

As Reported by the Senate Finance Committee

133rd General Assembly

Regular Session

2019-2020

Sub. S. B. No. 313

Senator Johnson

A BILL

To amend Section 265.210 of H.B. 166 of the 133rd
General Assembly, as subsequently amended, to
require the Department of Education to make an
additional payment in fiscal year 2020 or 2021
to certain city, local, exempted village, and
joint vocational school districts that
experience a decrease in the taxable value of
the district's utility tangible personal
property and have at least one power plant in
their territories.

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 (as amended by S.B. 120 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 20
in accordance with the section of H.B. 166 of the 133rd General 21
Assembly entitled "OPERATING FUNDING FOR FISCAL YEARS 2020 and 22
2021," and section 3326.34 of the Revised Code, except that the 23
Controlling Board may increase these amounts if presented with 24
such a request from the Department of Education at the final 25
meeting of the fiscal year. 26

Of the foregoing appropriation item 200550, Foundation 27
Funding, up to \$3,800,000 in each fiscal year shall be used to 28
fund gifted education at educational service centers. The 29
Department shall distribute the funding through the unit-based 30
funding methodology in place under division (L) of section 31
3317.024, division (E) of section 3317.05, and divisions (A), 32
(B), and (C) of section 3317.053 of the Revised Code as they 33
existed prior to fiscal year 2010. 34

Of the foregoing appropriation item 200550, Foundation 35
Funding, up to \$40,000,000 in each fiscal year shall be reserved 36
to fund the state reimbursement of educational service centers 37
under the section of H.B. 166 of the 133rd General Assembly 38
entitled "EDUCATIONAL SERVICE CENTERS FUNDING." 39

Of the foregoing appropriation item 200550, Foundation 40
Funding, up to \$3,500,000 in each fiscal year shall be 41
distributed to educational service centers for School 42
Improvement Initiatives and for the provision of technical 43
assistance to schools and districts consistent with requirements 44
of section 3312.01 of the Revised Code. The Department may 45
distribute these funds through a competitive grant process. 46

Of the foregoing appropriation item 200550, Foundation 47
Funding, up to \$7,000,000 in each fiscal year shall be reserved 48
for payments under section 3317.029 of the Revised Code, in 49

accordance with the section of H.B. 166 of the 133rd General 50
Assembly entitled "OPERATING FUNDING FOR FISCAL YEARS 2020 and 51
2021~~1~~," and Section 3 of _____B. _____ of the 133rd General 52
Assembly. If this amount is not sufficient, the Superintendent 53
of Public Instruction may reallocate excess funds for other 54
purposes supported by this appropriation item in order to fully 55
pay the amounts required by that section, provided that the 56
aggregate amount appropriated in appropriation item 200550, 57
Foundation Funding, is not exceeded. 58

Of the foregoing appropriation item 200550, Foundation 59
Funding, up to \$26,400,000 in each fiscal year shall be used to 60
support school choice programs. 61

Of the portion of the funds distributed to the Cleveland 62
Municipal School District under this section, up to \$23,501,887 63
in each fiscal year shall be used to operate the school choice 64
program in the Cleveland Municipal School District under 65
sections 3313.974 to 3313.979 of the Revised Code. 66
Notwithstanding divisions (B) and (C) of section 3313.978 and 67
division (C) of section 3313.979 of the Revised Code, up to 68
\$1,000,000 in each fiscal year of this amount shall be used by 69
the Cleveland Municipal School District to provide tutorial 70
assistance as provided in division (H) of section 3313.974 of 71
the Revised Code. The Cleveland Municipal School District shall 72
report the use of these funds in the district's three-year 73
continuous improvement plan as described in section 3302.04 of 74
the Revised Code in a manner approved by the Department. 75

Of the foregoing appropriation item 200550, Foundation 76
Funding, up to \$2,000,000 in each fiscal year may be used for 77
payment of the College Credit Plus Program for students 78
instructed at home pursuant to section 3321.04 of the Revised 79

