

As Introduced

**133rd General Assembly
Regular Session
2019-2020**

H. B. No. 651

Representative Baldrige

A BILL

To amend Section 265.210 of H.B. 166 of the 133rd
General Assembly to require the Department of
Education to make an additional payment in
fiscal year 2020 or 2021 to certain school
districts that experience a decrease in the
taxable value of the district's utility tangible
personal property.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That Section 265.210 of H.B. 166 of the 133rd
General Assembly be amended to read as follows:

Sec. 265.210. FOUNDATION FUNDING

Of the foregoing appropriation item 200550, Foundation
Funding, up to \$40,000,000 in each fiscal year shall be used to
provide additional state aid to school districts, joint
vocational school districts, community schools, and STEM schools
for special education students under division (C) (3) of section
3314.08, section 3317.0214 and division (B) of section 3317.16
in accordance with the section of H.B. 166 of the 133rd General
Assembly entitled "OPERATING FUNDING FOR FISCAL YEARS 2020 and
2021," and section 3326.34 of the Revised Code, except that the

Controlling Board may increase these amounts if presented with 20
such a request from the Department of Education at the final 21
meeting of the fiscal year. 22

Of the foregoing appropriation item 200550, Foundation 23
Funding, up to \$3,800,000 in each fiscal year shall be used to 24
fund gifted education at educational service centers. The 25
Department shall distribute the funding through the unit-based 26
funding methodology in place under division (L) of section 27
3317.024, division (E) of section 3317.05, and divisions (A), 28
(B), and (C) of section 3317.053 of the Revised Code as they 29
existed prior to fiscal year 2010. 30

Of the foregoing appropriation item 200550, Foundation 31
Funding, up to \$40,000,000 in each fiscal year shall be reserved 32
to fund the state reimbursement of educational service centers 33
under the section of H.B. 166 of the 133rd General Assembly 34
entitled "EDUCATIONAL SERVICE CENTERS FUNDING." 35

Of the foregoing appropriation item 200550, Foundation 36
Funding, up to \$3,500,000 in each fiscal year shall be 37
distributed to educational service centers for School 38
Improvement Initiatives and for the provision of technical 39
assistance to schools and districts consistent with requirements 40
of section 3312.01 of the Revised Code. The Department may 41
distribute these funds through a competitive grant process. 42

Of the foregoing appropriation item 200550, Foundation 43
Funding, up to \$7,000,000 in each fiscal year shall be reserved 44
for payments under section 3317.029 of the Revised Code, in 45
accordance with the section of H.B. 166 of the 133rd General 46
Assembly entitled "OPERATING FUNDING FOR FISCAL YEARS 2020 and 47
2021~~7~~," and Section 3 of .B. of the 133rd General 48
Assembly. If this amount is not sufficient, the Superintendent 49

of Public Instruction may reallocate excess funds for other 50
purposes supported by this appropriation item in order to fully 51
pay the amounts required by that section, provided that the 52
aggregate amount appropriated in appropriation item 200550, 53
Foundation Funding, is not exceeded. 54

Of the foregoing appropriation item 200550, Foundation 55
Funding, up to \$26,400,000 in each fiscal year shall be used to 56
support school choice programs. 57

Of the portion of the funds distributed to the Cleveland 58
Municipal School District under this section, up to \$23,501,887 59
in each fiscal year shall be used to operate the school choice 60
program in the Cleveland Municipal School District under 61
sections 3313.974 to 3313.979 of the Revised Code. 62
Notwithstanding divisions (B) and (C) of section 3313.978 and 63
division (C) of section 3313.979 of the Revised Code, up to 64
\$1,000,000 in each fiscal year of this amount shall be used by 65
the Cleveland Municipal School District to provide tutorial 66
assistance as provided in division (H) of section 3313.974 of 67
the Revised Code. The Cleveland Municipal School District shall 68
report the use of these funds in the district's three-year 69
continuous improvement plan as described in section 3302.04 of 70
the Revised Code in a manner approved by the Department. 71

Of the foregoing appropriation item 200550, Foundation 72
Funding, up to \$2,000,000 in each fiscal year may be used for 73
payment of the College Credit Plus Program for students 74
instructed at home pursuant to section 3321.04 of the Revised 75
Code. An amount equal to the unexpended, unencumbered balance of 76
this earmark at the end of fiscal year 2020 is hereby 77
reappropriated for the same purpose for fiscal year 2021. 78

Of the foregoing appropriation item 200550, Foundation 79

Funding, an amount shall be available in each fiscal year to be 80
paid to joint vocational school districts in accordance with the 81
section of H.B. 166 of the 133rd General Assembly entitled 82
"FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS." 83

