
DEPARTMENT OF EDUCATION

I. School Financing

State school funding

- Creates a new system of state financing for school districts and community schools and science, technology, engineering, and mathematics (STEM schools).
- Specifies a formula amount of \$5,732, for fiscal year 2014, and \$5,789, for fiscal year 2015.
- Requires each school district to certify its average daily membership (student count) on a monthly basis.
- Specifies that a district's computed state operating funding be based on the annualized average of the monthly average daily membership counts.
- Requires counting kindergarten students on the basis of the full-time equivalency for which they are enrolled, rather than counting each as one full-time student regardless of whether the student attends an all-day or part-day program as under current law.
- Prohibits a school district, community school, or STEM school from categorically excluding a student from its reported number of economically disadvantaged students based on anything other than family income.
- Authorizes the Superintendent of Public Instruction to make payments of school operating funds in amounts substantially equal to those made in the prior year until the bill's school funding provisions take effect (90 days).
- Creates the Straight A Program to provide grants to school districts; educational service centers; community schools; STEM schools; college-preparatory boarding schools; individual school buildings; and education consortia for projects that aim to achieve increased student achievement and progress, improved productivity, and sustainable cost reduction of operations.

Special education funding

- Adds "preschool child who is developmentally delayed" to the disabilities included in existing law in category two of special education services.



- Aligns the special education categories and multiples used to calculate scholarships under the Jon Peterson Special Needs Scholarship Program with the categories and multiples used throughout the school funding formula.
- Specifies a formula for additional state aid for preschool special education children for city, local, and exempted village school districts.

Funding for limited English proficient students

- Specifies dollar amounts for each of three categories of limited English proficient students.

Gifted unit funding

- Requires the Department of Education to allocate gifted coordinator and gifted intervention specialist units to each city, local, and exempted village school district and make payments based on the units allocated.
- Permits a school district to assign its gifted unit funding to another school district, an educational service center, a community school, or a STEM school.

Career-technical education funding

- Revises the career-technical education program categories that exist in current law and creates three additional categories.
- Revises the multiples in current law for categories one and two of career-technical education and creates new multiples for categories three, four, and five.
- Establishes a process for approval by a career-technical planning district's lead district of each member district's or school's career-technical education program prior to receiving career-technical education funding.
- Specifies that a comprehensive single-district career-technical planning district or a school district that is not a party to a career-technical educational compact must spend at least 75% of its state career-technical education funding on costs directly associated with career-technical education programs and no more than 25% on personnel expenditures.
- Authorizes community schools to provide career-technical education and to contract with any public agency, board, or bureau or with any private individual or firm for the purchase of any career-technical education or vocational rehabilitation service for any enrolled student.

- Maintains unit funding for career-technical education at state institutions.

Transportation funding

- Eliminates certain adjustments of transportation payments provided for under current law, but maintains the existing transportation base payment for each city, local, and exempted village school district.
- Requires the Department of Education, for fiscal years 2014 and 2015, to pay each district a pro rata portion of the calculated transportation funding.
- Requires the Department to pay specified low-wealth, low-rider density districts an additional payment on top of the pro rata payment.

Accountability for subgroups

- Specifies that the certification of state operating funds to school districts must include the amounts payable to each school building for each subgroup of students that receives certain state-funded services (students with disabilities, economically disadvantaged students, limited English proficient students, and gifted students).
- Specifies that the Department of Education must require school districts and schools to account for the expenditure of state operating funds for services to each subgroup.
- Requires that, if the Department determines that a district or school has not reached satisfactory achievement and progress for a subgroup, a district or school must submit an improvement plan to the Department which may include partnering with another entity for services to that subgroup.
- Requires the State Board of Education to establish measures of satisfactory achievement and progress not later than December 31, 2014, and requires the Department to use these measures to determine if a district or school has made satisfactory achievement and progress for certain subgroups beginning September 1, 2015.

Educational service center funding

- Repeals a provision of current law regarding the funding and payment system for educational service center (ESC) supervisory services and, instead makes payments to ESCs subject to their agreements with their client school districts.
- Requires each ESC, not later than January 1, 2014, to post on its web site a list of all of the services that it provides and the corresponding cost for each of those services.



- Expressly permits an ESC to apply for federal, state, and private grants.
- Establishes a procedure to ensure that when a school district terminates one primary agreement and enters into another primary agreement, the state subsidy for services provided to the school district is paid to the new ESC rather than to the prior ESC.
- Permits the board of education of a school district, governing authority of a community school, governing body of a STEM school, or governing body of a municipal or other political subdivision to elect, at the end of a fiscal year, to have unexpended funds that were paid to an educational service center (ESC) during that fiscal year applied toward any payment owed to the ESC in the next fiscal year.

Payments for students in county detention facilities

- Requires the county or joint county juvenile detention facility that cares for a child to coordinate the education of that child and provides that the facility, or the chartered nonpublic school that the facility operates, under certain circumstances, may provide education services to the child.
- Permits a county or joint county juvenile detention facility to contract with an educational service center, the school district in which the facility is located or, in some cases, an Internet- or computer-based community school (e-school) to provide education services to a child under the facility's care.
- Permits any entity that provides education services to a child under a county or joint county juvenile detention facility's care (except an e-school) to directly bill the school district responsible for paying the costs of educating the child.
- Provides that an e-school receive payment under the community school law for a child in a county or joint county facility.

Other funding provisions

- Creates the Ready to Learn Program to fund early childhood education services for 2,200 preschool-aged children whose family income is no more than 200% of the federal poverty guidelines, with at least three eligible children funded in each county.
- Regarding the expenditure of Auxiliary Services funds for nonpublic school students, replaces the term "electronic textbook" with the term "digital text," as a consumable book accessed through electronic means and specifies that mobile instructional applications that cost less than \$10 distributed to students are to be

considered "consumable," without the expectation of the return of those applications.

- Provides that a school district (and apparently a community school too) may charge tuition for a student enrolled in all-day kindergarten, as long as the student is included in the student count reported to the Department of Education as less than one full-time equivalent student.
- Establishes a temporary task force to review and make recommendations on open enrollment by December 31, 2013.
- Requires the Department to conduct a study to determine the amount and method of funding, and the costs of statewide support for gifted students and to issue a report of its findings to the General Assembly not later than March 31, 2014.
- Creates the Electronic Textbook Pilot Project to provide competitive grants to public and chartered nonpublic schools to purchase electronic textbooks through the Distance Learning Clearinghouse.
- Establishes the Preparing Students for Education Success Grant Program to provide grants to nonprofit charitable corporations that meet certain requirements and convey a credible plan to use grant money for the establishment of new after-school programs that serve youth and generally improve educational outcomes.
- Repeals provisions that authorize the Superintendent of Public Instruction to issue loans from the Lottery Profits Education Fund to qualifying school districts (subject to Controlling Board approval) and to administer those loans.
- Removes reference to a previously repealed provision of law, which pertained to the authorization of the issuance of certain securities by a district board of education, from an existing provision authorizing the deduction of a district's debt service from its state operating funds.