Code. An amount equal to the unexpended, unencumbered balance of 80
this earmark at the end of fiscal year 2020 is hereby 81
reappropriated for the same purpose for fiscal year 2021. 82

Of the foregoing appropriation item 200550, Foundation 83
Funding, an amount shall be available in each fiscal year to be 84
paid to joint vocational school districts in accordance with the 85
section of H.B. 166 of the 133rd General Assembly entitled 86
"FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS." 87

Of the foregoing appropriation item 200550, Foundation 88
Funding, up to \$700,000 in each fiscal year shall be used by the 89
Department for a program to pay for educational services for 90
youth who have been assigned by a juvenile court or other 91
authorized agency to any of the facilities described in division 92
(A) of the section of H.B. 166 of the 133rd General Assembly 93
entitled "PRIVATE TREATMENT FACILITY PROJECT." 94

Of the foregoing appropriation item 200550, Foundation 95
Funding, a portion may be used to pay college-preparatory 96
boarding schools the per pupil boarding amount pursuant to 97
section 3328.34 of the Revised Code. 98

Of the foregoing appropriation item 200550, Foundation 99
Funding, a portion in each fiscal year shall be used to pay 100
community schools and STEM schools the amounts calculated for 101
the graduation and third-grade reading bonuses under sections 102
3314.085 and 3326.41 of the Revised Code, in accordance with the 103
sections of H.B. 166 of the 133rd General Assembly entitled 104
"FUNDING FOR COMMUNITY SCHOOLS" and "FUNDING FOR STEM SCHOOLS." 105

Of the foregoing appropriation item 200550, Foundation 106
Funding, up to \$1,172,000 in fiscal year 2020 and up to 107
\$1,760,000 in fiscal year 2021 may be used by the Department for 108

duties and activities related to the establishment of academic 109
distress commissions under section 3302.10 of the Revised Code, 110
to provide support and assistance to academic distress 111
commissions to further their duties under Chapter 3302. of the 112
Revised Code, and to provide technical assistance and tools to 113
support districts subject to academic distress commissions. 114

Of the foregoing appropriation item 200550, Foundation 115
Funding, up to \$350,000 in fiscal year 2020 shall be used by the 116
Department of Education to conduct return on investment studies 117
for programming funded through student success and wellness 118
funds and to provide technical assistance to school districts on 119
implementing these strategies. 120

Of the foregoing appropriation item 200550, Foundation 121
Funding, up to \$100,000 in each fiscal year shall be used to 122
make payments under section 3314.06 of the Revised Code to each 123
community school that operates a program that uses the 124
Montessori method endorsed by the American Montessori society, 125
the Montessori Accreditation Council for Teacher Education, or 126
the Association Montessori Internationale as its primary method 127
of instruction for students younger than four years of age who 128
are enrolled in the school. 129

Of the foregoing appropriation item 200550, Foundation 130
Funding, up to \$10,000,000 in fiscal year 2021 shall be used to 131
pay scholarships awarded as follows. Notwithstanding anything in 132
the Revised Code to the contrary, for applications for the 2020- 133
2021 school year, the Department of Education shall accept, 134
process, and award performance-based Educational Choice 135
scholarships under section 3310.03 of the Revised Code as 136
follows. An application period for students who are eligible for 137
the first time for the 2020-2021 school year shall open April 1, 138

2020, and run not less than sixty days or to the extent funds 139
appropriated by the General Assembly under Section 265.10 of 140
H.B. 166 of the 133rd General Assembly and this section remain 141
available. The Department shall award scholarships in the order 142
that it receives applications and shall continue to award 143
scholarships to the extent the funds appropriated by the General 144
Assembly under Section 265.10 of H.B. 166 of the 133rd General 145
Assembly and this section remain available. An application 146
period for students who were eligible for scholarships for the 147
2019-2020 school year, regardless of whether the students 148
received scholarships for that school year, and remain eligible 149
for the 2020-2021 school year shall open April 1, 2020, and run 150
not less than sixty days. These scholarships shall be funded and 151
paid in accordance with section 3310.08 of the Revised Code. 152

