

**As Introduced**

**136th General Assembly  
Regular Session  
2025-2026**

**S. B. No. 377**

**Senator Gavarone**

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To amend sections 3312.01, 3313.41, 3313.413, and 3313.843 and to enact sections 3318.80 and 3318.81 of the Revised Code regarding the sale of school district property and programs to support educational service center facilities projects.

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 3312.01, 3313.41, 3313.413, and 3313.843 be amended and sections 3318.80 and 3318.81 of the Revised Code be enacted to read as follows:

**Sec. 3312.01.** (A) The educational regional service system is hereby established. The system shall support state and regional education initiatives and efforts to improve school effectiveness and student achievement. Services, including special education and related services, shall be provided under the system to school districts, community schools established under Chapter 3314. of the Revised Code, and chartered nonpublic schools.

It is the intent of the general assembly that the educational regional service system reduce the unnecessary duplication of programs and services and provide for a more

streamlined and efficient delivery of educational services 21  
without reducing the availability of the services needed by 22  
school districts and schools. 23

(B) The educational regional service system shall consist 24  
of the following: 25

(1) The advisory councils and subcommittees established 26  
under sections 3312.03 and 3312.05 of the Revised Code; 27

(2) A fiscal agent for each of the regions as configured 28  
under section 3312.02 of the Revised Code; 29

(3) Educational service centers, information technology 30  
centers established under section 3301.075 of the Revised Code, 31  
and other regional education service providers. 32

(C) Educational service centers shall provide the services 33  
that they are specifically required to provide by the Revised 34  
Code and may enter into agreements pursuant to section 3313.843, 35  
3313.844, or 3313.845 of the Revised Code for the provision of 36  
other services, which may include any of the following: 37

(1) Assistance in improving student performance; 38

(2) Services to enable a school district or school to 39  
operate more efficiently or economically; 40

(3) Professional development for teachers or 41  
administrators; 42

(4) Assistance in the recruitment and retention of 43  
teachers and administrators; 44

(5) Applying for any state or federal grant on behalf of a 45  
school district; 46

(6) Any other educational, administrative, or operational 47

services. 48

In addition to implementing state and regional education 49  
initiatives and school improvement efforts under the educational 50  
regional service system, educational service centers shall 51  
implement state or federally funded initiatives assigned to the 52  
service centers by the general assembly or the department of 53  
education and workforce. 54

Any educational service center selected to be a fiscal 55  
agent for its region pursuant to section 3312.07 of the Revised 56  
Code shall continue to operate as an educational service center 57  
for the part of the region that comprises its territory. 58

(D) An educational service center shall be considered a 59  
school district or a local education agency for the purposes of 60  
eligibility in applying for any state or competitive federal 61  
grant. 62

Educational service centers are eligible to participate in 63  
and receive support through any grant programs that are 64  
available to school districts and focused on school facility 65  
health, safety, and welfare. 66

(E) Information technology centers may enter into 67  
agreements for the provision of services pursuant to section 68  
3312.10 of the Revised Code. 69

(F) No school district, community school, or chartered 70  
nonpublic school shall be required to purchase services from an 71  
educational service center or information technology center in 72  
the region in which the district or school is located, except 73  
that a local school district shall receive any services required 74  
by the Revised Code to be provided by an educational service 75  
center to the local school districts in its territory from the 76

educational service center in whose territory the district is 77  
located. 78

**Sec. 3313.41.** (A) Except as provided in divisions (C), 79  
(D), and (F) of this section and in sections 3313.412 and 80  
3313.413 of the Revised Code, when a board of education decides 81  
to dispose of real or personal property that it owns in its 82  
corporate capacity and that exceeds in value ten thousand 83  
dollars, it shall sell the property at public auction, after 84  
giving at least thirty days' notice of the auction by 85  
publication in a newspaper of general circulation in the school 86  
district, by publication as provided in section 7.16 of the 87  
Revised Code, or by posting notices in five of the most public 88  
places in the school district in which the property, if it is 89  
real property, is situated, or, if it is personal property, in 90  
the school district of the board of education that owns the 91  
property. The board may offer real property for sale as an 92  
entire tract or in parcels. 93

