

**As Reported by the Senate Finance Committee**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**Sub. S. B. No. 313**

**Senator Johnson**

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**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-~~2~~" 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  
XXXIII 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 XXXIII 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 XXXIII in H.B. 166 of the 133rd General Assembly 189  
are effective. Upon the effective date of changes made to Title 190  
XXXIII 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