The remainder of the foregoing appropriation item 200550, 153
Foundation Funding, shall be used to fund the payments included 154
in the state funding allocation under division (A)(1) of the 155
section of H.B. 166 of the 133rd General Assembly entitled 156
"FUNDING FOR CITY, LOCAL, AND EXEMPTED VILLAGE SCHOOL 157
DISTRICTS." 158

Appropriation items 200502, Pupil Transportation, 200540, 159
Special Education Enhancements, and 200550, Foundation Funding, 160
other than specific set-asides, are collectively used in each 161
fiscal year to pay state formula aid obligations for school 162
districts, community schools, STEM schools, college preparatory 163
boarding schools, and joint vocational school districts under 164
~~this act~~ H.B. 166 of the 133rd General Assembly. The first 165
priority of these appropriation items, with the exception of 166
specific set-asides, is to fund state formula aid obligations. 167
It may be necessary to reallocate funds among these 168
appropriation items or use excess funds from other general 169

revenue fund appropriation items in the Department of 170
Education's budget, including appropriation item 200903, 171
Property Tax Reimbursement - Education, in each fiscal year in 172
order to meet state formula aid obligations. If it is determined 173
that it is necessary to transfer funds among these appropriation 174
items or to transfer funds from other General Revenue Fund 175
appropriations in the Department's budget to meet state formula 176
aid obligations, the Superintendent of Public Instruction shall 177
seek approval from the Director of Budget and Management to 178
transfer funds as needed. 179

The Superintendent of Public Instruction shall make 180
payments, transfers, and deductions, as authorized by Title 181
XXXVIII of the Revised Code in amounts substantially equal to 182
those made in the prior year, or otherwise, at the discretion of 183
the Superintendent, until at least the effective date of the 184
amendments and enactments made to Title XXXVIII by H.B. 166 of 185
the 133rd General Assembly. Any funds paid to districts or 186
schools under this section shall be credited toward the annual 187
funds calculated for the district or school after the changes 188
made to Title XXXVIII in H.B. 166 of the 133rd General Assembly 189
are effective. Upon the effective date of changes made to Title 190
XXXVIII in H.B. 166 of the 133rd General Assembly, funds shall be 191
calculated as an annual amount. 192

Section 2. That existing Section 265.210 of H.B. 166 of 193
the 133rd General Assembly (as amended by S.B. 120 of the 133rd 194
General Assembly) is hereby repealed. 195

Section 3. (A) (1) Not later than ten days after the 196
effective date of this section, the Tax Commissioner shall 197
determine all of the following for each city, local, exempted 198
village, and joint vocational school district that has at least 199

one power plant located within its territory:	200
(a) Whether the taxable value of all utility tangible	201
personal property subject to taxation by the district in tax	202
year 2019 was less than the taxable value of such property	203
during tax year 2017;	204
(b) Whether the taxable value of all utility tangible	205
personal property subject to taxation by the district in tax	206
year 2019 was less than the taxable value of such property	207
during tax year 2018;	208
(c) Whether the taxable value of all utility tangible	209
personal property subject to taxation by the district in tax	210
year 2018 was less than the taxable value of such property	211
during tax year 2017.	212
(2) If the decrease determined under division (A) (1) (a),	213
(b), or (c) of this section exceeds ten per cent, the Tax	214
Commissioner shall certify all of the following to the	215
Department of Education and the Office of Budget and Management:	216
(a) The district's total taxable value for tax year 2019;	217
(b) The change in taxes charged and payable on the	218
district's total taxable value for tax year 2017 and tax year	219
2019;	220
(c) The taxable value of the utility tangible personal	221
property decrease, which shall be considered a change in	222
valuation;	223
(d) The change in taxes charged and payable on such change	224
in taxable value calculated in the same manner as in division	225
(A) (3) of section 3317.021 of the Revised Code.	226
(3) Upon receipt of a certification under division (A) (2)	227