(B) When the board of education has offered real or 94  
personal property for sale at public auction at least once 95  
pursuant to division (A) of this section, and the property has 96  
not been sold, the board may sell it at a private sale. 97  
Regardless of how it was offered at public auction, at a private 98  
sale, the board shall, as it considers best, sell real property 99  
as an entire tract or in parcels, and personal property in a 100  
single lot or in several lots. 101

(C) If a board of education decides to dispose of real or 102  
personal property that it owns in its corporate capacity and 103  
that exceeds in value ten thousand dollars, it may sell the 104  
property to the adjutant general; to any subdivision or taxing 105  
authority as respectively defined in section 5705.01 of the 106

Revised Code, township park district, board of park 107  
commissioners established under Chapter 755. of the Revised 108  
Code, or park district established under Chapter 1545. of the 109  
Revised Code; to a wholly or partially tax-supported university, 110  
university branch, or college; to a nonprofit institution of 111  
higher education that has a certificate of authorization under 112  
Chapter 1713. of the Revised Code; to the governing authority of 113  
a chartered nonpublic school; to the governing board of an 114  
educational service center; or to the board of trustees of a 115  
school district library, upon such terms as are agreed upon. The 116  
sale of real or personal property to the board of trustees of a 117  
school district library is limited, in the case of real 118  
property, to a school district library within whose boundaries 119  
the real property is situated, or, in the case of personal 120  
property, to a school district library whose boundaries lie in 121  
whole or in part within the school district of the selling board 122  
of education. 123

(D) When a board of education decides to trade as a part 124  
or an entire consideration, an item of personal property on the 125  
purchase price of an item of similar personal property, it may 126  
trade the same upon such terms as are agreed upon by the parties 127  
to the trade. 128

(E) The president and the treasurer of the board of 129  
education shall execute and deliver deeds or other necessary 130  
instruments of conveyance to complete any sale or trade under 131  
this section. 132

(F) When a board of education has identified a parcel of 133  
real property that it determines is needed for school purposes, 134  
the board may, upon a majority vote of the members of the board, 135  
acquire that property by exchanging real property that the board 136

owns in its corporate capacity for the identified real property 137  
or by using real property that the board owns in its corporate 138  
capacity as part or an entire consideration for the purchase 139  
price of the identified real property. Any exchange or 140  
acquisition made pursuant to this division shall be made by a 141  
conveyance executed by the president and the treasurer of the 142  
board. 143

(G) When a school district board of education has property 144  
that the board, by resolution, finds is not needed for school 145  
district use, is obsolete, or is unfit for the use for which it 146  
was acquired, the board may donate that property in accordance 147  
with this division if the fair market value of the property is, 148  
in the opinion of the board, two thousand five hundred dollars 149  
or less. 150

The property may be donated to an eligible nonprofit 151  
organization that is located in this state and is exempt from 152  
federal income taxation pursuant to 26 U.S.C. 501(a) and (c)(3). 153  
Before donating any property under this division, the board 154  
shall adopt a resolution expressing its intent to make unneeded, 155  
obsolete, or unfit-for-use school district property available to 156  
these organizations. The resolution shall include guidelines and 157  
procedures the board considers to be necessary to implement the 158  
donation program and shall indicate whether the school district 159  
will conduct the donation program or the board will contract 160  
with a representative to conduct it. If a representative is 161  
known when the resolution is adopted, the resolution shall 162  
provide contact information such as the representative's name, 163  
address, and telephone number. 164

The resolution shall include within its procedures a 165  
requirement that any nonprofit organization desiring to obtain 166

donated property under this division shall submit a written 167  
notice to the board or its representative. The written notice 168  
shall include evidence that the organization is a nonprofit 169  
organization that is located in this state and is exempt from 170  
federal income taxation pursuant to 26 U.S.C. 501(a) and (c)(3); 171  
a description of the organization's primary purpose; a 172  
description of the type or types of property the organization 173  
needs; and the name, address, and telephone number of a person 174  
designated by the organization's governing board to receive 175  
donated property and to serve as its agent. The written notice 176  
may be submitted electronically to the board or its 177  
representative. 178