II. Community Schools

- Removes the requirement that a community school must have filed its contract by May 15, 2008, but not opened prior to July 1, 2008, to operate in multiple facilities if it meets certain other conditions regarding its operator.
- Revises current law regarding Department of Education's oversight and approval of community school sponsors to (1) require the Department to place the sponsors in probationary status if they are found to be noncompliant with applicable laws and



administrative rules, and (2) permit the Department to limit a sponsor's ability to sponsor additional schools.

- Specifies that the Department's authority to approve, disapprove, or revoke the approval of an entity's sponsorship applies to both start-up community schools and conversion community schools.
- Authorizes the Department to deny an application submitted under the Ohio School Sponsorship Program by an existing community school, if the school's contract with its sponsor was terminated.
- Permits a community school to enroll students who are not Ohio residents and charge tuition for the enrollment of such students.
- Allows an Internet- or computer-based community school ("e-school") that is in operation on the bill's effective date and that serves at least grades one through eight to divide into two schools by grade level, as long as the school's sponsor approves the division and the school exercises that option during the 2013-2014 or 2014-2015 school year.
- Specifies that the authority for an e-school to operate as two schools granted under the bill continues through the life of the schools.
- Includes the rating of "exceeds standards," in addition to "meets standards" under current law, as a rating a community school that primarily serves students enrolled in a dropout prevention and recovery program can attain if the program improves by 10% both its graduation rates and percentage of twelfth-grade students and other students passing the graduation assessments.
- Requires the State Board of Education, not later than December 31, 2014, to review the performance levels and benchmarks for report cards issued for dropout recovery community schools.
- Specifies that a suspended community school's contract is void, if the school's governing authority fails to provide a proposal to remedy issues for which it was suspended by September 30 of the following school year.
- Removes a provision of current law requiring any classroom teacher initially hired by a community school on or after July 1, 2013, to provide instruction in physical education at that school to hold a valid educator license for teaching physical education.



III. Minimum School Year

- Changes the minimum school year for school districts, STEM schools, and chartered nonpublic schools from 182 days to (1) 455 hours for half-day kindergarten, (2) 910 hours for full-day kindergarten and grades 1 to 6, and (3) 1,001 hours for grades 7 to 12, beginning in the 2014-2015 school year.
- Eliminates excused calamity days for schools generally, as well as the requirement for a contingency plan to make up calamity days, but retains (1) a recently enacted allowance of calamity days for community schools and (2) a recently enacted option for districts and schools to make up some calamity days via online lessons or paper "Blizzard Bags."
- Specifies that a chartered nonpublic school may be open for instruction on any day of the week, including Saturday and Sunday.
- Exempts school districts from transporting students to and from chartered nonpublic and community schools on Saturday or Sunday, unless an agreement to do so is in place prior to July 1, 2014.
- Provides that the restructuring of the minimum school year does not apply to any collective bargaining agreement executed prior to the 90-day effective date of bill's minimum school year provisions, but that any collective bargaining agreement or renewal executed after that date must comply with those provisions.

IV. Scholarship Programs

- Beginning with the 2016-2017 school year, qualifies for Educational Choice (Ed Choice) scholarships students in kindergarten through third grade enrolled in a district-operated school that has received a "D" or "F" in "making progress in improving K-3 literacy" in two of the three most recent state report cards.
- Beginning with the 2013-2014 school year, expands the Ed Choice scholarship to qualify students whose family incomes are at or below 200% of the federal poverty guidelines.
- Funds the new income-based Ed Choice scholarships from an appropriation made for that purpose by the General Assembly, rather than a deduct and transfer method as used for all other Ed Choice scholarships.
- Makes a change regarding Ed Choice eligibility based on performance index score ratings in order to comport with the recently enacted performance rating system.

- Specifies that if a student is eligible for the Ed Choice scholarship based on both the student's public school performance and the bill's new Ed Choice scholarship expansion based on family income, the student, applying for the scholarship for the first time, must receive the scholarship based on public school performance and not family income.
- Specifies that once a student receives an Ed Choice scholarship, the student will continue to receive the scholarship under the provision for which the student received the scholarship for the previous year.
- Increases maximum amount of a scholarship awarded under the Cleveland Scholarship Program from \$5,000 to \$5,700 beginning in fiscal year 2014.
- Modifies a provision requiring the Department of Education to conduct a formative evaluation of the Jon Peterson Special Needs Scholarship Program and to report the findings to the General Assembly by eliminating certain requirements of the study and by removing provisions that allowed the Department to contract with qualified researchers to perform the study and to accept grants to fund the study.

V. State Board of Education Standards and Reporting

- Makes changes to the requirements for minimum operating standards for all elementary and secondary schools.
- Revises the specifications for State Board's financial reporting standards to require reporting at both the school district and the school building level.
- Requires community schools, STEM schools, and college-preparatory boarding schools to report financial information in the same manner as school districts.
- Requires the Department of Education to post financial reports of each school district and school building in a prominent location on its web site and to notify each school when the reports are made available.
- Requires the Department to create a performance management section on its web site that includes academic and performance metrics for each school district based on performance index score and the expenditure per equivalent pupils, and graphs with comparisons of the performance of like districts.
- Allows the Department to contract with an independent organization to develop and host the performance management section of its web site.

VI. Student Transportation

- Effective July 1, 2014, eliminates current law provisions for a payment in lieu of transportation to a student's parent, where a school district board determines it is impractical to transport the student by school conveyance and, instead, permits a student's parent, or the student if at least 18 years old, to apply for and receive a transportation subsidy instead of receiving transportation from a school district.
- Prohibits a school district from using public transit busses as a means to transport students in grades kindergarten through five to and from school.
- Permits the governing authority of a chartered nonpublic school to charge a student's parent or guardian a fee for transportation to and from school, regardless of whether the student is eligible for transportation by a school district, if the governing authority purchased the vehicle transporting the student without state or federal funds.
- Beginning with 2014-2015 school year, allows a newly opening community school to accept responsibility for providing or arranging for the transportation of a district's resident students who will attend the school.
- Requires school districts to report transportation funding data to the Education Management Information System.

VII. Other Education Provisions

Post-Secondary Enrollment Options Program

- Qualifies home-instructed students to participate in the Post-Secondary Enrollment Options Program (PSEO).
- Requires that payments made to a participating college in which home-instructed students enrolled in college courses through PSEO to be made in the same manner as payments made for participating students from nonpublic secondary schools.
- Prohibits a district or school from entering into an alternative funding agreement that provides for charging a participating student any tuition or fees for college courses under PSEO.
- Narrows eligibility for state reimbursement under PSEO to cover only college courses that either are included in, or are equivalent to courses included in, a transfer module or the Transfer Assurance Guide.

- Requires that students be qualified to participate in PSEO based solely on the participating college's established admission standards.

Dual enrollment programs

- Specifically includes Early College High Schools in the list of programs that qualify as "dual enrollment."

