The quality of schools in Ohio, as in the rest of the country, is crucial to our state’s long-term viability and ability to compete in the national and global marketplace. The physical structures and related infrastructure are critical components that have a direct impact on the quality of our schools. Overcrowded, inefficient, outmoded, and deteriorating buildings and infrastructure have a negative impact on the quality of education our students receive. The state of Ohio has recognized this and taken positive steps to address the school infrastructure requirements, in particular the securitization of Ohio’s share of the Tobacco Settlement that earmarked $4.12 billion for school construction during the period 2009-2011. However, the education funding formula of the state, which has been declared unconstitutional by the Ohio State Supreme Court, continues to impede addressing all school infrastructure needs in an efficient and proactive manner.

Background

The method of providing general educational funding and capital funding for school facilities in Ohio has been a source of controversy for many years. Since 1979, when the case of Board of Education of Cincinnati vs. Walter was litigated, various courts in Ohio have ruled that the method the state uses to fund education was unconstitutional. In 1979, school districts were successful in presenting evidence that described school facilities that were obsolete, poorly lighted, and suffered from inadequate maintenance because of inequitable and inadequate funding. School superintendents testified that school tax levy inadequacies and failures of school bond issues forced them to borrow funds from commercial lenders to keep schools operating.

In 1997, the Ohio State Supreme Court ruled that the state constitution required the Legislature to fund a thorough and efficient system of public schools with a strict requirement to implement the system fairly across all school districts. The court held that state funding of schools be judged as inadequate if districts have insufficient funds to provide a safe and healthy learning environment. The court ordered the Legislature to systematically revise the school funding scheme.

In response to this, the Ohio School Facilities Commission (OSFC) was created in 1997 as a separate state agency to oversee the rebuilding of Ohio’s public schools. The OSFC administers the state’s comprehensive kindergarten through 12th grade public school construction program. The agency helps school districts fund, plan, design, and build new or
renovated schools. OSFC is responsible for the administration of several programs including the Classroom Facilities Assistance Program (CFAP), Vocational Facilities Assistance Program (VFAP) and the Exceptional Needs Program (ENP), which together address needs for new and renovated school facilities.\(^3\)

Over the past nine years, the OSFC has worked with more than 75% of the local school districts by conducting facility assessments and developing preliminary plans for addressing facility needs. The OSFC estimates that there is a need for approximately 2,500 quality learning environments in Ohio.

During the 1998-2007 fiscal years, the OSFC managed yearly appropriations across all its programs totaling $5.92 billion, an average of approximately $592 million per year. This provided funds for projects in an average of 25 school districts per year. In part, these funds have been dedicated to a combination of 481 newly renovated facilities, 141 buildings under construction, and full completion of 114 school district projects. In 2007, the OSFC reported that all facility needs in 123 school districts have been fully addressed.\(^2\)

In 2007, the state approved a plan to securitize Ohio’s share of the Tobacco Settlement through an immediate cash payout (the Tobacco Master Settlement Agreement is an agreement entered into in 1998 between the four largest U.S. tobacco companies and the attorneys general of 46 states). As a result, $4.12 billion was earmarked for school construction during the 2009-2011 fiscal years. The OSFC estimates that this will provide funds for completion of about 250 additional buildings in approximately 140 school districts across the state. The projects will be financed by a combination of state and local funding. Local funding is required before the projects can start.

The OSFC recognizes that school facilities built in accordance with the Ohio School Design Manual standards have had a positive impact on academic achievement because of improvements in the learning environment and more cost-effective, efficient operations. In 2007, the OSFC embarked on a Green Schools Initiative that will enhance the benefits of Ohio’s school facilities by building schools that are healthier for students and teachers and will cost less to operate. The OSFC adopted a rating system created by the non-profit U.S. Green Building Council, Leadership in Energy and Environmental Design (LEED) called the LEED\(^\circledast\) for Schools Green Building Rating System™ as part of its school design standards. The LEED\(^\circledast\) system is a widely used benchmark for the design and construction of energy efficient and environmentally conscious buildings. Schools built to LEED\(^\circledast\) specifications have been shown to have a positive effect on the health, attendance and performance of students, teachers and staff. Certification provides the community with a rating for their school buildings that verifies that the buildings meet standards for a high level of energy and environmental performance. Schools in districts approved for funding after September 2007 are required to meet LEED\(^\circledast\) for Schools Silver Certification, with a goal to meet the Gold Certification level in the future.