After adoption of the resolution, the board shall 179  
continually post in the board's office notice of its intent to 180  
donate school district property that is unneeded, obsolete, or 181  
unfit for use to eligible nonprofit organizations. If the school 182  
district maintains a web site on the internet, the notice shall 183  
be posted continually at that web site. 184

The board or its representatives shall maintain a list of 185  
all nonprofit organizations that notify the board or its 186  
representative of their desire to obtain donated property under 187  
this division and that the board or its representative 188  
determines to be eligible, in accordance with the requirements 189  
set forth in this section and in the donation program's 190  
guidelines and procedures, to receive donated property. 191

The board or its representative also shall maintain a list 192  
of all school district property the board finds to be unneeded, 193  
obsolete, or unfit for use and to be available for donation 194  
under this division. The list shall be posted continually in a 195  
conspicuous location in the board's office, and, if the school 196

district maintains a web site on the internet, the list shall be 197  
posted continually at that web site. An item of property on the 198  
list shall be donated to the eligible nonprofit organization 199  
that first declares to the board or its representative its 200  
desire to obtain the item unless the board previously has 201  
established, by resolution, a list of eligible nonprofit 202  
organizations that shall be given priority with respect to the 203  
item's donation. Priority may be given on the basis that the 204  
purposes of a nonprofit organization have a direct relationship 205  
to specific school district purposes of programs provided or 206  
administered by the board. A resolution giving priority to 207  
certain nonprofit organizations with respect to the donation of 208  
an item of property shall specify the reasons why the 209  
organizations are given that priority. 210

Members of the board shall consult with the Ohio ethics 211  
commission, and comply with Chapters 102. and 2921. of the 212  
Revised Code, with respect to any donation under this division 213  
to a nonprofit organization of which a board member, any member 214  
of a board member's family, or any business associate of a board 215  
member is a trustee, officer, board member, or employee. 216

**Sec. 3313.413.** (A) As used in this section, "high- 217  
performing community school" means a community school 218  
established under Chapter 3314. of the ~~Revised~~ Revised Code that 219  
meets any of the following conditions: 220

(1) Except as provided for in division (A) (2) or (3) of 221  
this section, the community school does both of the following: 222

(a) The school has a higher performance index score than 223  
the school district in which the school is located on the two 224  
most recent report cards issued under section 3302.03 of the 225  
Revised Code. 226

(b) The school either has a performance rating of four stars or higher for progress on the most recent report card issued under section 3302.03 of the Revised Code or is a school described under division (B) (1) of section 3314.35 of the Revised Code and did not receive a rating for progress on the most recent report card.

(2) If the community school serves only grades kindergarten through three, the school received a performance rating of four stars or higher for early literacy on its most recent report card issued under section 3302.03 of the Revised Code.

(3) If the community school has not commenced operations or has been in operation for less than one school year, the school meets the following conditions:

(a) The school is replicating an operational and instructional model used by a community school described in division (A) (1) or (2) of this section.

(b) The school either:

(i) Has an operator that received an overall rating of three stars or higher, or a "C" or higher, on its most recent performance report published under section 3314.031 of the Revised Code;

(ii) Does not have an operator and is sponsored by a sponsor that was rated "exemplary" or "effective" on its most recent evaluation conducted under section 3314.016 of the Revised Code.

