

**As Introduced**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**H. B. No. 651**

**Representative Baldrige**

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**A BILL**

To amend Section 265.210 of H.B. 166 of the 133rd  
General Assembly to require the Department of  
Education to make an additional payment in  
fiscal year 2020 or 2021 to certain school  
districts that experience a decrease in the  
taxable value of the district's utility tangible  
personal property.

**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 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  
in accordance with the section of H.B. 166 of the 133rd General  
Assembly entitled "OPERATING FUNDING FOR FISCAL YEARS 2020 and  
2021," and section 3326.34 of the Revised Code, except that the

Controlling Board may increase these amounts if presented with 20  
such a request from the Department of Education at the final 21  
meeting of the fiscal year. 22

Of the foregoing appropriation item 200550, Foundation 23  
Funding, up to \$3,800,000 in each fiscal year shall be used to 24  
fund gifted education at educational service centers. The 25  
Department shall distribute the funding through the unit-based 26  
funding methodology in place under division (L) of section 27  
3317.024, division (E) of section 3317.05, and divisions (A), 28  
(B), and (C) of section 3317.053 of the Revised Code as they 29  
existed prior to fiscal year 2010. 30

Of the foregoing appropriation item 200550, Foundation 31  
Funding, up to \$40,000,000 in each fiscal year shall be reserved 32  
to fund the state reimbursement of educational service centers 33  
under the section of H.B. 166 of the 133rd General Assembly 34  
entitled "EDUCATIONAL SERVICE CENTERS FUNDING." 35

Of the foregoing appropriation item 200550, Foundation 36  
Funding, up to \$3,500,000 in each fiscal year shall be 37  
distributed to educational service centers for School 38  
Improvement Initiatives and for the provision of technical 39  
assistance to schools and districts consistent with requirements 40  
of section 3312.01 of the Revised Code. The Department may 41  
distribute these funds through a competitive grant process. 42

Of the foregoing appropriation item 200550, Foundation 43  
Funding, up to \$7,000,000 in each fiscal year shall be reserved 44  
for payments under section 3317.029 of the Revised Code, in 45  
accordance with the section of H.B. 166 of the 133rd General 46  
Assembly entitled "OPERATING FUNDING FOR FISCAL YEARS 2020 and 47  
2021~~7~~," and Section 3 of       .B.        of the 133rd General 48  
Assembly. If this amount is not sufficient, the Superintendent 49

of Public Instruction may reallocate excess funds for other 50  
purposes supported by this appropriation item in order to fully 51  
pay the amounts required by that section, provided that the 52  
aggregate amount appropriated in appropriation item 200550, 53  
Foundation Funding, is not exceeded. 54

Of the foregoing appropriation item 200550, Foundation 55  
Funding, up to \$26,400,000 in each fiscal year shall be used to 56  
support school choice programs. 57

Of the portion of the funds distributed to the Cleveland 58  
Municipal School District under this section, up to \$23,501,887 59  
in each fiscal year shall be used to operate the school choice 60  
program in the Cleveland Municipal School District under 61  
sections 3313.974 to 3313.979 of the Revised Code. 62  
Notwithstanding divisions (B) and (C) of section 3313.978 and 63  
division (C) of section 3313.979 of the Revised Code, up to 64  
\$1,000,000 in each fiscal year of this amount shall be used by 65  
the Cleveland Municipal School District to provide tutorial 66  
assistance as provided in division (H) of section 3313.974 of 67  
the Revised Code. The Cleveland Municipal School District shall 68  
report the use of these funds in the district's three-year 69  
continuous improvement plan as described in section 3302.04 of 70  
the Revised Code in a manner approved by the Department. 71

Of the foregoing appropriation item 200550, Foundation 72  
Funding, up to \$2,000,000 in each fiscal year may be used for 73  
payment of the College Credit Plus Program for students 74  
instructed at home pursuant to section 3321.04 of the Revised 75  
Code. An amount equal to the unexpended, unencumbered balance of 76  
this earmark at the end of fiscal year 2020 is hereby 77  
reappropriated for the same purpose for fiscal year 2021. 78

Of the foregoing appropriation item 200550, Foundation 79

Funding, an amount shall be available in each fiscal year to be 80  
paid to joint vocational school districts in accordance with the 81  
section of H.B. 166 of the 133rd General Assembly entitled 82  
"FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS." 83

Of the foregoing appropriation item 200550, Foundation 84  
Funding, up to \$700,000 in each fiscal year shall be used by the 85  
Department for a program to pay for educational services for 86  
youth who have been assigned by a juvenile court or other 87  
authorized agency to any of the facilities described in division 88  
(A) of the section of H.B. 166 of the 133rd General Assembly 89  
entitled "PRIVATE TREATMENT FACILITY PROJECT." 90