In the 2009 Report Card for America’s Infrastructure, ASCE indicated that comprehensive, authoritative data on the condition of America’s school buildings has not been collected in a decade.\(^4\) This is true for Ohio, where the most recent state-wide survey of the conditions of school buildings appears to have been conducted under order of the Legislature in 1989. This survey concluded that $10.2 billion was needed to address out-of-compliance building health and safety issues, including asbestos removal.\(^1\) At the time of the survey, the data showed that more than 50% of Ohio’s schools were at least 50 years old and 15% were at least 70 years old. In addition, only 17% of heating systems and 31% of roofs were in satisfactory condition, and
only 25% of plumbing systems were in good working order. Only 30% of schools had adequate fire alarm systems.

These data were supported by later studies from the U.S. General Accounting Office (GAO, now known as the General Accountability Office), which reported in 1996 that 95% of Ohio’s schools were in bad need of upgrades or repairs.\(^5\)

The federal Department of Education (ED), Institute of Education Sciences, National Center for Education Statistics has developed criteria to estimate the “functional age of schools”\(^6\). Functional age is based on the year of construction of the main instructional building(s) for schools that have not experienced any major renovations since their original construction. However, for schools that have been renovated, the functional age is based on the year of the most recent major renovation. Therefore, the ED considers the age of the main instructional buildings as measured in years since original construction and in years since the most recent renovation.

The ED indicates that determining and describing the age of public schools can be difficult. Many schools have instructional buildings that have been heavily renovated in the years since they were originally built. For such schools, the year of their last renovation is often a better index of the school’s age than the year of original construction. Therefore, in describing school age, consideration must be given to both the year of construction and year of most recent renovation for schools that have been renovated.

In 1999, the ED estimated that, on a national basis, the average age of the main instructional building(s) of public schools was 40 years, based on years since original construction. Across all schools reporting a major renovation since initial construction, the renovation had occurred an average of 11 years ago. The average functional age of schools, as defined above, was 16 years. The average functional age of the school varied by school enrollment, with small schools typically older than medium or large schools (20 years compared with 15 and 14 years, respectively).\(^6\)

**Ohio Schools Facts and Issues**

The Website SchoolDataDirect.org provides a resource for educators, researchers, and policymakers to access data on public schools. School Data Direct is an online service of the State Education Data Center (SEDC). SEDC is a new service of the Council of Chief State School Officers, funded by the Bill & Melinda Gates Foundation as part of the Council's National Education Data Partnership.\(^7\) For Ohio, SEDC reports the following:

<table>
<thead>
<tr>
<th>Ohio Public Schools and Districts: Education Facts</th>
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<tbody>
<tr>
<td>2007 Number of students</td>
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<tr>
<td>2007 Number of schools</td>
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<tr>
<td>2007 Number of school districts</td>
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<tr>
<td>2006 Spending per student</td>
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Table 1.
The SEDC also reports the following:

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<th>United States Public Schools and Districts: Education Facts</th>
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<tr>
<td>2007</td>
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<td>2007</td>
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Table 2.

Ohio spent 6.8% less than the national average on each of its students in 2006. In 2007, Ohio had 3.7% of the total number of students and 4.0% of the total number of schools in 4.2% of the total school districts in the country.

