



Ohio School Facilities Commission
Policies and Procedures

EXPEDITED LOCAL PARTNERSHIP PROGRAM GUIDELINES

Subject: Program Guidelines
Approval: Commission Resolution 12-108

Originally Issued: September 2000
Revised: May 2001; September 2003;
October 2012

APPLIES TO

Expedited Local Partnership Program (ELPP)

GUIDELINES

A program to allow school districts to make facility improvements by expending local funds prior to receiving assistance from the state.

October 2012 - In order to align the management of, and participation in the Expedited Local Partnership Program with the newly adopted construction reform legislation, the Program Guidelines are being revised. Any building project undertaken by participating district after the adoption of the October 2012 guidelines must adhere to the revised guidelines in order to establish credit. Contracts executed prior to the adoption of the revisions to the ELPP Guidelines do not need to be changed. A building project which has not advertized for bidding prior to the adoption of the revised ELPP Guidelines should use the form of contract developed by the Ohio Facilities Construction Commission which is consistent with the selected method of construction delivery.

Program Overview

The Expedited Local Partnership Program (ELPP) permits school districts that are estimated to be over two years away from eligibility for state assistance under the Classroom Facilities Assistance Program (CFAP) to receive a district-wide assessment and master facilities plan from the Commission. The Commission will assess the classroom facilities needs of participating districts and, in collaboration with the district, develop a district-wide master facilities plan. Program participants may spend local resources on a separate and discrete part of their overall master facilities plan (either new construction or major renovation) and later deduct qualifying expenditures from the school district's share of the overall project budget when the district becomes eligible for state assistance under CFAP.

When a participating school district becomes eligible under CFAP, the Commission will reassess the classroom facility needs for the district, counting the qualifying local expenditure amounts already spent as part of the local share. If the school district has spent more than the required local share on approved expenditures, the Commission may reimburse the school district for the amount spent above the required local share.

Any project approved under this program shall, where applicable, comply with the Ohio School Design Manual, any applicable sections of the Ohio Revised Code, and Commission policies.

The program is comprised of four phases:

- Phase One - Eligibility/Application
- Phase Two – Facilities Assessment and Master Planning
- Phase Three – Project Agreement / Discrete Portion / Funding
- Phase Four – Expedited Local Partnership Program Project

PHASE ONE – Eligibility/Application

Any school district may participate in the program as long as they are not currently being served under CFAP or the Accelerated Urban Initiative or they are not reasonably expected to receive assistance under CFAP within two fiscal years of the date the school district’s Board of Education resolves to apply for ELPP. Annually, the Commission will establish the equity rank for those school districts that it reasonably expects to become eligible for state assistance in CFAP within two fiscal years. School districts that participated in the former Building Assistance Program under the Ohio Department of Education are eligible to participate as long as they are not within two fiscal years of being served under CFAP.

Pursuant to Ohio Revised Code section 3318.37 (A) (2), school districts that participate in ELPP cannot participate in the Exceptional Facility Needs Program (ENP). There are two exceptions as outlined below.

A district that participated in the ELPP pilot program may participate in ENP by meeting the following two criteria:

1. The district board adopted a resolution to participate in the expedited program under Ohio Revised Code section 3318.36 prior to September 14, 2000; and
2. The district was selected by the Commission for participation in the Expedited Local Partnership Program under Ohio Revised Code section 3318.36 in the manner prescribed by the Commission, as it existed prior to September 14, 2000.

To apply for the program, school districts are required to submit two items to the Commission:

1. A resolution of intent to participate adopted by the Board of Education:
A school district must submit the adopted resolution to the Commission within 10 days of its adoption. The resolution must specify the following information:

The school district’s intent to participate in the program;

The approximate date the school district’s Board of Education intends to seek elector approval of any bond or tax measure, or the approximate date the school district intends to apply other local resources to use to pay the cost of the classroom facilities improvements and/or construction.

The Commission recommends planning for a schedule of 18 months to complete the assessment and master-planning phase. The process may take less time to complete, but the district should be aware that in no case will expenditures for construction contracts that were executed prior to the ELPP Project Agreement be considered for credit under the ELP program.

2. An Expedited Local Partnership Program application form:
The Expedited Local Partnership Program application form requires the school district's superintendent's name, phone number, and address information, as well as a commitment of the estimated bond levy date, or expected date to begin using other local resources for the purchase of facilities improvements.

A sample resolution and the Application Form are available on the Commission website at <http://osfc.ohio.gov>

The Commission shall review applications for eligibility and forward notification of receipt to each school district. Eligible districts will be contacted in order to begin the district-wide assessment and master plan development process.