Participation in district extracurricular activities

- Affords students enrolled in chartered or nonchartered nonpublic schools and homeschooled students the opportunity to participate, under specified conditions, in an extracurricular activity at the school of the student's resident school district.
- Permits the superintendent of any school district to afford to any student, who is enrolled in a nonpublic school and is *not* entitled to attend school in that district, the opportunity to participate in a school's extracurricular activities if (1) the nonpublic school in which the student is enrolled does not offer the extracurricular activity, and (2) the extracurricular activity is not interscholastic athletics or interscholastic contests or competition in music, drama, or forensics.
- Authorizes, but does not require, the superintendent of any school district to afford any homeschooled student who is *not* entitled to attend school in that district the opportunity to participate in a school's extracurricular activities, if the activity is not offered by the student's resident district.
- Prohibits a school district, interscholastic conference, or organization that regulates interscholastic conferences or events from imposing eligibility, fee, or rule requirements on nonpublic school or homeschooled students that conflict with the amendment's provisions.

Academic distress commission for knowing manipulation of student data

- Allows the Superintendent of Public Instruction to create an academic distress commission for any school district that is found to have knowingly manipulated student data with evidence of intent to deceive.

Kindergarten diagnostics

- Modifies the timeline for administering kindergarten readiness assessments, beginning July 1, 2014, to not earlier than the first day of the school year and not later than November 1, from not earlier than four weeks prior to the first day of the school year and not later than October 1 as under current law.



- Specifies that when administering the kindergarten readiness assessments after July 1, 2014, the language and reading skills portion of the assessment must be administered by September 30.

Kindergarten early enrollment

- For the 2012-2013 school year, prohibits any entity from requiring a student who was admitted to and successfully completed kindergarten in that school year to repeat kindergarten based solely on the student's age.

Governor's Effective and Efficient Schools Recognition Program

- Makes changes in the administration of the Governor's Effective and Efficient Schools Recognition Program.
- Qualifies college-preparatory schools for the recognition program.

School employees

- Repeals current law that specifies the provisions specifying minimum salary steps for teachers.
- Authorizes the board of education of a school district that elects not to appoint a licensed business manager to assign the statutory duties of a business manager to other employees or officers, and to give those employees any title that reflects the assignment of those duties.
- Specifies that the officers who may be assigned business manager duties include the district treasurer, notwithstanding current law prohibiting the business manager from having possession of district money, and notwithstanding the current law that the treasurer may not be otherwise regularly employed by the board.
- Expresses the General Assembly's intent to supersede a recent appellate court decision that current law prohibits the assignment of a business manager's duties to the district treasurer.
- Permits a school district or educational service center board to designate an individual other than the superintendent to perform the task of nominating for employment any teacher who is related to the superintendent.
- Requires that human trafficking content be included in a school's in-service staff training program for school safety and violence prevention.

Other provisions

- Revises the provisions of the voluntary physical activity pilot program to require a participating school district to select one or more school buildings to participate in the program, instead of requiring all of the school buildings of a participating district to participate in the program as under current law.
- Adjusts the physical activity pilot program's requirement for a participating school's students to engage in at least 30 minutes of physical activity daily by allowing the students, alternatively, to satisfy the requirement with at least 150 minutes of physical activity in a week.
- Specifies that the State Board of Education, beginning with the 2015-2016 school year and at least once every three years thereafter, must review and may adjust the benchmarks for assigning letter grades to the 18 academic performance measures and six components that comprise the composition of the report cards for school districts and schools.
- Repeals (an apparently obsolete) provision of current law that permits the Ohio Department of Education to implement a No Child Left Behind waiver application once the application is approved by the U.S. Department of Education.
- Modifies the Ohio statutory definition of the "No Child Left Behind Act" to include any waiver approved by the U.S. Department of Education.
- Requires the Superintendent of Public Instruction to appoint three individuals to create a nonprofit corporation named "New Leaders for Ohio Schools" to create and implement a pilot program that provides an alternative path for individuals to receive training and development in the administration of primary and secondary education.
- Requires the New Leaders for Ohio Schools nonprofit corporation to submit an annual report to the General Assembly beginning December 31, 2013.

I. School Financing

New funding system for primary and secondary education

(R.C. 3310.56, 3313.646, 3313.841, 3313.88, 3313.98, 3313.981, 3314.029, 3314.03, 3314.08, 3314.082, 3314.083, 3314.084, 3314.086, 3314.087, 3314.091, 3314.11, 3314.26, 3317.013, 3317.014, 3317.016, 3317.017, 3317.02, 3317.022, 3317.023, 3317.0212, 3317.0213, 3317.0214,



3317.0217, 3317.03, 3317.032, 3317.05, 3317.051, 3317.08, 3317.10, 3317.16, 3317.161, 3317.19, 3317.20, 3318.011, 3318.363, 3319.17, 3319.57, 3321.01, 3323.08, 3323.09, 3323.091, 3323.13, 3323.14, 3323.141, 3323.142, 3326.31, 3326.32, 3326.33, 3326.34, 3326.38, 3365.01, 5126.05, 5727.84, and 5751.20; Sections 263.230, 263.240, 263.250, 263.320, and 263.325; repealed R.C. 3314.088, 3314.13, 3317.012, 3317.018, 3317.029, 3317.052, 3317.053, 3323.16, and 3326.39)

The bill creates a new system of financing for school districts and other public entities that provide primary and secondary education. For a detailed analysis of the current funding system and the one proposed by the Governor, see the LSC Redbook for the Department of Education. For a comparison of the Governor's proposal with the school funding system proposed in the House Passed version, see the LSC Comparison Document for the Department. Both documents are published on the LSC web site at www.lsc.state.oh.us/. Click on "Budget Bills and Related Documents," then on "Main Operating," and then on "Redbooks" or "Comparison Document."

Note, as used below, "ADM" means average daily membership. It is the full-time equivalent number of students counted annually for computing funding a district or school for a particular purpose or category.

Formula amount

(R.C. 3317.02)

The bill specifies a formula amount of \$5,732, for fiscal year 2014, and \$5,789, for fiscal year 2015. That amount is incorporated in the school funding system as described below. It is also used in computing transfer payments under interdistrict open enrollment²³ and in computing a district's required annual deposit into its capital and maintenance fund.²⁴

Core foundation funding

City, local, and exempted village school districts

(R.C. 3317.017, 3317.022, and 3317.0217)

The bill specifies that core foundation funding for each city, local, and exempted village school district is the sum of the following:

²³ R.C. 3313.98.

²⁴ R.C. 3315.18, not in the bill.



(1) An opportunity grant that is equal to the formula amount times the district's formula ADM times the district's state share index.

A city, local, or exempted village school district's "**state share index**" is an index that depends on valuation and, for districts with relatively low median income, on median income. This index is adjusted for school districts where 30% or more of the potential taxable valuation is exempted from taxation, which reduces the qualifying districts' three-year property valuation in the formula and, thereby, increases their calculated core funding. In addition to applying this index to the opportunity grant, the bill applies the index to the calculation of special education funds, kindergarten through third grade literacy funds, limited English proficiency funds, and career-technical education funds.