(B) When a school district board of education decides to dispose of real property it owns in its corporate capacity under section 3313.41 of the Revised Code, the board shall first offer

that property to the governing authorities of all start-up 256  
community schools, the boards of trustees of any college- 257  
preparatory boarding schools, and the governing bodies of any 258  
STEM schools that are located within the territory of the 259  
district. Not later than sixty days after the district board 260  
makes the offer, interested governing authorities, boards of 261  
trustees, and governing bodies shall notify the district 262  
treasurer in writing of the intention to purchase the property. 263

The district board shall give priority to the governing 264  
authorities of high-performing community schools that are 265  
located within the territory of the district. 266

(1) If more than one governing authority of a high- 267  
performing community school notifies the district treasurer of 268  
its intention to purchase the property pursuant to division (B) 269  
of this section, the board shall conduct a public auction in the 270  
manner required for auctions of district property under division 271  
(A) of section 3313.41 of the Revised Code. Only the governing 272  
authorities of high-performing community schools that notified 273  
the district treasurer pursuant to division (B) of this section 274  
are eligible to bid at the auction. 275

(2) If no governing authority of a high-performing 276  
community school notifies the district treasurer of its 277  
intention to purchase the property pursuant to division (B) of 278  
this section, the board shall then proceed with the offers from 279  
all other start-up community schools, college-preparatory 280  
boarding schools, and STEM schools made pursuant to that 281  
division. If more than one such entity notifies the district 282  
treasurer of its intention to purchase the property pursuant to 283  
division (B) of this section, the board shall conduct a public 284  
auction in the manner required for auctions of district property 285

under division (A) of section 3313.41 of the Revised Code. Only 286  
the entities that notified the district treasurer pursuant to 287  
division (B) of this section are eligible to bid at the auction. 288

(3) If no governing authority, board of trustees, or 289  
governing body notifies the district treasurer of its intention 290  
to purchase the property pursuant to division (B) of this 291  
section, the district shall then offer the property for sale to 292  
the governing board of any educational service center that 293  
shares territory with the district or that has territory that is 294  
adjacent to the district's territory. Not later than sixty days 295  
after the district board makes the offer, interested governing 296  
boards shall notify the district treasurer in writing of the 297  
intention to purchase the property. 298

If more than one governing board notifies the district 299  
treasurer of its intention to purchase the property pursuant to 300  
division (B) of this section, the district board shall conduct a 301  
public auction in the manner required for auctions of district 302  
property under division (A) of section 3313.41 of the Revised 303  
Code. Only the governing boards that notified the district 304  
treasurer pursuant to division (B) of this section are eligible 305  
to bid at the auction. 306

(4) If no governing board notifies the district treasurer 307  
of its intention to purchase the property pursuant to division 308  
(B) of this section, the district may then offer the property 309  
for sale in the manner prescribed under divisions (A) to (F) of 310  
section 3313.41 of the Revised Code. 311

(C) Notwithstanding anything to the contrary in sections 312  
3313.41 and 3313.411 of the Revised Code, the purchase price of 313  
any real property sold to any of the entities in accordance with 314  
division (B) of this section shall not be more than the 315

appraised fair market value of that property as determined in an 316  
appraisal of the property that is not more than one year old. 317

(D) Not later than the first day of October of each year, 318  
the department of education and workforce shall post in a 319  
prominent location on its web site a list of schools that 320  
qualify as high-performing community schools for purposes of 321  
this section and section 3313.411 of the Revised Code. 322

**Sec. 3313.843.** (A) Notwithstanding division (D) of section 323  
3311.52 of the Revised Code, this section does not apply to any 324  
cooperative education school district. 325

(B) (1) The board of education of each city, exempted 326  
village, or local school district with an average daily student 327  
enrollment of sixteen thousand or less, reported for the 328  
district on the most recent report card issued under section 329  
3302.03 of the Revised Code, shall enter into an agreement with 330  
the governing board of an educational service center, under 331  
which the educational service center governing board will 332  
provide services to the district. 333

(2) The board of education of a city, exempted village, or 334  
local school district with an average daily student enrollment 335  
of more than sixteen thousand may enter into an agreement with 336  
the governing board of an educational service center, under 337  
which the educational service center governing board will 338  
provide services to the district. 339

(3) Services provided under an agreement entered into 340  
under division (B) (1) or (2) of this section shall be specified 341  
in the agreement, and may include any of the following: 342  
supervisory teachers; in-service and continuing education 343  
programs for district personnel; curriculum services; research 344

and development programs; academic instruction for which the governing board employs teachers pursuant to section 3319.02 of the Revised Code; assistance in the provision of special accommodations and classes for students with disabilities; or any other services the district board and service center governing board agree can be better provided by the service center and are not provided under an agreement entered into under section 3313.845 of the Revised Code. Services included in the agreement shall be provided to the district in the manner specified in the agreement. The district board of education shall reimburse the educational service center governing board pursuant to division (H) of this section.