PHASE TWO – Facilities Assessment and Master Planning

During Phase Two, the school district and the Commission agree to the following:

- The Commission will conduct an assessment of the school district's classroom facilities pursuant to of the Ohio Revised Code Chapter 3318;
- The school district and the Commission will jointly develop a district-wide master facilities plan, pursuant to Commission requirements, which will accommodate the total student population as projected by the Commission;
- The Commission will determine a basic project cost for the entire district-wide master facilities plan. A preliminary calculation of state and local shares of the basic project cost will be determined pursuant to Ohio Revised Code Chapter 3318.

Facilities Assessment

Once the school district board has been notified that they are eligible to participate in the program, the Commission will add the district to the schedule of school districts to be assessed. Commission representatives will coordinate with school district personnel to arrange the exact dates for their facilities assessment. Priority for the assessment process will be based on the date that the school district intends to seek elector approval of a bond or tax measure, or to apply other resources to pay the cost of the proposed expedited project.

The Commission will coordinate the efforts of qualified design professionals (architects / engineers) to perform on-site evaluations of each of the school district's existing classroom facilities. The on-site evaluations will adhere to assessment standards as defined by the Commission. The completed individual building assessments will be compiled into a single report that will be reviewed and discussed with the school district prior to its finalization.

Enrollment Projections

Simultaneously with the facilities assessment process, the Commission will coordinate the efforts of educational planning experts skilled in the development of student enrollment projections. These professionals will gather data necessary to project the district-wide student population, by grade level, by year, for ten years into the future. This information, along with the final assessment report will provide the backbone for master facilities plan discussions with the district.

Master Facilities Plan

Using the information provided in the final assessment report and the enrollment projections, the Commission will work with the school district to develop a master facilities plan (MFP). The master facilities plan will define the total classroom facilities needs required to properly house all of the district's projected K-12 public school student population, and may include the renovation of existing facilities as well as additions to existing facilities and construction of new buildings. The MFP will reflect the "basic project cost" which is the total budget allowed for the implementation of the entire master plan.

The master facilities plan will reflect the total gross area required and the total project budget for the construction/renovation of the classroom facilities. While the budget contains funds intended for basic site work associated with school construction, the Commission does not co-fund the purchase of, or preliminary preparation of, construction sites (if structures not previously owned by the district must be demolished, or if significant site clearing must be accomplished in order to make the site useable, the school district will be responsible for 100% of the cost of such). Due consideration must be given to building sites during the master planning phase.

Also, while the Commission will establish the budget for the basic project cost (that portion of the master facilities plan that will ultimately be co-fundable once the district becomes eligible for state assistance under CFAP); the school district may want to incorporate additional scope into the master facilities plan that is not co-fundable. Such scope is known as a Locally Funded Initiative (LFI) and the cost of such scope is borne fully by the school district.

Once the school district and the Commission have agreed to a final master plan the school district Board of Education will be required to approve the plan by formal resolution. Subsequently, conditional approval will be sought from the Commission, and finally, the plan will be submitted to the state Controlling Board for approval, however, no state funds will be encumbered under this program.

PHASE THREE – Project Agreement/Discrete Portion/Funding

Based upon the successful completion of the requirements of Phase One and Phase Two, the school district Board of Education and the Commission may enter into agreement (the ELPP Project Agreement) for the execution of the school district's Expedited Local Partnership Program project.

ELPP Project Agreement

The ELPP Project Agreement sets forth the binding requirements of agreement between the Commission and the school district Board of Education, which formalize the school district's participation in the Expedited Local Partnership Program. The agreement will contain, at a minimum, the following:

- Scope of the Project
- State/Local share percentages (to be carried through CFAP)
- Local Project Phase requirements
- Locally Funded Initiative requirements
- Reporting requirements
- Eligibility for State Assistance requirements
- Contract Administration requirements
- General Provisions
- Discrete Portion description (ELPP project scope)

- Preliminary Credit Analysis
- Locally Funded Initiatives description.

The ELPP Project Agreement reflects a preliminary calculation of the future credit amount of the discrete portion that may be applied toward the school district's required local share under CFAP, as determined by the Commission. The credit amount will be recalculated and conditionally approved at the completion of the district's ELPP project and will be finalized upon entry into CFAP. The conditions and reporting requirements under which qualifying expenditures shall be identified and recorded for credit will be specified in the ELPP Project Agreement. The district-wide master plan and the discrete portion to be completed under the ELPP shall become a part of the ELPP Project Agreement. The agreement shall indicate the proportional percentage of state and local shares, which shall remain constant for the district's future participation in CFAP.