Of the foregoing appropriation item 200550, Foundation 84
Funding, up to \$700,000 in each fiscal year shall be used by the 85
Department for a program to pay for educational services for 86
youth who have been assigned by a juvenile court or other 87
authorized agency to any of the facilities described in division 88
(A) of the section of H.B. 166 of the 133rd General Assembly 89
entitled "PRIVATE TREATMENT FACILITY PROJECT." 90

Of the foregoing appropriation item 200550, Foundation 91
Funding, a portion may be used to pay college-preparatory 92
boarding schools the per pupil boarding amount pursuant to 93
section 3328.34 of the Revised Code. 94

Of the foregoing appropriation item 200550, Foundation 95
Funding, a portion in each fiscal year shall be used to pay 96
community schools and STEM schools the amounts calculated for 97
the graduation and third-grade reading bonuses under sections 98
3314.085 and 3326.41 of the Revised Code, in accordance with the 99
sections of H.B. 166 of the 133rd General Assembly entitled 100
"FUNDING FOR COMMUNITY SCHOOLS" and "FUNDING FOR STEM SCHOOLS." 101

Of the foregoing appropriation item 200550, Foundation 102
Funding, up to \$1,172,000 in fiscal year 2020 and up to 103
\$1,760,000 in fiscal year 2021 may be used by the Department for 104
duties and activities related to the establishment of academic 105
distress commissions under section 3302.10 of the Revised Code, 106
to provide support and assistance to academic distress 107
commissions to further their duties under Chapter 3302. of the 108
Revised Code, and to provide technical assistance and tools to 109

support districts subject to academic distress commissions. 110

Of the foregoing appropriation item 200550, Foundation 111
Funding, up to \$350,000 in fiscal year 2020 shall be used by the 112
Department of Education to conduct return on investment studies 113
for programming funded through student success and wellness 114
funds and to provide technical assistance to school districts on 115
implementing these strategies. 116

Of the foregoing appropriation item 200550, Foundation 117
Funding, up to \$100,000 in each fiscal year shall be used to 118
make payments under section 3314.06 of the Revised Code to each 119
community school that operates a program that uses the 120
Montessori method endorsed by the American Montessori society, 121
the Montessori Accreditation Council for Teacher Education, or 122
the Association Montessori Internationale as its primary method 123
of instruction for students younger than four years of age who 124
are enrolled in the school. 125

Of the foregoing appropriation item 200550, Foundation 126
Funding, up to \$10,000,000 in fiscal year 2021 shall be used to 127
pay scholarships awarded as follows. Notwithstanding anything in 128
the Revised Code to the contrary, for applications for the 2020- 129
2021 school year, the Department of Education shall accept, 130
process, and award performance-based Educational Choice 131
scholarships under section 3310.03 of the Revised Code as 132
follows. An application period for students who are eligible for 133
the first time for the 2020-2021 school year shall open April 1, 134
2020, and run not less than sixty days or to the extent funds 135
appropriated by the General Assembly under Section 265.10 of 136
H.B. 166 of the 133rd General Assembly and this section remain 137
available. The Department shall award scholarships in the order 138
that it receives applications and shall continue to award 139

scholarships to the extent the funds appropriated by the General 140
Assembly under Section 265.10 of H.B. 166 of the 133rd General 141
Assembly and this section remain available. An application 142
period for students who were eligible for scholarships for the 143
2019-2020 school year, regardless of whether the students 144
received scholarships for that school year, and remain eligible 145
for the 2020-2021 school year shall open April 1, 2020, and run 146
not less than sixty days. These scholarships shall be funded and 147
paid in accordance with section 3310.08 of the Revised Code. 148

The remainder of the foregoing appropriation item 200550, 149
Foundation Funding, shall be used to fund the payments included 150
in the state funding allocation under division (A)(1) of the 151
section of H.B. 166 of the 133rd General Assembly entitled 152
"FUNDING FOR CITY, LOCAL, AND EXEMPTED VILLAGE SCHOOL 153
DISTRICTS." 154

Appropriation items 200502, Pupil Transportation, 200540, 155
Special Education Enhancements, and 200550, Foundation Funding, 156
other than specific set-asides, are collectively used in each 157
fiscal year to pay state formula aid obligations for school 158
districts, community schools, STEM schools, college preparatory 159
boarding schools, and joint vocational school districts under 160
~~this act~~H.B. 166 of the 133rd General Assembly. The first 161
priority of these appropriation items, with the exception of 162
specific set-asides, is to fund state formula aid obligations. 163
It may be necessary to reallocate funds among these 164
appropriation items or use excess funds from other general 165
revenue fund appropriation items in the Department of 166
Education's budget, including appropriation item 200903, 167
Property Tax Reimbursement - Education, in each fiscal year in 168
order to meet state formula aid obligations. If it is determined 169
that it is necessary to transfer funds among these appropriation 170

items or to transfer funds from other General Revenue Fund 171
appropriations in the Department's budget to meet state formula 172
aid obligations, the Superintendent of Public Instruction shall 173
seek approval from the Director of Budget and Management to 174
transfer funds as needed. 175

