

**THREE RIVERS LOCAL SCHOOL DISTRICT LEGISLATIVE REPORT
JUNE 13, 2017**

COMMITTEE	BILL No.	DESCRIPTION
House Education and Career Readiness Committee	HB170	<p>The committee heard testimony on the bill, which calls for developing optional academic content standards and curriculum for computer science. It also would address educator qualifications for computer science. OSBA, the Ohio Association of School Business Officials (OASBO) and Buckeye Association of School Administrators (BASA) offered testimony.</p> <p>BILL SUMMARY</p> <ul style="list-style-type: none"> • Requires the State Board of Education, by December 31, 2018, to adopt academic content standards and a model curriculum for computer science. • Adds computer science instruction as an option to several of the prescribed subjects in the state minimum high school curriculum, but prohibits substitution for life sciences or biology courses. • Permits a student to choose to apply instruction in computer science as one unit of math or science, regardless of the field of certification of the teacher who teaches the class, provided the teacher meets the bill's licensure requirements, as well as certain professional development requirements. • Generally requires schools to employ only individuals who are licensed in computer science or hold a license endorsement in computer technology to teach computer science courses, but permits licensed individuals to teach such courses if the individual qualifies for a supplemental teaching license for computer science. • Requires the State Board to establish rules for supplemental teaching licenses for computer science. • Requires completion of an Advanced Placement computer science professional development program in order to teach Advanced Placement computer science.
House Education and Career Readiness Committee	HB176	<p>The committee heard proponent testimony on HB 176, which would make changes to the state academic content standards and state assessments.</p> <p>The bill summary can be found here: https://www.legislature.ohio.gov/download?key=7007&format=pdf</p>
House Education and Career Readiness Committee	HB200	<p>The committee heard proponent testimony on HB 200. This legislation would eliminate the EdChoice and Cleveland scholarship programs to create the Opportunity Scholarship Program.</p> <p>The bill summary can be found here. https://www.legislature.ohio.gov/download?key=7011&format=pdf</p>

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Senate Finance Committee	HB49	<p>The committee continued to hear testimony on HB 49, the biennial budget bill. It is expected the committee to introduce a substitute bill during the week of June 12.</p> <p>OSBA, OASBO and BASA previously offered testimony on the budget, but this week the associations gave testimony in opposition to a provision added by the House. The provision would require a school district to pay court costs and legal fees if it challenges the valuation of property within its borders as being set too low and does not prevail.</p> <p>The following school district representatives also offered testimony on the budget bill:</p> <ul style="list-style-type: none">• Tim Pickana, Coalition for Fiscal Fairness in Ohio• Emily Hauser, treasurer/chief financial officer, St. Bernard-Elmwood Place City• • Mike Sobul, Coalition for Fiscal Fairness in Ohio
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LATE UPDATE FROM OSBA ON HB49:

To: School board members, superintendents, treasurers, business managers and other school business officials

From: Damon Asbury, OSBA, (614) 540-4000

Tom Ash, BASA, [\(614\) 846-4080](tel:6148464080)

Barbara Shaner, OASBO, [\(614\) 325-9562](tel:6143259562)

DATE: June 12, 2017

RE: Senate releases substitute version of state budget

The Senate Finance Committee accepted a substitute version of Amended Substitute House Bill 49, the biennial budget legislation, at a hearing this afternoon. This means the Senate will now be working from this new version.

The substitute bill makes changes to the House version of the legislation and accounts for additional reductions in projected state revenue over the coming biennium. The Senate version also includes changes to the K-12 education budget. Based on initial information released by the Senate, the following is a list of changes to the education budget (bill language has not yet been made available):

- Provides an overall increase for K-12 education of \$154 million in fiscal year (FY) 2018 (compared to FY 2017) and an additional \$117 million in FY 2019. This is down from the House version by \$79.6 million over the biennium but up \$18 million from the governor's proposal.
- Changes the look-back period on the governor's proposal for reductions to school districts based on enrollment loss from five years to two years. The two-year look-back applies the same criteria for calculating funding reductions as the original proposal, starting with a 5% enrollment loss threshold with a maximum state aid reduction of 5%).
- Reduces the gain cap to 3% for most districts on the cap.
- Provides a variable gain cap to districts experiencing enrollment growth with a look-back period of two years, scaled up to a 5.5% maximum in 2018 and a 6% maximum in 2019.

To view a summary of the Senate changes and district-by-district spreadsheets, go to the Senate Finance Committee's website (<http://ohiosenate.gov/committee/finance#>), scroll down to "Committee Documents" and click on "June 12, 2017."

