

Mike DeWine, Governor
Paolo DeMaria, Superintendent of Public Instruction

MEMORANDUM

To: Members of the 134th General Assembly

From: Paolo DeMaria, State Superintendent of Public Instruction

Date: June 1, 2020

RE: Compensation for Decrease in Valuation of District Public Utility Personal Property

This memo is being provided pursuant to Ohio Revised Code section 3317.27, which requires the Department to annually recommend a payment structure for districts who have experienced a fifty per cent decrease in valuation of public utility personal property. There are no districts that meet the criteria to require the Department to recommend a payment structure.

Additionally, the 133rd General Assembly enacted [H.B. 164](#) to provide additional state funding in both FY20 and FY21 to schools facing declining public utility values of at least ten percent. Last year, this provision provided funding to eight school districts who experienced declining public utility value. This year, the Department projects nine school districts will benefit from the provision. Because the General Assembly has previously addressed the issue and no additional districts meet the criteria under 3317.27, the Department has no recommendations for additional funding.

BACKGROUND

Under House Bill 49 of the 132nd General Assembly, the following section was amended into law:

Sec. 3317.27. (A) In any fiscal year, if a city, exempted village, local, or joint vocational school district experiences at least a fifty per cent decrease in valuation of public utility personal property, as certified to the department of education under division (A)(2) of section 3317.021 of the Revised Code, from the tax year immediately preceding the most recent tax year for which data is available to the most recent tax year for which data is available, the department shall develop a payment structure to recommend to the general assembly that would provide additional state funds to the district to compensate the district for a percentage of that decrease in valuation. This payment structure shall take into consideration the effect the valuation decrease has on the amount of state foundation aid received by the district under this chapter and any temporary transitional aid or payment limitations imposed by the general assembly that apply to the district.

(B) Annually, the department shall submit to the general assembly, in accordance with section 101.68 of the Revised Code, the recommended structure for each district to which division (A) of this section applies for the current fiscal year.

IMPACTED DISTRICTS

On May 13, 2020, the Department of Taxation certified tax year (TY) 2020 public utility personal property values. There are no districts who experienced at least a fifty per cent decrease in public utility personal property values compared to the prior year. As such, the Department has no payment structures to recommended at this time.