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OHIO LEGISLATIVE SERVICE COMMISSION

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S.B. 377
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Gavarone

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SUMMARY

- Clarifies that educational service centers (ESCs) are eligible to participate in any grant program available to school districts and focused on school facility health, safety, and welfare.
- Requires a school district that is offering a property for sale, if no other public school located in the district offers to purchase or lease the property, to offer the property to ESCs that share territory with the district or have territory adjacent to it prior to offering it to other buyers.
- Adds ESCs to the list of entities to which a school district may privately sell property exceeding \$10,000 in value in lieu of selling the property at a public auction.
- Establishes the Educational Service Center Facilities Assistance Program and Educational Service Center Revolving Loan Fund to provide assistance to ESCs in acquiring facilities used for operations or direct student services.

DETAILED ANALYSIS

Grant program eligibility

The bill clarifies that educational service centers (ESCs) are eligible to participate in and receive support through any grant programs that are available to school districts and focused on school facility health, safety, and welfare. The bill also requires the Department of Education and Workforce to ensure that ESCs are eligible for such programs.

Continuing law already considers an ESC to be a school district or local education agency for the purposes of eligibility in applying for any state or competitive federal grant.¹

Voluntary sale of school district property

The bill modifies the procedures for school districts voluntarily selling real property or school facilities exceeding \$10,000 in value in two ways.

First, the bill revises the right of first refusal established under continuing law, which requires a school district to first offer to sell real property to other public schools located in the district prior to offering to sell it to other buyers. Specifically, under the bill, if no community school, college-preparatory boarding school, or STEM school in the district offers to purchase a property under the right of first refusal, then the district must offer it to ESCs that share territory with the district or have territory adjacent to the district.

An ESC governing board must notify a district treasurer of its interest in purchasing a property within 60 days of the district offering it for sale to ESCs. If more than one ESC governing board notifies the district of its intention to purchase the property, the district must conduct a public auction to sell the property. Only governing boards that notified the district treasurer are eligible to bid at that auction. If no governing board offers to purchase the property within 60 days of the district offering it, then the district may offer the property for sale at a public auction or through a private sale to certain entities under continuing law.²

Second, the bill also adds ESC governing boards to the list of entities to which a school district may privately sell property that exceeds \$10,000 in value, in lieu of selling the property at a public auction.³

ESC facilities assistance

Assistance program

The bill establishes the Educational Service Center Facilities Assistance Program. Under the program, the Ohio Facilities Construction Commission (OFCC) must provide assistance to ESCs in the form of grants, loans, or both, to acquire facilities used for operations or direct student services. ESCs may receive assistance under the program to construct, reconstruct, repair, or make additions to facilities to be used for housing the ESC and its functions.

OFCC must adopt rules to administer the program, including:

1. Eligibility requirements for ESCs to receive assistance;
2. Application procedures;
3. Procedures for prioritizing projects;

¹ R.C. 3312.01 and 3313.843.

² R.C. 3313.413.

³ R.C. 3313.41.

4. Procedures for determining the local share of project costs; and
5. Procedures for disbursing state funds.

The bill requires OFCC to give priority to projects that demonstrate a local match through levy approval, building donation, land donation, or other in-kind contributions.⁴

Revolving loan fund

The bill also establishes the Educational Service Center Revolving Loan Fund. The fund must consist of money appropriated to it by the General Assembly and any investment earnings on money in the fund. The Treasurer of State may use the funds to support deposit programs and loan guarantee programs for ESCs to finance the acquisition, construction, or renovation of facilities used to provide direct student services. The bill requires the Treasurer of State to adopt rules necessary for the implementation and administration of the fund.⁵

HISTORY

Action	Date
Introduced	03-11-26

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⁴ R.C. 3318.80.

⁵ R.C. 3318.81.