

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 671

Representative Callender

To enact section 3317.50 of the Revised Code 1
regarding school districts that bring a legal 2
action against the state challenging the 3
calculation and distribution of foundation 4
funding and to make an appropriation. 5

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

Section 1. That section 3317.50 of the Revised Code be 6
enacted to read as follows: 7

Sec. 3317.50. The department of education and workforce 8
shall withhold state foundation funding calculated under this 9
chapter for any school district that is a complainant or a 10
member of a complainant in a legal action against the state that 11
challenges or otherwise seeks to change, invalidate, or declare 12
void the calculation or distribution, or both, of foundation 13
funding under this chapter, including funding for state 14
scholarship programs as defined in section 3301.0711 of the 15
Revised Code. The department shall certify the amount of 16
withheld funds to the director of budget and management. The 17
director of budget and management shall transfer the amount 18
certified into the state foundation funding escrow fund 19
established under this section. The department of education and 20
workforce shall release withheld funds to the school district 21

only upon the termination of the legal action or the district's 22
withdrawal from the action. 23

The state foundation funding escrow fund is created in the 24
state treasury, to consist of such amounts withheld from school 25
districts by the department of education and workforce under 26
this section. The fund shall be administered by the department 27
of education and workforce. 28

Section 2. During fiscal years 2026 and 2027, if the 29
Director of Education and Workforce is required to release 30
withheld funds under section 3317.50 of the Revised Code, the 31
Director shall certify to the Director of Budget and Management 32
the amounts necessary to make payments under that section from 33
the State Foundation Funding Escrow Fund. The amounts certified 34
are hereby appropriated. 35

Section 3. Within the limits set forth in this act, the 36
Director of Budget and Management shall establish accounts 37
indicating the source and amount of funds for each appropriation 38
made in this act, and shall determine the manner in which 39
appropriation accounts shall be maintained. Expenditures from 40
operating appropriations contained in this act shall be 41
accounted for as though made in, and are subject to all 42
applicable provisions of, H.B. 96 of the 136th General Assembly. 43