The Superintendent of Public Instruction shall make 176
payments, transfers, and deductions, as authorized by Title 177
XXXVIII of the Revised Code in amounts substantially equal to 178
those made in the prior year, or otherwise, at the discretion of 179
the Superintendent, until at least the effective date of the 180
amendments and enactments made to Title XXXVIII by H.B. 166 of 181
the 133rd General Assembly. Any funds paid to districts or 182
schools under this section shall be credited toward the annual 183
funds calculated for the district or school after the changes 184
made to Title XXXVIII in H.B. 166 of the 133rd General Assembly 185
are effective. Upon the effective date of changes made to Title 186
XXXVIII in H.B. 166 of the 133rd General Assembly, funds shall be 187
calculated as an annual amount. 188

Section 2. That existing Section 265.210 of H.B. 166 of 189
the 133rd General Assembly is hereby repealed. 190

Section 3. (A) (1) Not later than ten days after the 191
effective date of this section, the Tax Commissioner shall 192
determine for each school district whether the taxable value of 193
all utility tangible personal property subject to taxation by 194
the district in tax year 2019 was less than the taxable value of 195
such property during tax year 2017. If any decrease exceeds ten 196
per cent, the Tax Commissioner shall certify all of the 197
following to the Department of Education and the Office of 198
Budget and Management: 199

(a) The district's total taxable value for tax year 2019; 200

(b) The change in taxes charged and payable on the district's total taxable value for tax year 2017 and tax year 2019;

(c) The taxable value of the utility tangible personal property decrease, which shall be considered a change in valuation;

(d) The change in taxes charged and payable on such change in taxable value calculated in the same manner as in division (A) (3) of section 3317.021 of the Revised Code.

(2) Upon receipt of a certification under division (A) (1) of this section, the Department of Education shall replace the three-year average valuations that were used in computing the district's state education aid for fiscal year 2019 with the taxable value certified under division (A) (1) (a) of this section and shall recompute the district's state education aid for fiscal year 2019 without applying any funding limitations enacted by the General Assembly to the computation. The Department shall pay to the district an amount equal to the lesser of the following:

(a) The positive difference between the district's state education aid for fiscal year 2019 prior to the recomputation under division (A) (2) of this section and the district's recomputed state education aid for fiscal year 2019;

(b) The absolute value of the amount certified under division (A) (1) (b) of this section.

(B) (1) On or before May 15, 2021, the Tax Commissioner shall determine for each school district whether the taxable value of all utility tangible personal property subject to taxation by the district in tax year 2020 was less than the

taxable value of such property during tax year 2017. If any 230
decrease exceeds ten per cent, the Tax Commissioner shall 231
certify all of the following to the Department of Education and 232
the Office of Budget and Management: 233

(a) The district's total taxable value for tax year 2020; 234

(b) The change in taxes charged and payable on the 235
district's total taxable value for tax year 2017 and tax year 236
2020; 237

(c) The taxable value of the utility tangible personal 238
property decrease, which shall be considered a change in 239
valuation; 240

(d) The change in taxes charged and payable on such change 241
in taxable value calculated in the same manner as in division 242
(A) (3) of section 3317.021 of the Revised Code. 243

(2) Upon receipt of a certification under division (A) (1) 244
of this section, the Department of Education shall replace the 245
three-year average valuations that were used in computing the 246
district's state education aid for fiscal year 2019 with the 247
taxable value certified under division (B) (1) (a) of this section 248
and shall recompute the district's state education aid for 249
fiscal year 2019 without applying any funding limitations 250
enacted by the General Assembly to the computation. The 251
Department shall pay to the district an amount equal to the 252
lesser of the following: 253

(a) The positive difference between the district's state 254
education aid for fiscal year 2019 prior to the recomputation 255
under division (B) (2) of this section and the district's 256
recomputed state education aid for fiscal year 2019; 257

(b) The absolute value of the amount certified under 258

division (B) (1) (b) of this section. 259

(C) The Department of Education shall make payments under 260
division (A) (2) of this section not later than fourteen days 261
after the effective date of this section, and the Department 262
shall make payments under division (B) (2) of this section 263
between June 1, 2021, and June 30, 2021. 264

(D) If a city, local, or exempted village school district 265
experienced an increase in the taxable value of all utility 266
tangible personal property subject to taxation by the district 267
between tax years 2016 and 2017 and, as a result, the Department 268
of Education deducted funds from the district under division (B) 269
of former section 3317.028 of the Revised Code, the Department, 270
not later than ten days after the effective date of this 271
section, shall credit the deducted amount to the district. 272