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Senate Finance Committee
Senate Bill 313: Proponent Testimony
Scott DiMauro – President, Ohio Education Association
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Good afternoon, Chair Dolan, Vice Chair Burke, Ranking Member Sykes, and members of the Senate Finance Committee. My name is Scott DiMauro. I am in my 29th year in education, which includes 16 years in the classroom as a high school social studies teacher. I currently serve as President of the Ohio Education Association (OEA). On behalf of the OEA's 122,000 members, thank you for this opportunity to provide proponent testimony on Senate Bill (SB) 313.

Senate Bill 313 includes two provisions. First, the bill seeks to address the adverse financial burden placed on school districts as a result of the continued devaluation of Ohio's coal and nuclear-powered electric-power plants that are located within district boundaries. For a district to qualify for an additional payment in FY 2020, it must have lost 10% or more of its public utility tangible personal property (PUTPP) valuation between tax year 2017 and tax year 2019. The comparison for FY 2021 would be between tax year 2017 and 2020. To recalculate the state aid for these districts, the Ohio Department of Education would use the previous school funding formula while also using the most recent property valuation data.

This provision would benefit four districts. Generally, these districts have a diminished ability to compensate for these tax losses. The current state foundation funding formula will not replace the loss of revenue these districts are experiencing because all school districts are currently flat-funded.

OEA also supports proposed modifications by OSBA/OASBO/BASA referenced in June 2, 2020 testimony to the Senate Finance Committee. These organizations recommended an adjustment to the threshold for the initial valuation test to a 10% change year-over-year rather than over a two-year period. This change would allow one additional school district, River View Local in Coshocton County, to qualify. The second modification would provide more relief to the districts affected that were on the school funding formula guarantee.

Additionally, SB 313 would address an inaccurate claw-back of over \$400,000 (more than \$200,000 in both FY17 and FY18) in property tax revenue from Felicity-Franklin Schools. This occurred because there was believed to be an increase in local utility property. It was later identified that the utility was located in Kentucky and not within district boundaries. This provision would return the funds that were taken in error and also provide minimal funds to two other districts.



It is OEA's understanding that the provisions contained in SB 313 do not require additional GRF funds. Instead, ODE would use an existing set aside to deal with these fluctuations in values.

In summary, OEA supports Senate Bill 313 and urges passage of the bill. The bill will provide important support to school districts that have lost financial resources due to the devaluation of power plants. Please feel free to contact me if you have any questions.