(2) Targeted assistance funding based on a district's property value and income;

(3) Targeted assistance supplemental funding based on a district's percentage of agricultural property;

(4) Funding for special education and related services calculated on a per-pupil basis in a manner similar to prior school funding models, where a prescribed "weight" for each of six categories of disabilities is multiplied by the formula amount;

(5) Kindergarten through third grade literacy funds;

(6) Economically disadvantaged funds;

(7) A specific amount for each of three limited English proficiency categories;

(8) Gifted identification funds in an amount of \$5, in fiscal year 2014, or \$5.05, in fiscal year 2015, per student in the district's formula ADM;

(9) Gifted unit funding (see below);

(10) Career-technical education funds calculated on a per-pupil basis in a manner similar to prior school funding models, where a "weight" for each category (or type) of career-technical education course is multiplied by the formula amount. Payment of these funds is subject to approval by the lead district of the district's career-technical planning district (also known as a "CTPD").

(11) Career-technical education "associated services" funds calculated in a manner similar to prior models, where a district's total career-technical ADM is multiplied by the formula amount, the state share index, and a further multiple of .05.



Joint vocational school districts

(R.C. 3317.16)

The bill specifies that core foundation funding for each joint vocational school district is the sum of the following:

(1) An opportunity grant based on a district's valuation calculated under the following formula:

(The formula amount X the district's formula ADM) – (0.0005 X the district's three-year average valuation)

A joint vocational school district's "**state share percentage**" is equal to the opportunity grant divided by the product of the formula amount and the district's formula ADM. The bill applies this factor in calculating special education funds, limited English proficiency funds, and career-technical education funds.

(2) Funding for special education and related services calculated in a manner similar to other districts;

(3) Economically disadvantaged funds;

(4) A specific amount for each of three limited English proficiency categories;

(5) Career-technical education funds calculated in a manner similar to other districts.

(6) Career-technical education associated services funds calculated in a manner similar to other districts.

Community schools and science, technology, engineering, and mathematics (STEM) schools

(R.C. 3314.08, 3326.33, 3326.34, and 3326.38)

For community schools and science, technology, engineering, and mathematics (STEM) schools, the bill specifies per-pupil payments for each enrolled student and corresponding deductions from state aid account of the student's resident district:

(1) An opportunity grant that is equal to the formula amount;

(2) The per-pupil amount of targeted assistance funding (but not targeted assistance supplemental funding) for each student's resident school district times 0.25 (except in the case of Internet- or computer-based community schools (e-schools));



(3) If the student is a special education student, an amount equal to the formula amount multiplied by the weight for the student's disability category;

(4) If the student is in kindergarten through third grade, \$300, in fiscal year 2014, or \$303, in fiscal year 2015 (except in the case of e-schools);

(5) Economically disadvantaged funds based on the resident district's economically disadvantaged index (except in the case of e-schools);

(6) A specific amount for a student's limited English proficiency category (except in the case of e-schools);

(7) If the student is a career-technical education student, an amount equal to the formula amount multiplied by the weight attributed to the student's category of career-technical education. Payment of these funds is subject to approval by the lead district of the district's career-technical planning district (CTPD).

Student counts

Monthly certification of average daily membership

(R.C. 3317.01 and 3317.03)

The bill requires the superintendent of each city, local, exempted village, and joint vocational school district to certify the average daily membership of students receiving services from schools under the superintendent's supervision during the first full school week of each month. Under current law, this certification is required only once each year during the first full week of October.

The bill also specifies that a district's computed state operating funding be based on the annualized average of monthly average daily membership counts.

Counting kindergarten students

(R.C. 3317.03(C)(1))

The bill provides for the counting of kindergarten students on the basis of the full-time equivalency for which they are enrolled. Under current law, all kindergarten students are counted as one full-time equivalent student regardless of whether they attend kindergarten for a full day or part of a day.

(See also "**Fees for all-day kindergarten**" below.)



Reporting of economically disadvantaged students

(R.C. 3314.08(B), 3317.03(B)(21) and (D)(2), and 3326.32)

The bill prohibits a city, local, exempted village, or joint vocational school district, community school, or STEM school from categorically excluding a student from its reported number of economically disadvantaged students based on anything other than family income.

Payments prior to the effective date of the bill's school funding provisions

(Section 263.230)

The bill requires that the Superintendent of Public Instruction, prior to the effective date of the bill's school funding provisions (90 days), make operating payments in amounts "substantially equal" to those made in the prior year, "or otherwise," at the Superintendent's discretion. Additionally, if a new school district, community school, or STEM school opens prior to the effective date of the bill's school funding provisions, the bill requires the Department to pay the new district or school an amount of \$5,000 per pupil based on the estimated number of students that the district or school is expected to serve and to credit any amounts paid toward the annual funds calculated for the district or school following the effective date.

Payment caps and guarantees

(Sections 263.240 and 263.250)

The bill adjusts a city, exempted village, or local school district's core foundation funding, which includes the pupil transportation formula and supplement funding and career-technical education funding, by imposing a cap that restricts the increase in core funding over the previous year's state aid to no more than 6% of the previous year's state aid. This capped funding is further adjusted by guaranteeing that all districts receive at least the amount of state aid received in fiscal year 2013.

Similarly, joint vocational schools districts are guaranteed to receive at least the amount of state aid received in fiscal year 2013 but are also subject to a cap that limits the increase in state aid to no more than 6% of the previous year's state aid.

Straight A Program

(Sections 263.10, 263.320, and 263.325)

The bill creates, for fiscal years 2014 and 2015, the Straight A Program to provide grants to school districts, educational service centers, community schools, STEM



schools, college-preparatory boarding schools, individual school buildings, education consortia (which may represent a partnership among school districts, school buildings, community schools, or STEM schools, institutions of higher education, and private entities) for projects that aim to achieve at least the following goals: (1) increased student achievement and progress, (2) improved productivity, and (3) sustainable cost reduction of operations.

The bill appropriates \$50 million, for fiscal year 2014, and \$100 million, for fiscal year 2015, from the Lottery Profits Education Fund to finance grants under the program.

Grant application process

Grant proposal

The bill requires each grant applicant to submit a proposal that includes all of the following:

(1) A description of the project for which the applicant is seeking a grant, including a description of how the project will have substantial value and lasting impact;

(2) An explanation of how the project will be self-sustaining. If the project will result in increased ongoing spending, the applicant must show how the spending will be offset by "verifiable, credible, permanent spending reductions."

(3) A description of quantifiable results of the project that can be benchmarked.

If education consortia apply for a grant, the lead applicant must be either the school district, school building, community school, or STEM school – not an institution of higher of education or private entity. In addition, the lead applicant must indicate on the application which entity is the lead applicant.

Grant evaluation system

The bill requires the Department of Education to establish, with the approval of the governing board (see "**Grant decision**" below), an evaluation and scoring system for awarding grant applications. The system must give priority to applicants whose goals "demonstrate particular attempts" in achieving the following:

(1) Cost reduction in the delivery of services;

(2) Progress in improving literacy in grades kindergarten to three;



(3) Achievement and progress for students with disabilities, economically disadvantaged students, limited English proficient students, and gifted students;

(4) Improving the performance measures that comprise the Prepared for Success component under the new academic performance rating system; and

(5) "Utilizing programs recognized as innovative under the federal Race to the Top program."

