



Brian Baldrige

State Representative

HB 651 Re-instate 028 Adjustment

Sponsor Testimony

Chairman Oelslager, Vice Chair Callendar, Ranking Member Cera, and members of the House Finance Committee, thank you for allowing me to provide sponsor testimony for House Bill 651. I believe this bill is essential to helping school districts who have lost vital funding due to the closure or devaluation of power plants in their district.

We broached the idea of this legislation when Manchester Local School District, in Adams County, had two large power plants close. As soon as Manchester became aware that their two power plants were leaving, they began to immediately make difficult decisions to prepare for the loss of revenue that was coming. Even though the districts have made significant cuts over the last few years, they were counting on the .028 adjustment to help them keep their doors open. As we looked into this issue further it became apparent that this does not just affect the schools in our district, but multiple districts across the state.

HB 651 would reinstate the “.028 adjustment” despite the freeze in state funding for FY20 and FY21. This adjustment to a district’s share of foundation aid is triggered when a district experiences a change in its valuation of 10% or more. To be clear, we are not altering any formulas or creating new exemptions, simply letting the previously utilized formula run. This would not only affect Manchester Local but would also benefit Perry Local, New Richmond Exempted Village, and Gallia County Local Schools.

It should be noted that HB 651 does not appropriate new dollars from the GRF. Instead, the bill utilizes an existing set aside in state foundation funding that has sufficient unexpended dollars to provide relief to these impacted districts. We have been working with the Ohio Department of Education, who have provided technical support in drafting this legislation. There is also companion legislation to this bill in the form of SB 313, which has been introduced by Senator Terry Johnson.

Thank you, Chairman Oelslager, and members of the House Finance committee, for allowing me to testify on the importance of HB 651. I am happy to take any questions the committee may have.