Of the foregoing appropriation item 200550, Foundation 91  
Funding, a portion may be used to pay college-preparatory 92  
boarding schools the per pupil boarding amount pursuant to 93  
section 3328.34 of the Revised Code. 94

Of the foregoing appropriation item 200550, Foundation 95  
Funding, a portion in each fiscal year shall be used to pay 96  
community schools and STEM schools the amounts calculated for 97  
the graduation and third-grade reading bonuses under sections 98  
3314.085 and 3326.41 of the Revised Code, in accordance with the 99  
sections of H.B. 166 of the 133rd General Assembly entitled 100  
"FUNDING FOR COMMUNITY SCHOOLS" and "FUNDING FOR STEM SCHOOLS." 101

Of the foregoing appropriation item 200550, Foundation 102  
Funding, up to \$1,172,000 in fiscal year 2020 and up to 103  
\$1,760,000 in fiscal year 2021 may be used by the Department for 104  
duties and activities related to the establishment of academic 105  
distress commissions under section 3302.10 of the Revised Code, 106  
to provide support and assistance to academic distress 107  
commissions to further their duties under Chapter 3302. of the 108  
Revised Code, and to provide technical assistance and tools to 109

support districts subject to academic distress commissions. 110

Of the foregoing appropriation item 200550, Foundation 111  
Funding, up to \$350,000 in fiscal year 2020 shall be used by the 112  
Department of Education to conduct return on investment studies 113  
for programming funded through student success and wellness 114  
funds and to provide technical assistance to school districts on 115  
implementing these strategies. 116

Of the foregoing appropriation item 200550, Foundation 117  
Funding, up to \$100,000 in each fiscal year shall be used to 118  
make payments under section 3314.06 of the Revised Code to each 119  
community school that operates a program that uses the 120  
Montessori method endorsed by the American Montessori society, 121  
the Montessori Accreditation Council for Teacher Education, or 122  
the Association Montessori Internationale as its primary method 123  
of instruction for students younger than four years of age who 124  
are enrolled in the school. 125

Of the foregoing appropriation item 200550, Foundation 126  
Funding, up to \$10,000,000 in fiscal year 2021 shall be used to 127  
pay scholarships awarded as follows. Notwithstanding anything in 128  
the Revised Code to the contrary, for applications for the 2020- 129  
2021 school year, the Department of Education shall accept, 130  
process, and award performance-based Educational Choice 131  
scholarships under section 3310.03 of the Revised Code as 132  
follows. An application period for students who are eligible for 133  
the first time for the 2020-2021 school year shall open April 1, 134  
2020, and run not less than sixty days or to the extent funds 135  
appropriated by the General Assembly under Section 265.10 of 136  
H.B. 166 of the 133rd General Assembly and this section remain 137  
available. The Department shall award scholarships in the order 138  
that it receives applications and shall continue to award 139

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

The remainder of the foregoing appropriation item 200550, 149  
Foundation Funding, shall be used to fund the payments included 150  
in the state funding allocation under division (A)(1) of the 151  
section of H.B. 166 of the 133rd General Assembly entitled 152  
"FUNDING FOR CITY, LOCAL, AND EXEMPTED VILLAGE SCHOOL 153  
DISTRICTS." 154

Appropriation items 200502, Pupil Transportation, 200540, 155  
Special Education Enhancements, and 200550, Foundation Funding, 156  
other than specific set-asides, are collectively used in each 157  
fiscal year to pay state formula aid obligations for school 158  
districts, community schools, STEM schools, college preparatory 159  
boarding schools, and joint vocational school districts under 160  
~~this act~~ H.B. 166 of the 133rd General Assembly. The first 161  
priority of these appropriation items, with the exception of 162  
specific set-asides, is to fund state formula aid obligations. 163  
It may be necessary to reallocate funds among these 164  
appropriation items or use excess funds from other general 165  
revenue fund appropriation items in the Department of 166  
Education's budget, including appropriation item 200903, 167  
Property Tax Reimbursement - Education, in each fiscal year in 168  
order to meet state formula aid obligations. If it is determined 169  
that it is necessary to transfer funds among these appropriation 170

items or to transfer funds from other General Revenue Fund 171  
appropriations in the Department's budget to meet state formula 172  
aid obligations, the Superintendent of Public Instruction shall 173  
seek approval from the Director of Budget and Management to 174  
transfer funds as needed. 175

