participating in either the Classroom Facilities Assistance Program or the Exceptional Needs Program are required to pass or provide the equivalent of a one half-mill levy for maintenance as specified in R.C. Section 3318.05. In satisfying the maintenance funding requirement a district may use any of the following options:
1. A twenty-three-year levy of at least one-half mill approved under R.C. Section 3318.06 or an extension of a previously approved half-mill levy approved under R.C. Section 3318.061;
  2. Earmarking the equivalent of at least one half-mill for twenty-three years from the proceeds of a levy for general ongoing permanent improvements;
  3. Earmarking the equivalent of at least one half-mill for twenty-three years from the proceeds of a school district property or income tax; or
  4. Local donated contribution, including cash-on-hand to either reduce the required millage rate or satisfy the maintenance funding requirement entirely.
- B. Any amount required for maintenance shall be deposited into a separate fund established by the school district for purposes of maintaining the new facility. No state assistance will be released until the Commission is satisfied that the district has met the requirement to provide maintenance funding.