Grant decision

The bill requires grant decisions to be made by a "governing board" consisting of eight members consisting of the Superintendent of Public Instruction, or the Superintendent's designee, three members appointed by the Governor, two members appointed by the Speaker of the House, and two members appointed by the President of the Senate.²⁵ The board must create a grant application and publish on the Department's web site the application and a timeline for the submission, review, notification, and awarding of grant proposals.

Within 75 days after receiving a grant application, the governing board must issue a decision on the application of "yes," "no," "hold," or "edit." In making its decision, the board must consider whether the project has the capability of being replicated in other school districts and schools or creates something that can be used in other districts or schools. If the board issues a "hold" or "edit" decision for an application, it must, upon returning the application to the applicant, specify the process for reconsideration of the application. An applicant may work with the grant advisors selected by the governing board and staff to modify or improve a grant application (see "**Advisory council**" below).

Grant amount

For a school district, educational service center, community school, STEM school, college-preparatory boarding school, or individual school that applies for a grant, the maximum grant amount that may be awarded is \$500,000. For education consortia that apply for a grant, the maximum grant amount that may be awarded is \$1 million.

Grant agreement

Upon deciding to award a grant to an applicant, the board must enter into a grant agreement with the applicant that includes all of the following:

(1) The content of the applicant's proposal;

²⁵ The bill specifies that governing board members may not be compensated for their services.

- (2) The project's deliverables and a timetable for their completion;
- (3) Conditions for receiving grant funding;
- (4) Conditions for receiving funding in future years if the contract is a multi-year contract;
- (5) A provision specifying that funding will be returned to the governing board if the applicant fails to implement the agreement, as determined by the Auditor of State; and
- (6) A provision specifying that the agreement may be amended by mutual agreement between the governing board and the applicant.

Annual report regarding the grant program

The bill requires the board to issue an annual report to the Governor, the Speaker of the House, the Senate President, and the chairpersons of the House and Senate Education committees regarding the types of grants awarded, the grant recipients, and the effectiveness of the grant program.

Administration of the grant program

Administrative support

The bill requires the Department to provide administrative support to the governing board.

Advisory council

The bill permits the governing board to establish an advisory council that consists of grant advisors with fiscal expertise and education expertise. The advisors must evaluate proposals from applicants, consult with the governing board regarding strategic planning, and "advise the staff administering the program."²⁶

²⁶ As in the case of the Governing Board, members of the advisory council may not be compensated.

Special education funding

Special education categories and multiples

(R.C. 3310.56 and 3317.013)

The bill maintains the following multiples (or weights) for the six categories of special education services specified under current law and adds one type of disability to category two, as described in the table below:

Category	Disability under current law	Disability under the bill	Multiple under current law
1	Speech and language disabled	Same as current law	0.2906
2	Specific learning disabled; developmentally disabled; other health impaired-minor	Adds "preschool child who is developmentally delayed" to the disabilities listed in current law	0.7374
3	Hearing disabled; severe behavior disabled	Same as current law	1.7716
4	Vision impaired; other health impairment-major	Same as current law	2.3643
5	Orthopedically disabled; multiple disabilities	Same as current law	3.2022
6	Autistic; traumatic brain injured; both visually and hearing impaired	Same as current law	4.7205

The bill also maintains the current requirement that each of the prescribed multiples be multiplied by 90% (that is, reduced by 10%).

With respect to the Jon Peterson Special Needs Scholarship Program, the bill aligns the special education categories and multiples used to calculate scholarships under that program with the special education categories and multiples described above, instead of the categories and multiples prescribed for fiscal year 2009 as under current law.²⁷

²⁷ R.C. 3310.56. Under current law not changed by the bill, the scholarship amount for a school year must be the least of (1) \$20,000, (2) the amount of fees charged for that school year by the alternative public provider or registered private provider, or (3) an amount calculated using the formula amount and the multiple that corresponds with the child's disability.

Catastrophic cost for special education students

(R.C. 3314.08, 3317.0214, 3317.16, and 3326.34)

The bill maintains provisions of current law that require the Department of Education to pay to a city, local, exempted village, or joint vocational school district, community school, or STEM school a certain amount of the costs incurred by the district or school for a student in categories two through six special education ADM that are in excess of the threshold catastrophic cost for serving the student.²⁸ The bill's formula for calculating a district's payment is identical to the formula in current law, except that a district's state share percentage (prescribed by current law) is replaced with a district's state share index when calculating the amount for city, local, and exempted village school districts.

Preschool special education funding

(R.C. 3317.0213)

The bill specifies a formula for additional state aid for preschool special education children for each city, local, and exempted village school district and eliminates all existing references to unit funding for preschool children with disabilities. The bill's formula pays \$4,000 plus one-half of the categorical special education amount times the district's state share index for each preschool special education student.

If an educational service center is providing services to preschool special education students under agreement with the students' resident school district, the bill permits that district to authorize the Department to transfer its preschool special education funds to the service center providing those services.

However, if a county DD board²⁹ is providing services to preschool special education students under agreement with their resident district, the bill requires the Department to deduct from the district's preschool special education payment the total amount of those funds that are attributable to those students and pay that amount to the DD board. The Department must ensure that the county DD board receives at least the same amount of state funding from the Department that it received for the previous fiscal year, as determined by the Department.

²⁸ Under current law and the bill, the threshold amount is \$27,375, for a student in categories two through five, and \$32,850, for a student in category six.

²⁹ A county DD board is a county board of developmental disabilities.



Funding for limited English proficient students

(R.C. 3317.016)

The bill establishes the following dollar amounts for categories of limited English proficient students:

Category	Type of student	Dollar amount in the bill
1	A student who has been enrolled in schools in the United States for 180 school days or less and was not previously exempted from taking the spring administration of either of the state's English language arts assessments (reading or writing)	\$1,500, in fiscal year 2014, and \$1,515, in fiscal year 2015
2	A student who has been enrolled in schools in the United States for more than 180 school days or was previously exempted from taking the spring administration of either of the state's English language arts assessments (reading or writing)	\$1,125, in fiscal year 2014, and \$1,136, in fiscal year 2015
3	A student who does not qualify for inclusion in categories 1 or 2 and is in a trial-mainstream period, as defined by the Department	\$750, in fiscal year 2014, and \$758, in fiscal year 2015

Gifted unit funding

(R.C. 3317.051)

Allocation and payment of gifted units

The bill requires the Department of Education to allocate funding units to a city, exempted village, or local school district for services to identified gifted students, as follows:

(1) One gifted coordinator unit for every 3,300 students in a district's gifted unit ADM (which is the district's formula ADM minus the number of its resident students enrolled in community schools and STEM schools), with a minimum of 0.5 units and a maximum of 8 units for any district.

(2) One gifted intervention specialist unit for every 1,100 students in a district's gifted unit ADM, with a minimum of 0.3 units allocated for any district.