(C) Any agreement entered into pursuant to this section shall be filed with the department of education and workforce by the first day of July of the school year for which the agreement is in effect.

(D) (1) An agreement for services from an educational service center entered into under this section may be terminated by the school district board of education, at its option, by notifying the governing board of the service center by March 1, 2012, or by the first day of January of any odd-numbered year thereafter, that the district board intends to terminate the agreement in that year, and that termination shall be effective on the thirtieth day of June of that year. The failure of a district board to notify an educational service center of its intent to terminate an agreement by March 1, 2012, shall result in renewal of the existing agreement for the following school year. Thereafter, the failure of a district board to notify an educational service center of its intent to terminate an agreement by the first day of January of an odd-numbered year shall result in renewal of the existing agreement for the

following two school years. 376

(2) If the school district that terminates an agreement 377  
for services under division (D)(1) of this section is also 378  
subject to the requirement of division (B)(1) of this section, 379  
the district board shall enter into a new agreement with any 380  
educational service center so that the new agreement is 381  
effective on the first day of July of that same year. 382

(3) If all moneys owed by a school district to an 383  
educational service center under an agreement for services 384  
terminated under division (D)(1) of this section have been paid 385  
in full by the effective date of the termination, the governing 386  
board of the service center shall submit an affidavit to the 387  
department certifying that fact not later than fifteen days 388  
after the termination's effective date. Notwithstanding anything 389  
in the Revised Code to the contrary, until the department 390  
receives such an affidavit, it shall not make any payments to 391  
any other educational service center with which the district 392  
enters into an agreement under this section for services that 393  
the educational service center provides to the district. 394

(E) An educational service center may apply to any state 395  
or federal agency for competitive grants. It may also apply to 396  
any private entity for additional funds. 397

The department shall ensure that educational service 398  
centers are eligible to participate in any grant program that is 399  
available to school districts and focused on school facility 400  
health, safety, and welfare. 401

(F) Not later than January 1, 2014, each educational 402  
service center shall post on its web site a list of all of the 403  
services that it provides and the corresponding cost for each of 404

those services. 405

(G) (1) For purposes of calculating any state operating 406  
subsidy to be paid to an educational service center for the 407  
operation of that service center and any services required under 408  
Title XXXVIII of the Revised Code to be provided by the service 409  
center to a school district, the service center's student count 410  
shall be the sum of the total student counts of all the school 411  
districts with which the educational service center has entered 412  
into an agreement under this section. 413

(2) When a district enters into a new agreement with a new 414  
educational service center, the department shall ensure that the 415  
state operating subsidy for services provided to the district is 416  
paid to the new educational service center and that the 417  
educational service center with which the district previously 418  
had an agreement is no longer paid a state operating subsidy for 419  
providing services to that district. 420

(H) Pursuant to division (B) of section 3317.023 of the 421  
Revised Code, the department annually shall deduct from each 422  
school district that enters into an agreement with an 423  
educational service center under this section, and pay to the 424  
service center, an amount equal to six dollars and fifty cents 425  
times the school district's total student count. The district 426  
board of education, or the district superintendent acting on 427  
behalf of the district board, may agree to pay an amount in 428  
excess of six dollars and fifty cents per student in total 429  
student count. If a majority of the boards of education, or 430  
superintendents acting on behalf of the boards, of the districts 431  
that entered into an agreement under this section approve an 432  
amount in excess of six dollars and fifty cents per student in 433  
total student count, each district shall pay the excess amount 434

to the service center. 435

(I) (1) An educational service center may enter into a 436  
contract to purchase supplies, materials, equipment, and 437  
services, which may include those specified in division (B) of 438  
this section or Chapter 3312. of the Revised Code, or the 439  
delivery of such services, on behalf of a school district or 440  
political subdivision that has entered into an agreement with 441  
the service center under this section or section 3313.844, 442  
3313.845, or 3313.846 of the Revised Code. 443