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The Senate Finance Committee has scheduled three public hearings this week on the Senate version of the bill.

- Tuesday, June 13, 11 a.m.
- Wednesday June 14, 10:30 a.m.
- Thursday June 15, 1 p.m. (or after the Senate session)

If you wish to testify, email a copy of your testimony and a signed witness slip (see attached) at least 24 hours prior to the hearing to: Erica.vincent@ohiosenate.gov Oral testimony will be limited to three minutes.

The Senate is expected to finalize its version of the bill early next week and has scheduled a floor vote for June 21. Assuming the House does not concur with the Senate version, a conference committee will convene shortly thereafter.

We will continue to analyze the new Senate substitute version of the budget bill once the language becomes available. Please contact us with questions or if you need assistance with testimony.

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TO: School board members, superintendents, treasurers/CFOs and other school business officials

FROM: Damon Asbury, OSBA, (614) 540-4000

Tom Ash, BASA, (614) 846-4080

Barbara Shaner, OASBO, (614) 325-9562

DATE: June 13, 2017

Re: Contacts needed on Senate substitute budget bill

Contacts with state Senate members are needed! We expect the Senate Finance Committee to make changes to the bill through an omnibus amendment early next week. There is still time to influence the bill!

First, school districts should continue to inform lawmakers about the impact of the school funding changes and TPP/PUTPP losses for their own districts based on the provisions in the Senate version of the bill.

Second, we ask that you contact your state senator to urge opposition to changes made by the Senate that still require school districts to pay the full cost of textbooks for College Credit Plus (CCP) students and provisions that will artificially lower Current Agricultural Use Values (CAUV).

1. School districts to pay the full cost of textbooks:

The governor had proposed to reduce the cost districts paid for textbooks for CCP students to \$10 per credit hour. The House changed that provision to require both the school district and the institution of higher education to cover 50% of CCP textbook costs.

The Senate has removed the provision that would lower textbook costs for school districts.

It is our position that school districts should not be obligated to cover these costs — the district has no control over which textbooks are required or when textbooks are replaced.

We urge you to contact your state senator to oppose the removal of the House provision!

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2. Artificial reductions to CAUV; Dr. Howard Fleeter, consultant for the Ohio Education Policy Institute (OEPI), estimates values to go down by 30% statewide:

The House proposed a modified version of legislation to lower CAUV values in Amended Substitute House Bill (Am. Sub. HB) 49. The Senate has replaced the House version with the provisions from Senate Bill 36, a bill already passed by the Senate to lower CAUV values. Based on this change residential taxpayers will experience an un-voted increase in property taxes.

According to an OEPI analysis, the 35 school districts with the highest concentration of CAUV property will see millage (tax) increases between 2.51 and 3.97 mills ([click here for a district list](#)).

There will be increases in effective Class 1 tax rates in 568 school districts causing an increase in property taxes of over \$60 million on residential property owners.

- 158 districts will have more than a 1-mill increase in tax rate.

- Over 500 districts will see their millage increase on fixed sum levies (bond, emergencies and substitutes).

- More than 500 districts will lose a total of \$15 million in property tax revenue from inside millage.

Additionally:

- CAUV values are down again for tax year 2017 as part of the natural function of the formula.
- The statewide average CAUV value is 54% of market value.
- A comparison to 2014 CAUV levels shows values have already gone down 25% since the peak high.

- Over 285 school districts that have little or no CAUV property will experience a reduction in the state share of funding because CAUV values will go down.
- The State Share Index calculation is based on the statewide average valuation per pupil; districts with little or no CAUV will appear wealthier than before.
- In fiscal year (FY) 2018, 288 districts will see a reduction of nearly \$8 million in state aid and in FY 2019, 308 districts will lose nearly \$14 million in state aid.

Overall, the CAUV reduction will cause Ohio school districts to lose a total of \$26 million in property taxes and state aid in FY 2018 and \$32 million in FY 2019.

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We urge you to contact your state senator to oppose the artificial reduction of CAUV values!

The bill language for the Senate version of Am. Sub. HB 49 has been released and can be found on the Senate Finance committee's webpage under June 12 documents.

Also, the Legislative Service Commission has provided a Comparison Document that shows differences between the three versions of the bill. [Click here](#) for a copy.

Just a reminder, if you wish to testify, the following is information regarding hearings this week:

The Senate Finance Committee has scheduled public hearings this week on the Senate version of the bill.

Wednesday June 14, 10:30 a.m.