For fiscal year 2014, the Department must pay gifted unit funding to a district in an amount equal to \$37,000 times the number of units allocated to the district. For fiscal year 2015, the Department must pay gifted unit funding to a district in an amount equal to \$37,370 times the number of units allocated to the district.

Use of unit funds

The bill specifies that a district must use the funds it receives for gifted coordinator units only for gifted coordinator services and the funds it receives for gifted interventional specialist units only for gifted interventional specialist services. Moreover, the bill requires a district to employ qualified personnel to provide gifted services on a full-time equivalency basis that corresponds to either the gifted coordinator or gifted intervention specialist units allocated to the district.

The bill also permits a school district to assign its gifted unit funding to another school district, an educational service center, a community school, or a STEM school to employ qualified personnel to provide gifted student services for the district.

Career-technical education funding

Career-technical education categories and multiples

(R.C. 3317.014)

The bill revises the career-technical education program categories that exist in current law by changing the types of programs that are considered category one and two under current law and by creating three additional categories of career-technical education programs. It also changes the multiples specified in current law for categories one and two and creates new multiples for categories three, four, and five.

The following table explains these changes in greater detail:

Category	Career-technical education program under current law	Career-technical education program under the bill	Multiple under current law	Multiple under the bill
1	Job-training and workforce development programs approved by the Department	Workforce development programs in environmental and agricultural systems, construction technologies, engineering and science technologies, finance, health science, information technology, and manufacturing technologies	0.57	0.76



Category	Career-technical education program under current law	Career-technical education program under the bill	Multiple under current law	Multiple under the bill
2	Classes other than job training and workforce development programs	Workforce development programs in business and administration, hospitality and tourism, human services, law and public safety, and transportation systems	0.28	0.68
3	None	Workforce development career-based intervention programs	None	0.43
4	None	Workforce development programs in arts and communications, education and training, marketing, workforce development academics, and career development	None	0.31
5	None	Family and consumer science programs	None	0.24

Approval of a career-technical education program

(R.C. 3317.161)

In order for a city, local, exempted village, or joint vocational school district, community school, or STEM school to receive career-technical education funding, the lead district of a CTPD must review the career-technical education program of the district or school and determine whether to approve or disapprove the program. If a program is approved, the Department must transfer the funds attributable to the career-technical students enrolled in the district or school, according to a payment schedule prescribed by the Department. If the program is disapproved, the Department must automatically review the lead district's decision. In reviewing the lead district's decision, the Department must consider the demand for the career-technical education program and the availability of the program within the career-technical planning district. If, following the review, the Department decides to approve the program, it must transfer the funds at that time. The bill specifies that the Department's decision is final.

Expenditures of career-technical education funding

(R.C. 3317.022(E))

The bill specifies that a comprehensive single-district career-technical planning district or a school district that is not a party to a career-technical educational compact



must spend at least 75% of the state career-technical education funding it receives on costs directly associated with career-technical education programs including development of new programs (such as curriculum development, purchase, and implementation; instructional resources and supplies; industry-based program certification; student assessment, credentialing, and placement; curriculum specific equipment purchases and leases; career-technical student organization fees and expenses; home and agency linkages; work-based learning experiences; professional development). No more than 25% of the district's state career-technical education funding may be spent on personnel expenditures. (These requirements are currently prescribed for all career-technical providers by a State Board of Education rule.³⁰)

Career-technical education provided by community schools

(R.C. 3314.086)

The bill specifically authorizes community schools to provide career-technical education. It permits a community school to contract with any public agency, board, or bureau or with any private individual or firm for the purchase of any career-technical education or vocational rehabilitation service for any enrolled student and to use career-technical education funding to pay for such services. Under current law, community schools are not prohibited from providing career-technical education, and additional weighted funds for this education are provided for all community schools except e-schools. The bill, however, provides for the payment of career-technical weighted funding for e-schools.

Career-technical education funding transfers

(R.C. 3317.023(H))

The bill removes a provision of current law that requires a district educating a student entitled to attend school in another district pursuant to a shared education contract, compact, or cooperative education agreement to be credited any career-technical weighted funding attributable to the student.

Career-technical education at state institutions

(R.C. 3317.05)

The bill maintains unit funding for career-technical education at state institutions operated by the Departments of Mental Health, Developmental Disabilities, Youth Services, and Rehabilitation and Correction as under current law.

³⁰ Ohio Administrative Code 3301-61-16.



Transportation funding

(R.C. 3317.0212)

The bill removes certain adjustments from the pupil transportation formula for school districts specified in current law, so that funding is based only on the greater of per rider or per mile costs for each district. The eliminated adjustments are those for (1) nontraditional ridership, (2) high school ridership, (3) distance adjustment to school districts that transport K-8 students who live between one and two miles from school, and (4) efficiency. The payment for transportation is calculated in the same manner as the base payment is calculated in current law, except that a district's state share percentage is replaced with a district's state share index.

The bill requires the Department of Education, in fiscal years 2014 and 2015, to pay each city, local, and exempted village a pro rata portion of the transportation funding described above. Additionally, the bill provides a transportation supplement for low-wealth and low-rider density school districts that is equal to the difference between the district's unrestricted pupil transportation formula amount and the prorated amount.

Accountability for subgroups

(R.C. 3317.01 and 3317.40)

The bill states that, when state operating funds are provided to school districts for services for a subgroup of students, the General Assembly has determined that these students experience unique challenges requiring additional resources. For this purpose, a subgroup of students is one of the following subsets of the entire student population of a school district or a school building: (1) students with disabilities, (2) economically disadvantaged students, (3) limited English proficiency students, or (4) students identified as gifted in superior cognitive ability and specific academic ability fields. The bill requires the Department of Education in its certification of state operating funds to school districts to include the amounts payable to each school building, "at a frequency determined by the Superintendent of Public Instruction," for each subgroup of students receiving services by the district or school.

The bill also specifies that the Department must require school districts and schools to account for the expenditure of state operating funds for services to each subgroup. If a district or school fails to show satisfactory achievement and progress, as determined by the State Board of Education, for any subgroup of students based on the annual state report card performance measures for that subgroup, the district or school must submit an improvement plan to the Department for approval. The plan may be included in any other improvement plan required of the district or school under state or



federal law. The Department may require that the plan include an agreement to partner with another organization that has demonstrated the ability to improve the educational outcome for that subgroup of students to provide services to those students. The partner organization may be another school, district, or other educational provider.

To facilitate these provisions, not later than December 31, 2014, the State Board must establish measures of satisfactory achievement and progress, which include, but are not limited to, annual state report card performance measures. The Department must make the initial determination of satisfactory achievement and progress using those measures not later than September 1, 2015, and then make determinations annually thereafter.

The Department must publish a list of schools, school districts, and other educational providers that have demonstrated an ability to serve each subgroup of students.

