

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 671

Representative Callender

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

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

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

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

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only upon the termination of the legal action or the district's withdrawal from the action. 22
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The state foundation funding escrow fund is created in the state treasury, to consist of such amounts withheld from school districts by the department of education and workforce under this section. The fund shall be administered by the department of education and workforce. 24
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Section 2. During fiscal years 2026 and 2027, if the Director of Education and Workforce is required to release withheld funds under section 3317.50 of the Revised Code, the Director shall certify to the Director of Budget and Management the amounts necessary to make payments under that section from the State Foundation Funding Escrow Fund. The amounts certified are hereby appropriated. 29
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Section 3. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the manner in which appropriation accounts shall be maintained. Expenditures from operating appropriations contained in this act shall be accounted for as though made in, and are subject to all applicable provisions of, H.B. 96 of the 136th General Assembly. 36
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