The Superintendent of Public Instruction shall make 176  
payments, transfers, and deductions, as authorized by Title 177  
XXXIII of the Revised Code in amounts substantially equal to 178  
those made in the prior year, or otherwise, at the discretion of 179  
the Superintendent, until at least the effective date of the 180  
amendments and enactments made to Title XXXIII by H.B. 166 of 181  
the 133rd General Assembly. Any funds paid to districts or 182  
schools under this section shall be credited toward the annual 183  
funds calculated for the district or school after the changes 184  
made to Title XXXIII in H.B. 166 of the 133rd General Assembly 185  
are effective. Upon the effective date of changes made to Title 186  
XXXIII in H.B. 166 of the 133rd General Assembly, funds shall be 187  
calculated as an annual amount. 188

**Section 2.** That existing Section 265.210 of H.B. 166 of 189  
the 133rd General Assembly is hereby repealed. 190

**Section 3.** (A) (1) Not later than ten days after the 191  
effective date of this section, the Tax Commissioner shall 192  
determine for each school district whether the taxable value of 193  
all utility tangible personal property subject to taxation by 194  
the district in tax year 2019 was less than the taxable value of 195  
such property during tax year 2017. If any decrease exceeds ten 196  
per cent, the Tax Commissioner shall certify all of the 197  
following to the Department of Education and the Office of 198  
Budget and Management: 199

(a) The district's total taxable value for tax year 2019; 200

(b) The change in taxes charged and payable on the 201  
district's total taxable value for tax year 2017 and tax year 202  
2019; 203

(c) The taxable value of the utility tangible personal 204  
property decrease, which shall be considered a change in 205  
valuation; 206

(d) The change in taxes charged and payable on such change 207  
in taxable value calculated in the same manner as in division 208  
(A) (3) of section 3317.021 of the Revised Code. 209

(2) Upon receipt of a certification under division (A) (1) 210  
of this section, the Department of Education shall replace the 211  
three-year average valuations that were used in computing the 212  
district's state education aid for fiscal year 2019 with the 213  
taxable value certified under division (A) (1) (a) of this section 214  
and shall recompute the district's state education aid for 215  
fiscal year 2019 without applying any funding limitations 216  
enacted by the General Assembly to the computation. The 217  
Department shall pay to the district an amount equal to the 218  
lesser of the following: 219

(a) The positive difference between the district's state 220  
education aid for fiscal year 2019 prior to the recomputation 221  
under division (A) (2) of this section and the district's 222  
recomputed state education aid for fiscal year 2019; 223

(b) The absolute value of the amount certified under 224  
division (A) (1) (b) of this section. 225

(B) (1) On or before May 15, 2021, the Tax Commissioner 226  
shall determine for each school district whether the taxable 227  
value of all utility tangible personal property subject to 228  
taxation by the district in tax year 2020 was less than the 229



taxable value of such property during tax year 2017. If any 230  
decrease exceeds ten per cent, the Tax Commissioner shall 231  
certify all of the following to the Department of Education and 232  
the Office of Budget and Management: 233

(a) The district's total taxable value for tax year 2020; 234

(b) The change in taxes charged and payable on the 235  
district's total taxable value for tax year 2017 and tax year 236  
2020; 237

(c) The taxable value of the utility tangible personal 238  
property decrease, which shall be considered a change in 239  
valuation; 240

(d) The change in taxes charged and payable on such change 241  
in taxable value calculated in the same manner as in division 242  
(A) (3) of section 3317.021 of the Revised Code. 243

(2) Upon receipt of a certification under division (A) (1) 244  
of this section, the Department of Education shall replace the 245  
three-year average valuations that were used in computing the 246  
district's state education aid for fiscal year 2019 with the 247  
taxable value certified under division (B) (1) (a) of this section 248  
and shall recompute the district's state education aid for 249  
fiscal year 2019 without applying any funding limitations 250  
enacted by the General Assembly to the computation. The 251  
Department shall pay to the district an amount equal to the 252  
lesser of the following: 253

(a) The positive difference between the district's state 254  
education aid for fiscal year 2019 prior to the recomputation 255  
under division (B) (2) of this section and the district's 256  
recomputed state education aid for fiscal year 2019; 257

(b) The absolute value of the amount certified under 258

division (B) (1) (b) of this section. 259

(C) The Department of Education shall make payments under 260  
division (A) (2) of this section not later than fourteen days 261  
after the effective date of this section, and the Department 262  
shall make payments under division (B) (2) of this section 263  
between June 1, 2021, and June 30, 2021. 264

(D) If a city, local, or exempted village school district 265  
experienced an increase in the taxable value of all utility 266  
tangible personal property subject to taxation by the district 267  
between tax years 2016 and 2017 and, as a result, the Department 268  
of Education deducted funds from the district under division (B) 269  
of former section 3317.028 of the Revised Code, the Department, 270  
not later than ten days after the effective date of this 271  
section, shall credit the deducted amount to the district. 272