of this section, the Department of Education shall replace the 228
three-year average valuations that were used in computing the 229
district's state education aid for fiscal year 2019 with the 230
taxable value certified under division (A) (2) (a) of this section 231
and shall recompute the district's state education aid for 232
fiscal year 2019 without applying any funding limitations 233
enacted by the General Assembly to the computation. The 234
Department shall pay to the district an amount equal to the 235
greater of the following: 236

(a) The lesser of the following: 237

(i) The positive difference between the district's state 238
education aid for fiscal year 2019 prior to the recomputation 239
under division (A) (3) of this section and the district's 240
recomputed state education aid for fiscal year 2019; 241

(ii) The absolute value of the amount certified under 242
division (A) (2) (b) of this section. 243

(b) The absolute value of the amount certified under 244
division (A) (2) (b) of this section X 0.50. 245

(B) (1) On or before May 15, 2021, the Tax Commissioner 246
shall determine for each city, local, exempted village, or joint 247
vocational school district that has at least one power plant 248
located within its territory: 249

(a) Whether the taxable value of all utility tangible 250
personal property subject to taxation by the district in tax 251
year 2020 was less than the taxable value of such property 252
during tax year 2017; 253

(b) Whether the taxable value of all utility tangible 254
personal property subject to taxation by the district in tax 255
year 2020 was less than the taxable value of such property 256

during tax year 2019.	257
(2) If the decrease determined under division (B) (1) (a) or	258
(b) of this section exceeds ten per cent, the Tax Commissioner	259
shall certify all of the following to the Department of	260
Education and the Office of Budget and Management:	261
(a) The district's total taxable value for tax year 2020;	262
(b) The change in taxes charged and payable on the	263
district's total taxable value for tax year 2017 and tax year	264
2020;	265
(c) The taxable value of the utility tangible personal	266
property decrease, which shall be considered a change in	267
valuation;	268
(d) The change in taxes charged and payable on such change	269
in taxable value calculated in the same manner as in division	270
(A) (3) of section 3317.021 of the Revised Code.	271
(3) Upon receipt of a certification under division (B) (2)	272
of this section, the Department of Education shall replace the	273
three-year average valuations that were used in computing the	274
district's state education aid for fiscal year 2019 with the	275
taxable value certified under division (B) (2) (a) of this section	276
and shall recompute the district's state education aid for	277
fiscal year 2019 without applying any funding limitations	278
enacted by the General Assembly to the computation. The	279
Department shall pay to the district an amount equal to the	280
greater of the following:	281
(a) The lesser of the following:	282
(i) The positive difference between the district's state	283
education aid for fiscal year 2019 prior to the recomputation	284

under division (B) (3) of this section and the district's 285
recomputed state education aid for fiscal year 2019; 286

(ii) The absolute value of the amount certified under 287
division (B) (2) (b) of this section. 288

(b) The absolute value of the amount certified under 289
division (B) (2) (b) of this section X 0.50. 290

(C) The Department of Education shall make payments under 291
division (A) (3) of this section not later than fourteen days 292
after the effective date of this section, and the Department 293
shall make payments under division (B) (3) of this section 294
between June 1, 2021, and June 30, 2021. 295

(D) If a city, local, or exempted village school district 296
experienced an increase in the taxable value of all utility 297
tangible personal property subject to taxation by the district 298
between tax years 2016 and 2017 and, as a result, the Department 299
of Education deducted funds from the district under division (B) 300
of former section 3317.028 of the Revised Code, the Department, 301
not later than ten days after the effective date of this 302
section, shall credit the deducted amount to the district. 303