Educational service center funding

(R.C. 3313.843; Repealed R.C. 3317.11; conforming changes in R.C. 3311.0510, 3312.08, 3313.376, 3313.845, 3315.40, 3317.023, and 3326.45; Section 263.360)

The bill repeals a provision of current law establishing a permanent statutory payment and funding structure for state payments to educational service centers (ESC) for services to school districts. Instead, under the bill, any funds owed by a district to an ESC must be paid in accordance with the agreements entered into by the ESC and its client school districts. In addition, the bill requires each ESC, not later than January 1, 2014, to post on its web site a list of all of the services that it provides and the corresponding cost for each of those services. The bill also expressly permits an ESC to apply for federal, state, and private grants.

The bill also appropriates funds for state payments to ESCs, in the amount of \$43.5 million in fiscal year 2014 and \$40 million in fiscal year 2015 and specifies that the funds be distributed on a per-pupil basis. The amount paid to an ESC, for fiscal year 2014, is multiplied by the ESC's total student count (see "**Total student count**" below) and, for fiscal year 2015, is \$35 multiplied by the total student count. However, if the appropriation is not sufficient, the bill requires that the payments be prorated accordingly.

The bill also earmarks \$3.8 million of the appropriation in each fiscal year for gifted education at ESCs. The distribution of these funds is based on a unit methodology used prior to FY 2010.



Background on current statutory funding structure

Current law requires client school districts to make payments for services from an ESC as follows:

- \$6.50 per pupil from each school district served;
- Either \$37.00 or \$40.52 (for an ESC made from the merger of at least three smaller ESCs) per pupil of direct state funding for each school district served;
- One "supervisory unit" for the first 50 classroom teachers required to be employed in the district and one such unit for each additional 100 required classroom teachers; and
- Additional fees for services agreed to separately.³¹

In most years, however, the state amount was prorated subject to appropriations.

Total student count

(R.C. 3313.843)

Under the bill, "total student count" for purposes of calculating any state subsidy to be paid to an ESC means the sum of the average daily student enrollments reported on the most recent report cards issued by the Department of Education for all of the school districts with primary agreements with the ESC. This definition differs from the general definition under continuing law, which is the average number of students enrolled during the first full school week of October in a school district in grades kindergarten through twelve, including students with a dual enrollment in a joint vocational or cooperative education district that week, and the total number of preschool students with disabilities enrolled on the first day of September.

Process to ensure correct ESC is paid state subsidy for services

(R.C. 3313.843)

Under continuing law, a school district may terminate its agreement with its primary ESC by notifying the ESC by the first day of January of any odd-numbered year that the district intends to terminate the agreement in that year, and that

³¹ In this analysis, agreements made pursuant to R.C. 3313.843 are referred to as "primary" agreements, as opposed to agreements for additional services made pursuant to section 3313.845. The term "primary" ESC is referenced in an uncodified provision of the bill.

termination is effective on the 30th day of June of that year. When a school district terminates such an agreement, it must enter into a new agreement with a primary ESC so that the new agreement is effective on the first day of July of that same year.

The bill establishes a process to ensure that when a school district terminates one primary agreement and enters into another primary agreement, the state subsidy for services provided to the school district is paid to the new ESC rather than to the prior one.

To that end, the bill requires the governing board of any ESC which has received all moneys owed to it by a school district, and within 15 days after the effective date of the termination of the district's agreement for services, to submit an affidavit to the Department certifying that the district has paid to the ESC what it owes in full. Additionally, the bill prohibits the Department from making any payments to any other ESC with which that school district enters into an agreement for services until the Department has received the prior ESC's affidavit.

Unexpended funds

(R.C. 3313.848)

The bill permits the governing body of the "client" of an ESC to elect, at the end of a fiscal year, to have unexpended funds that were paid to the ESC under a service agreement during that fiscal year retained by the ESC for the purpose of applying them toward any payment the client will owe to the ESC for the next fiscal year. For this purpose, the bill defines a "client" as a city, local, or exempted village school district, community school, STEM school, or other political subdivision. The bill requires the client's treasurer or fiscal officer to indicate this decision and the amount of funds retained by the ESC on the client's end-of-year financial report.

If a client's chief administrator requests that the treasurer of an ESC spend a portion of the client's retained funds for a purpose other than services specifically set forth under a service agreement and the ESC's treasurer fulfills the request, the bill requires the ESC's treasurer to keep a record of the expenditure and its purpose. On at least an annual basis, or upon request, the ESC's treasurer must notify the client's treasurer or fiscal officer of these recorded expenditures. Upon receiving this notification, the client's treasurer or fiscal officer must include the information in the treasurer or fiscal officer's financial report at the next meeting of the client's governing body.



Background on ESC agreements

Recent changes, adopted in H.B. 153 of the 129th General Assembly, require *every* city, exempted village, and local school district with a student count of 16,000 or less to enter into an agreement with an ESC for services. That law also permits, but does not require, every school district with a student count greater than 16,000 to enter into an agreement with an ESC for services. Prior law had permitted, but did not require, city and exempted village districts with less than 13,000 students to arrange for those services.

Education services for students in county juvenile detention facilities

(R.C. 2151.362, 3313.64, and 3313.847 (renumbered as 3317.30))

A child who is between ages five (three, if disabled) and 22 is entitled to attend school in the school district in which the child's parent resides. In some cases, however, a child may be entitled to attend school in a different district. One such case is the situation in which a child has been placed in the custody of an agency or a person other than a parent, such as a county or joint county juvenile detention facility. Current law already permits an ESC that provides education services to a child under the care of such a juvenile detention facility to directly bill the school district responsible for paying the cost of educating the child.³² The bill extends this policy option to other entities.

Coordination of education

A child placed in the custody of a county or district juvenile detention facility may receive educational services from the school district in which the facility is located. The bill places the responsibility for coordinating that education on the facility itself. Under the bill, that facility may take several measures to coordinate the education of the child. First, the facility may use the chartered nonpublic school that the facility operates, if it has one, to educate the child. Second, the facility may arrange with the student's resident district or other responsible district for the facility to educate the child on its own. Third, the facility may, by contract, have an ESC or the school district where the facility is located educate the child. Finally, the facility may permit a student who is already enrolled in an Internet- or computer-based community school (e-school) to continue to receive that instruction, provided that the facility possesses the necessary hardware, software, and Internet-connectivity.

³² R.C. 3313.847, as enacted by Am. Sub. S.B. 316 of the 129th General Assembly.



Direct billing for services

The bill permits the entity that educates the child (the facility, chartered nonpublic school the facility operates, or a school district) to submit an invoice for payment directly to the school district responsible for paying the cost of educating each child (as determined by the court that issued the child's custody order), instead of first billing the district in which the facility is located. Moreover, it instructs the school district responsible for paying the cost of educating the child to pay the entity that educates the child for those services.

The bill also directs the district responsible for paying the cost of educating the child to include that child in the district's "average daily membership" (student count for state operating funding) and prohibits any other district from including the child in that count. These provisions currently apply in the case of an ESC providing services to a child in a juvenile detention facility and direct billing for those services.