(2) Purchases made by a school district or political 444  
subdivision that has entered into an agreement with the service 445  
center as described in this division are exempt from competitive 446  
bidding required by law for the purchase of supplies, materials, 447  
equipment, or services. No political subdivision shall make any 448  
purchase under this division when the political subdivision has 449  
received bids for such purchase, unless the same terms, 450  
conditions, and specifications at a lower price can be made for 451  
such purchase under this division. 452

(J) Any school district, community school, or STEM school 453  
that has entered into an agreement with an educational service 454  
center under this section or section 3313.844 or 3313.845 of the 455  
Revised Code shall be in compliance with federal law and exempt 456  
from competitive bidding requirements for personnel-based 457  
services pursuant to the authority granted to the Ohio 458  
department of education and workforce under federal law, 459  
provided the service center has met the following conditions: 460

(1) It is in compliance with division (F) of this section. 461

(2) It has been designated "high performing" under rule of 462  
the department. 463

(3) It has been found to be substantially in compliance 464  
with audit rules and guidelines in its most recent audit by the 465  
auditor of state. 466

(K) For purposes of this section, a school district's 467  
"total student count" means the average daily student enrollment 468  
reported on the most recent report card issued for the district 469  
pursuant to section 3302.03 of the Revised Code. 470

Sec. 3318.80. (A) As used in this section: 471

(1) "Ohio facilities construction commission" has the same 472  
meaning as in section 3318.01 of the Revised Code. 473

(2) "Project" means a project to construct or acquire 474  
facilities or to reconstruct or make additions to existing 475  
facilities to be used for housing the applicable educational 476  
service center and its functions. 477

(3) "Acquisition of facilities" means constructing, 478  
reconstructing, repairing, or making additions to facilities. 479

(B) The educational service center facilities assistance 480  
program is established. Under the program, the Ohio facilities 481  
construction commission shall provide assistance to educational 482  
service centers for the acquisition of facilities to be used for 483  
operations or direct student services. 484

(C) The commission shall adopt rules for the 485  
administration of the program. The rules shall include: 486

(1) Eligibility requirements for educational service 487  
centers to receive assistance; 488

(2) Application procedures; 489

(3) Procedures for prioritizing projects; 490

|  |     |
|--|-----|
| <u>(4) Procedures for determining the local share of project</u>         | 491 |
| <u>costs;</u>  | 492 |
| <u>(5) Procedures for disbursing state funds.</u>                        | 493 |
| <u>(D) The commission may provide assistance under this</u>              | 494 |
| <u>section in the form of grants, loans, or a combination of grants</u>  | 495 |
| <u>and loans.</u>  | 496 |
| <u>(E) The commission shall give priority to projects that</u>           | 497 |
| <u>demonstrate a local match through levy approval, building</u>         | 498 |
| <u>donation, land donation, or other in-kind contributions.</u>          | 499 |
| <b>Sec. 3318.81.</b> <u>(A) The educational service center revolving</u> | 500 |
| <u>loan fund is created in the state treasury. The fund shall</u>        | 501 |
| <u>consist of money appropriated to it by the general assembly and</u>   | 502 |
| <u>any investment earnings on money in the fund.</u>                     | 503 |
| <u>(B) The treasurer of state may use the fund to support</u>            | 504 |
| <u>deposit programs and loan guarantee programs for educational</u>      | 505 |
| <u>service centers to finance the acquisition, construction, or</u>      | 506 |
| <u>renovation of facilities used to provide direct student</u>           | 507 |
| <u>services.</u>   | 508 |
| <u>(C) The treasurer of state shall adopt rules necessary for</u>        | 509 |
| <u>the implementation and administration of this section.</u>            | 510 |
| <b>Section 2.</b> That existing sections 3312.01, 3313.41,               | 511 |
| 3313.413, and 3313.843 of the Revised Code are hereby repealed.          | 512 |