Ohio has made significant strides in reducing its school infrastructure requirements since the OSFC was created in 1997. The American Federation of Teachers report Building Minds, Minding Buildings, School Infrastructure Funding Need indicates that school infrastructure funding need in Ohio has decreased from an estimated $20.9 billion in 2001 to $9.32 billion in 2008. However, the estimated $9.32 billion of needed infrastructure investment in 2008 ranks Ohio sixth in the country for total funds needed.¹

Policy Options

The Rebuild America’s Schools Coalition contends that federal partnerships are necessary as local communities struggle to finance, build, and modernize school facilities to address the economic and educational challenges of the 21st century.⁸ The American Recovery and Reinvestment Act approved by Congress includes financing and funding for school construction, modernization, renovation and repair. A tax provision of the legislation includes $24.8 billion for Qualified School Construction Bonds and for the expansion of the Qualified Zone Academy Bond (QZAB) program. The new Qualified School Construction Bonds will be for school construction, renovation, repair, and site acquisition. The $24.8 billion is almost the entire bond authorization called for in the America’s Better Classrooms Act. Although this is significant, because the local school district may have to cover the debt service cost of the bonds, there may still be a limitation in the use of these programs because local funds may not be available.

The American Recovery and Reinvestment Act also added funding for school modernization as one of the purposes in a $53.6 billion State Stabilization Fund. These funds will be available for school modernization if state and local officials decide to use the funds to modernize schools. Governors will control 18.2% of these funds that can be used for public safety and education purposes including public school modernization, renovation, and repair, and for higher education renovation and repair. Local school districts that will receive the remaining 81.8% of the State Stabilization funds can use the funds for school modernization, as well as for education programs, such as the Individuals with Disabilities Education Act (IDEA), Title I No Child Left Behind, and Perkins programs.⁸

The American Recovery and Reinvestment Act is a big step forward in the financing of school construction bonds to help build, renovate, and repair our nation’s schools and in the funding of school modernization. However, the total of $78.4 billion in funds in the two appropriations discussed above are less than a third of the estimated $254.6 billion needed for school
infrastructure nationally.\(^1\) In addition, ASCE indicates that the National Education Association’s best estimate to bring the nation’s schools into good repair is $322 billion,\(^4\) meaning the gap is even larger.

The Taxpayers Relief Act of 1997 included a tax provision that established the QZAB program to assist local school districts with school renovations and other purposes. In 2006 and 2007, QZABs provided up to $400 million per year in bond authority for schools in targeted zones or where 35% or more of the students are eligible for free or reduced cost lunch. Since 1998, $4 billion in QZAB bond allocations have been provided to the 50 states and the U.S. territories. QZABs have been used successfully in nearly every state.\(^8\)

As much as the efforts of the OSFC have helped to address school infrastructure needs in the state, there are still issues that need to be addressed. OSFC indicated that they have worked with 75% of the local school districts in Ohio to conduct facility assessments and develop preliminary plans for addressing facility needs, which means that 25% of the districts have not received assistance as of 2007. The OSFC indicates that they have fully completed projects in 123 school districts, but that means there are still identified needs in 491 school districts. The $4.12 billion earmarked for school construction during the 2009-2011 fiscal years from the Tobacco Settlement will continue the progress made to date. However, the OSFC estimates that this will provide funds for completion of about 250 additional buildings in approximately 140 school districts across the state, still leaving about 351 districts with defined needs.

One of the issues that impedes progress is the fact that the OSFC projects will be financed by a combination of state and local funding. Local funding is required before the projects can start. Under the state’s formula for financing education, most school districts must receive voter approval for a levy to raise the local funds. The need for provision of local funds can delay or stop the project from proceeding.

**Specific ASCE Ohio Council Recommendations**

- Urge the governor and state Legislature to reform the education funding formula to a more equitable, progressive formula that supports funding for needed capital infrastructure investments. Consider providing dedicated funding for school infrastructure requirements with provisions that will prevent these funds from being redirected towards paying for operating expenses
- Work with the Ohio congressional members to establish a federal/state/local partnership with the federal government assuming a leadership role to address school infrastructure funding needs on a continuing basis
- Expand federal tax credits supporting increased use of school construction bonds
- Encourage school districts to adopt regular, comprehensive construction and maintenance programs.

**Sources**


3 Ohio School Facilities Commission Website, www.osfc.ohio.gov

4 American Society of Civil Engineers, 2009 Report Card for America’s Infrastructure, January, 2009


6 Department of Education, Institute of Education Sciences, National Center for Education Statistics, Condition of America’s School Facilities – 1999

7 School Data Direct Website, www.schooldatadirect.org

8 Rebuild Americas Schools Website, www.rebuildamericasschools.org