Thursday June 15, 1 p.m., or after Senate session ends

If you wish to testify, email a copy of your testimony and a signed witness slip ([click here](#)) 24 hours prior to the hearing to: Erica.vincent@ohiosenate.gov. Oral testimony will be limited to three minutes.

STATE SENATOR CONTACT:

Lou Terhar (R)
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1 Capitol Square, Ground Floor
Columbus, OH 43215
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State Foundation Aid Estimates, Senate Proposal, Sub. H.B. 49, FY 2018-FY 2019

Estimates are based on ADM as of the first payment for January 2017 for traditional school districts and valuation projections provided by the Department of Taxation. Projected ADM does not change from FY 2017 to FY 2018 to FY 2019. Actual aid will be calculated based on actual data and is subject to change. The primary purpose of these estimates is to determine a state total obligation. Changes between estimates and actual aid may be significant, especially for individual school districts.

This proposal modifies the House proposal by:

- (1) Reducing the formula amount to \$6,010 for FY 2018 (from \$6,020).
- (2) Basing the ADM loss factor used to calculate temporary transitional aid on the percentage change in ADM from FY 2014 to FY 2016 (instead of from FY 2011 to FY 2016);
- (3) Moving career-technical education funds and the performance bonuses inside the guarantee; and
- (4) Modifying the gain cap rate from a uniform 5.5% each fiscal year in the House-Passed bill to a scaled amount between 3% and 5.5% in FY 2018 and between 3% and 6% in FY 2019 corresponding to the district's enrollment change from FY 2014 to FY 2016

County	District	Three Year Average Valuation Per Pupil FY18	% Change in Valuation Per Pupil FY16 to FY18	% Change in Total ADM FY14-FY16	Estimated Foundation Aid FY17	Estimated Foundation Aid FY18	Estimated Foundation Aid FY19	\$ Change in Foundation Aid FY17 to FY18	\$ Change in Foundation Aid FY18 to FY19	% Change in Foundation Aid FY17 to FY18	% Change in Foundation Aid FY18 to FY19
Hamilton	Three Rivers Local SD	190,862	-4.2%	-1.6%	\$ 4,079,723	\$ 4,889,225	\$ 4,812,554	\$ 809,502	\$ (76,671)	19.8%	-1.6%

Total Funding Estimates, Senate Proposal, Sub. H.B. 49, FY 2018-FY 2019

Estimates are based on ADM as of the first payment for January 2017 for traditional school districts and valuation projections provided by the Department of Taxation. Projected ADM does not change from FY 2017 to FY 2018 to FY 2019. Total funding is the sum of state foundation aid, fixed rate operating direct reimbursements for TPP tax losses, and, in FY 2017 only, the TPP supplement. Actual aid will be calculated based on actual data and is subject to change. The primary purpose of these estimates is to determine a state total obligation. Changes between estimates and actual aid may be significant, especially for individual school districts.

This proposal modifies the House proposal by:

- (1) Reducing the formula amount to \$6,010 for FY 2018 (from \$6,020).
- (2) Basing the ADM loss factor used to calculate temporary transitional aid on the percentage change in ADM from FY 2014 to FY 2016 (instead of from FY 2011 to FY 2016);
- (3) Moving career-technical education funds and the performance bonuses inside the guarantee;
- (4) Modifying the gain cap rate from a uniform 5.5% each fiscal year in the House-Passed bill to a scaled amount between 3% and 5.5% in FY 2018 and between 3% and 6% in FY 2019 corresponding to the district's enrollment change from FY 2014 to FY 2016; and
- (5) Modifying the current law phase-down of fixed rate operating direct reimbursements for TPP tax losses by calculating the reimbursement payment in FY 2018 as the greater of (a) current law, which phases-down the payments by 5/8 mill of average valuation starting in FY 2018, and (b) the sum of the district's FY 2017 reimbursement and FY 2017 TPP supplement minus 3.5% of the district's total resources.

County	District	Three Year Average Valuation Per Pupil FY18	% Change in Valuation Per Pupil FY16 to FY18	% Change in Total ADM FY14-FY16	Estimated Total Funding FY17	Estimated Total Funding FY18	Estimated Total Funding FY19	\$ Change in Total Funding FY17 to FY18	\$ Change in Total Funding FY18 to FY19	% Change in Total Funding FY17 to FY18	% Change in Total Funding FY18 to FY19
Hamilton	Three Rivers Local SD	190,862	-4.2%	-1.6%	\$ 5,134,483	\$ 5,326,937	\$ 5,012,800	\$ 192,454	\$ (314,137)	3.7%	-5.9%