While the Project Agreement will be executed for the purpose of establishing the school district's equity rank to be used in determining the state/local share percentage, the agreement will be contingent upon the school district successfully raising the total amount of funding necessary to complete the school district's discrete portion. If, after one year from the date of Controlling Board approval of the school district's master plan, the school district has failed to secure the required funding, the ELPP Project Agreement shall become null and void. If the school district wants to continue its participation in ELPP, the master facilities plan cost estimates will be updated and subsequent approvals by the school district Board of Education, the Commission, and the state Controlling Board will be required. A new ELPP Project Agreement will then be executed using the school district's then current equity rank to determine state and local share percentages. Until the school district secures the required funding, continued participation in ELPP will adhere to the one-year cycle as outlined above.

Discrete Portion

After having received the necessary master plan approvals, the school district may identify a discrete portion of the master facilities plan, which shall include only new construction of, additions to, or major repairs to classroom facilities, to complete using local resources. The Commission will work with the school district to identify qualifying scopes of work to be considered as the discrete portion. The discrete portion will reflect the total scope of work that the district intends to pursue as a part of their ELPP project, including any locally funded initiatives.

Funding

ELPP projects are funded in full by the local district. The state does not commit any funds at the time of the ELPP project. Qualifying district expenditures are recorded for future credit against the required local share of the master plan at the time of CFAP participation. A school district's ELPP project may contain both qualifying and non-qualifying expenditures. Non-qualifying expenditures are referred to as "Locally Funded Initiatives (LFI)". The Commission will work with school districts to help determine which portions of their project will qualify as "creditable" expenditures as well as those portions that will be considered LFI.

School districts may fund their ELPP project through a variety of options that are outlined in Ohio Revised Code section 3318. They include:

- Bond levy
- Permanent Improvement Tax
- School District Income Tax
- Local donated contribution, including an irrevocable letter of credit and cash-on-hand

The method of funding is a local decision but must comply with all applicable laws. For this reason the OSFC recommends that school districts seek the counsel of a qualified bond attorney in determining the most appropriate way to fund their ELPP project.

At the time of the development of the discrete portion the OSFC will require the submittal of a funding plan that will describe the school district's proposed method for raising the required funding. Additionally, at the time of each required design phase approval the OSFC will require confirmation of funding.

All local resources utilized for ELPP must first be deposited in the project construction fund required under Section 3318.08, Ohio Revised Code. School districts will be required to provide a full accounting of the fund upon request by the Commission. The school district Board of Education shall provide the Commission a copy of any audit report received from the Auditor of State.

For audit purposes, the Commission requires evidence of the local share. The Commission will accept a deposit statement certified by the banking institution and a certification of local funds by the school district treasurer as acceptable evidence.

½ Mill Requirement

School districts that participate in state-assisted school construction projects are required to provide the equivalent of ½ mill for a period of 23 years, for the purpose of maintaining the completed school facilities. School districts completing projects in the expedited program are given the option of delaying that requirement until the time that they participate in the Classroom Facilities Assistance Program.

At the time of master facilities plan approval, the school district Board of Education will be asked to commit as to whether it will delay the ½ mill requirement. Regardless of a school district's decision to delay the ½ mill requirement, the OSFC will require a maintenance plan, including a proposed method of funding, for the maintenance of completed ELPP projects.

If a school district elects to provide the ½ mill requirement beginning with the completed ELPP project, it should be noted that the ½ mill equivalent would be required to continue for a period of 23 years beyond the completion of the school district's CFAP project. Also, any amount required for maintenance shall be deposited into a separate fund established by the school district for purposes of maintaining completed facilities.

PHASE FOUR - Expedited Local Partnership Program Project

Project Design

Once the ELPP Project Agreement has been executed, and the school district has secured the required project funding, the school district may begin the project design.

To count as qualifying expenditures, new construction projects in ELPP are required to comply with the Ohio School Design Manual (OSDM). Renovation projects are required to satisfy the scope outlined in the Assessment Report as identified in the master facilities plan. Renovation designs will be required to comply, as is practical to do so, with the concepts, materials, and systems prescribed in the OSDM. For the purpose of insuring compliance with those standards, four separate design phase submittals/approvals are required for each building project: Program of Requirements (POR), Schematic Design (SD), Design Development (DD), and Construction

Documents (CD). The OSFC will work with school districts and their consultants to develop a project design schedule that will incorporate scheduled submittal dates as well as adequate review time. The school district Board of Education will be required to approve each phase by resolution. The Commission will review each phase for compliance with program requirements. Prior to receiving CD approval the school district treasurer will be required to verify the availability of funds sufficient to cover the estimated cost of the project scope, which shall be required to be deposited into the project construction fund as prescribed in section 3318.08 ORC.

