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S.B. 450
136th General Assembly

Bill Analysis

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Version: As Passed by the Senate

Primary Sponsor: Sen. Cirino

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SUMMARY

Capital appropriations and reappropriations

- Makes capital appropriations totaling \$3.7 billion for the FY 2027-2028 biennium, and authorizes about \$3.4 billion in new debt.

Aging School Accelerator Pilot Program

- Establishes the Aging School Accelerator Pilot Program under which the Facilities Construction Commission (FCC) must provide classroom facilities project assistance to qualifying school districts.
- Requires qualifying districts to set aside the equivalent of ½ mill for each dollar of valuation for the maintenance on the project, for a number of years and in a manner determined by FCC.
- Requires FCC to set aside funds, from the amounts appropriated for classroom facilities assistance projects for the appropriate fiscal year, in an amount adequate to serve qualifying districts and offer the funding to those districts, with a state share of at least 40% of the total project cost.

Central State University facilities management

- Requires Central State University (CSU) to enter into an agreement with either the Department of Administrative Services or another governmental third party under which CSU must transfer oversight authority for the management of its facilities to that entity.
- Subjects the release of a \$25 million appropriation of Basic Renovations funds to CSU's entering into such an agreement and certifying to the Chancellor of Higher Education that it has done so.

Local government public infrastructure capital improvement bonds

- Implements the provisions of Section 2t, Article VIII of the Ohio Constitution regarding the issuance of general obligation debt for local government public infrastructure capital improvements.

Emergency clause

- Declares an emergency.

DETAILED ANALYSIS

Capital appropriations and reappropriations

(Sections 201.10 to 527.10 and 610.10 to 810.10)

The bill makes capital appropriations totaling \$3.7 billion for the biennium ending June 30, 2028 (FYs 2027 and 2028), and authorizes about \$3.4 billion in new debt. For more detailed information, please see LSC's capital bill support documents on the [LSC website](#).

The bill also modifies several provisions from the recent capital reappropriations act, [H.B. 730](#), available on the [Ohio General Assembly's](#) website.

Aging School Accelerator Pilot Program

(R.C. 3318.042, 3318.33, and 3318.49)

The bill requires the Facilities Construction Commission (FCC) to establish and administer the Aging School Accelerator Pilot Program.

Under the pilot program, FCC must provide support for the classroom facilities projects of each school district that meets the following criteria on or before the bill's effective date:

1. The district has at least one building that is used primarily for classroom instruction in which all or a significant portion of the structure is at least 100 years old;
2. The district has never been approved to receive assistance from FCC under the Classroom Facilities Assistance Program (CFAP) or has not completed all segments of an approved project;
3. The district's operating expenditure per student in FY 2025 was in the lowest 25% of all school districts in the state; and
4. The district qualifies to serve all of its students in one school building according to FCC's policies.

The bill requires FCC to determine which school districts qualify for the pilot program and notify those districts. To participate in the pilot program, a qualifying district must annually set aside the equivalent of ½ mill for each dollar of valuation for the maintenance on the project, for a number of years and in a manner determined by FCC.

To fund projects under the pilot program, FCC must set aside funds from the amounts appropriated to it for classroom facilities assistance projects for the appropriate fiscal year. The amount of funds must be adequate to serve qualifying districts and offer them funding. The state share of the basic project cost for a classroom facilities project under the pilot program must be at least 40% of the total project cost.

Once a pilot project is completed under the pilot program, the project must be considered served and ineligible for assistance under CFAP, though the district is eligible for the Corrective Action Program and any additional assistance provided by FCC to cover corrective action.

Under continuing law, FCC may provide funding under the Corrective Action Program to take corrective measures on a project to correct defective or omitted work either during a project or after the project is completed, so long as the school district notifies FCC of the defective or omitted work within five years after completion of the project.

The bill also qualifies projects completed under the pilot program for additional assistance requested during construction on the project, in the same manner as other projects completed with FCC assistance. Under continuing law, FCC consideration of additional assistance on a project is warranted if either (1) additional work is needed to correct an oversight or deficiency not identified or included in the district's initial assessment, or (2) other conditions exist that, in FCC's opinion, warrant additions or remodeling of the project facilities or changes to infrastructure associated with the project that were not identified in the initial assessment and plan. This assistance may also be provided in connection with the Corrective Action Program if a school district is unable to provide its portion of the cost of corrective action under that program.

Central State University facilities management

(R.C. 3343.11 and Section 207.05; conforming changes in R.C. 3343.05)

The bill requires the board of trustees of Central State University (CSU) to enter into an agreement with either the Department of Administrative Services (DAS) or another governmental third party under which the board transfers oversight authority for the management of the university's facilities to DAS or the other third party. The bill excludes the transfer of authority under such an agreement from the continuing law requirement that otherwise requires the board to take, keep, and maintain exclusive authority, direction, supervision, and control over the operations of CSU.

The bill subjects the release of a \$25 million appropriation of Basic Renovations funds to CSU's board entering into such an agreement. The Chancellor of Higher Education must release the funds once the board has certified to the Chancellor that it has entered into the agreement and provided a copy of both the agreement and the board's resolution approving it.

Local government public infrastructure capital improvement bonds

(R.C. 151.01, 151.08, 164.03, 164.08, 5751.02, and 5751.20)

The bill provides the statutory authorization necessary to permit the state to issue general obligation debt under Section 2t, Article VIII of the Ohio Constitution ("Section 2t"). Section 2t

authorizes the General Assembly to provide by law for the issuance of general obligation debt of the state in the amount of \$2.5 billion to finance or assist in the financing of public infrastructure capital improvement of municipal corporations, counties, townships, or other governmental entities designated by law. These improvements are limited to roads and bridges, waste water treatment systems, water supply systems, solid waste disposal facilities, and storm water and sanitary collection, storage, and treatment facilities, including real property, interests in real property, facilities, and equipment related or incidental to them.¹ The state is authorized to participate in these capital improvement projects by providing grants, loans, or contributions to the local subdivisions.²

Emergency clause

(Section 835.10)

The bill is declared to be an emergency measure, necessary for the immediate preservation of the public peace, health, and safety, and will go into immediate effect.

HISTORY

Action	Date
Introduced	06-01-26
Reported, S. Finance	06-03-26
Passed Senate (31-0)	06-03-26

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¹ Ohio Constitution, Article VIII, Section 2t(A).

² Ohio Const., art. VIII, sec. 2t(E).