

Senator Terry Johnson
14th Senate District



June 3, 2020

Sponsor Testimony SB 313

Chairman Dolan, Vice Chair Burke, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for allowing me speak to today on the importance of Senate Bill 313. I believe this bill is essential to helping school districts who have lost vital funding due to the closure or devaluation of power plants in their district.

We broached the idea of this legislation when multiple school districts within the 14th Senate district experienced significant local revenue losses from power plants that saw major decreases in their property value. These districts have had to make several difficult decisions, that have a negative impact on their schools, and ultimately Ohio's students. Many of whom you will hear from today. As we looked into this issue further it became apparent that this does not just affect the schools in our district, but multiple districts across the state.

SB 313 does two different things. First, it would allow for what's known as the ".028 adjustment" to run despite the freeze in state funding for FY20 and FY21. This adjustment to a district's share of foundation aid is triggered when a district experiences a change in its valuation of 10% or more.

Second, SB 313 also addresses an erroneous claw-back of state aid from Felicity-Franklin Schools that occurred in FY 2019. Overall, \$400,266 was taken from the district based on what at the time was believed to be an increase in value of some local utility property. However, it was later determined that the public utility property that caused the valuation increase was not located within the district's boundaries, but was rather located in Kentucky. This resulted in more than \$200,000 in property tax revenue from the property in both 2017 and 2018 being refunded to the utility from the district's local funds, on top of the claw-back of state funds. The realization of this error indicates that the claw back of state funds from Felicity Franklin Schools should not have happened. The General Assembly already recognized the problem when, in House Bill 166 last year, it removed the claw-back provision from the .028 Adjustment for future years. SB 313 seeks to address the impact it had on our schools by now returning these funds to Felicity-Franklin Schools. This provision will also provide some funds to Weathersfield Local Schools in Trumbull County and Lowellville Local in Mahoning County, though to a lesser extent.

It should be noted that SB 313 does not appropriate new dollars from the GRF. Instead, the bill utilizes an existing set aside in state foundation funding that has sufficient unexpended dollars to provide relief to these impacted districts. We have been working with the Ohio Department of Education, who have provided technical support in drafting this legislation. There is also companion legislation to this bill in the form of HB 651, which has been introduced by Representative Brian Baldrige.

Thank you, Chairman Dolan, and members of the Senate Finance committee, for allowing me to testify on the importance of SB 313. I am happy to take any questions the committee may have.