To be eligible for credit, a district's general and special or supplemental conditions for contract must be consistent with the Commission's general conditions of contract in all material respects. All projects under this program must comply with the Ohio School Design Manual, the Ohio Revised Code, and Commission policies.

Local Administration and Project Delivery

ELPP projects are locally administered projects. The design, bidding, construction contract award, construction management, construction claims management, and project closeout are the responsibility of the school district. The Commission is not a party to design professional contracts, construction manager contracts, construction contracts, construction manager at risk contracts, design-build contracts or other consultant contracts engaged by the school district to facilitate their ELPP project, however the Commission requires the school district to use the contract forms developed by the Ohio Facilities Construction Commission that are consistent with the selected method of construction delivery.

Supplemental Conditions can be used with these forms. The Commission does not prescribe the project delivery model for the school district. However, all projects associated with the co-fundable portion of the school district's ELPP project are required to have the design bid documents prepared by a design professional licensed to practice in Ohio.

Because public school construction involves a large number of stakeholders and because the failure to have consensus of direction can be costly, the Commission recommends the development of a partnering arrangement to facilitate the strategic planning of work processes and dispute resolution protocol.

A reasonable fee structure for design professionals, construction managers, and partnering facilitation has been included in the development of the "basic project cost." The Commission will determine the amount of "credit" associated with design, construction, and other consultant fees.

Reporting Requirements

School districts participating in ELPP must agree to submit to the Commission conceptual plans, design development drawings, and statements of probable cost or cost estimates for each project during the project design phase to verify compliance with the Ohio School Facilities Design Manual.

School districts must submit documentation and financial reporting for ELPP project bidding and construction phases, as specified by the Commission, to allow for accurate calculation of qualifying expenditures.

ELPP Project Closure

Within six months of occupancy of a completed ELPP project the school district and the Commission will develop a project closeout credit report. The Project Closeout Credit Report

will reflect all creditable expenditures made by the school district and will show a conditional total credit amount. In the event that the school district has multiple ELPP projects, a Project Credit Closeout Report will be developed for each project. Each Project Credit Closeout Report will require conditional approval from the school district Board of Education, the Commission, and the Controlling Board. Final determination of any amount to be credited against the school district local share of the basic project cost will be made by the Commission upon the school district's participation in the Classroom Facilities Assistance Program. The project(s) executed by the school district in ELPP will be evaluated at the time of participation in CFAP based on the assessment and master plan prepared at the time of participating in CFAP. Any work executed under the ELPP program that is abandoned or replaced under the CFAP project will not be credited. Partial credit for construction or renovation, which would be provided under CFAP, but is not in compliance with the Commission's design standards, will be considered by the Commission for school districts that were approved for retroactive eligibility under the 2003 ELPP guidelines.

Eventual Participation in the Classroom Facilities Assistance Program

When an ELPP school district becomes eligible for state assistance under CFAP, the Commission will conduct a new assessment of the school district's facility needs and recalculate the basic project cost. The recalculation will include the amount of qualifying expenditures made by the school district under the ELPP. The Commission shall then recalculate the school district's portion of the new basic project cost by utilizing the percentage of the original project cost assigned to the school district as its portion. The Commission shall deduct the qualifying expenditure of the school district's moneys committed for the ELPP project from the school district's portion of the recalculated project cost.

1. If the amount a school district expended under ELPP is less than the amount of the local share under the new basic project cost, the school district may go to the voters for additional funds to participate in CFAP to fund the remainder of the project costs. In lieu of passing a levy, the school district may choose to fund the local share with other sources of revenue as defined in Section 3318.052 and 3318.084, Ohio Revised Code.
2. If the amount a school district already expended under ELPP is more than the local share under the new basic project cost, the Commission may reimburse the school district for the difference between the new local share calculation and the amount locally expended within one year. However, the Commission cannot expend any state funds on a project in an amount greater than the state's portion of the basic project cost.

Reimbursement/credit towards Future Funding from the State

Reimbursement from the Commission or credit towards a school district's local share will only occur if construction cost expenditures for the classroom facilities have been approved by the Commission. By law, the state will not reimburse a school district for any financing costs associated with acquiring funding for that construction.

The Commission's funds are contingent upon the availability of lawful appropriations by the Ohio General Assembly. If the General Assembly fails at any time to continue funding for the Commission or its building assistance programs, including the payments and other obligations that will become due hereunder when the school district becomes eligible for state building assistance under Ohio Revised Code Sections 3318.01 to 3318.20, the Commission's obligations are terminated as of the date that the funding expires without further obligation of the Commission.