If a facility coordinates education services in accordance with one of the first four methods described in "**Coordination of education**" above, the child's resident school district must pay the cost of education based on the per capita cost of the facility. However, under the bill, if a facility coordinates education services to a child who is already enrolled in an e-school, as described in "**Coordination of education**" above, payment to that school is to be provided under the regular funding system for e-schools under the Community School Law.³³

Ready to Learn Program

(Sections 263.10 and 263.163)

The bill creates the Ready to Learn Program to fund early childhood education services for 2,200 preschool-aged children whose family income is not greater than 200% of the federal poverty guidelines, with at least three eligible children funded in each county. The Department of Education must use the funding provided in the bill to contract with public or private early childhood education providers for this purpose. If a provider is a private provider, it must have at least a "three star rating" in the Department of Job and Family Services' "Step Up to Quality" program in order to contract with the Department for this program.

Programs receiving funding from the program must meet certain teacher qualification and professional development criteria, align curriculum to the

³³ R.C. 3314.08.

Department's early learning content standards, assess and report on child progress as required by the Department, and participate in the Step Up to Quality program.

Auxiliary Services funds

(R.C. 3317.06)

In regard to Auxiliary Services funds paid to school districts to be spent on behalf of nonpublic school students, the bill replaces the term "electronic textbook," as used under current law, with the term "digital text." The bill, however, generally leaves the definition of the term unaltered except to specify that such texts are "consumable." Thus, under the bill, "digital text" means a consumable book or book substitute that a student accesses through the use of a computer or other electronic medium or that is available through an Internet-based provider of course content, or any other material that contributes to the learning process through electronic means.

The bill also specifies that mobile instructional applications that are purchased for less than \$10 and distributed to students are to be considered "consumable," without the expectation of the return of those applications.

Background

School districts receive state Auxiliary Services funds to purchase goods and services for students who attend chartered nonpublic schools located within their territories. Those moneys may be used to purchase, for loan to students of chartered nonpublic schools, such things as textbooks, electronic textbooks (now called "digital" texts under the bill), workbooks, instructional equipment including computers, and library materials, or to provide health or special education services.

Fees for all-day kindergarten

(R.C. 3321.01(G))

The bill permits a school district to charge tuition for a student enrolled in all-day kindergarten, as long as the student is included in the student count reported to the Department of Education as less than one full-time equivalent student. This provision, by cross-reference, also appears to apply to community schools.³⁴ Under current law, school districts and apparently community schools are permitted to charge fees or

³⁴ R.C. 3321.01 is applicable to community school by reference in R.C. 3314.03(A)(11)(d). However, a separate provision of current law and the bill limits a community school's authority to charge tuition (R.C. 3314.08(F) and 3314.26).

tuition for all-day kindergarten services only if they did not receive a poverty-based assistance payment for all-day kindergarten for fiscal year 2009.

The bill retains the stipulation that the fees or tuition charged for all-day kindergarten services must be structured on a sliding scale according to family income.

Background

As noted above, the bill provides that each kindergarten student be included in a district's ADM according to the full-time equivalency of the time the student attends kindergarten. That is, if a student attends an all-day program, the student will be counted as one full-time equivalent student. On the other hand, if a student attends a half-day program, the student will be counted as one-half of one full-time equivalent student. Current law, enacted in 2009, requires that each kindergarten student be counted as one full-time equivalent student, regardless of the type of program the student attends. Prior to fiscal year 2010, however, all kindergarten students were counted only as one-half of one full-time equivalent student, but an additional poverty-based assistance payment was available to certain districts and community schools to fund the other half of the formula amount for all-day kindergarten students.³⁵ When the General Assembly authorized the practice of charging for all-day kindergarten in 2007, it restricted that authority to only those districts or schools *not* receiving the additional poverty-based assistance payment for all-day kindergarten,³⁶ and that restriction has remained in law since that time.

Study of open enrollment

(Section 263.450)

The bill establishes a temporary task force to review and make recommendations on open enrollment by December 31, 2013. Under the bill, the Superintendent of Public Instruction, in consultation with the Governor's Office of 21st Century Education must convene the Task Force consisting of representatives from school districts reflecting all sectors of the state's educational community. The Superintendent must designate the chairperson of the Task Force. All meetings of the Task Force are to be held at the call of the chairperson. The bill requires the Task Force to review and make recommendations regarding the process by which students may enroll in other school districts under open enrollment and the funding mechanisms associated with open enrollment deductions and credits. The Task Force must issue a report of its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House.

³⁵ R.C. 3317.029(D), repealed by the bill.

³⁶ R.C. 3321.01, as amended by Sub. H.B. 190 of the 127th General Assembly.



Study of funding for gifted student services

(Section 263.433)

The bill requires the Department of Education to conduct a study to determine the amounts of funding, method of funding, and the costs of statewide support for gifted students which must include costs for effective and appropriate identification, staffing, professional development, technology, materials and supplies at the school district level. The Department must issue a report of its findings to the General Assembly not later than March 31, 2014.

Electronic Textbook Pilot Project

(Sections 363.160, 363.180, and 363.580)

The bill creates the Electronic Textbook Pilot Project to provide competitive grants to public and chartered nonpublic schools to be used for the purchase of electronic textbooks through the Distance Learning Clearinghouse. The Chancellor of the Board of Regents, who currently administers the Clearinghouse (see "**Distance Learning Clearinghouse**" under "**OHIO BOARD OF REGENTS**," below), will also administer the pilot project and will perform all of the following duties related to the pilot project:

- (1) Set grant criteria and select grant recipients;
- (2) Issue a request for proposals for grants by January 31, 2014;
- (3) Award grants by May 31, 2014, for use during the 2014-2015 school year;
- (4) Notify schools of, and promote participation in, the pilot project (jointly with the Superintendent of Public Instruction); and
- (5) Submit a formative evaluation of the implementation and results of the pilot project, along with legislative recommendations for changes to the pilot project, to the Governor and the General Assembly by December 31, 2015.

The bill also specifies that the number of grants awarded by the Chancellor may not exceed the number that can be funded with appropriations mad for that purpose. The bill appropriates \$1 million for each of fiscal years 2014 and 2015 for the pilot project but, as noted above, the grants will only be awarded for the 2014-2015 school year. Thus, the bill also specifies that unexpended, unencumbered funds appropriated for fiscal year 2014 carry over to fiscal year 2015.



Preparing Students for Education Success Grant Program

(R.C. 3301.80)

The bill establishes the Preparing Students for Education Success Grant Program. Under the program, the Superintendent of Public Instruction is required to award grants to certain nonprofit charitable corporations that provide charitable services to needy residents of Ohio. To qualify a nonprofit corporation must (1) have at least two Ohio locations that provide after-school programming for youth 18 years of age or younger that holistically address areas affecting student academic success, and (2) provide evidence that the students who participated in the corporation's after-school programs have shown academic improvement. The Superintendent may award a grant to a qualified corporation, upon application, provided that the application conveys a "credible plan" to use grant money (1) to establish innovative, comprehensive new programs that will serve a high concentration of youth *and* (2) to improve educational outcomes and reduce barriers to academic success through targeted programming that provides literacy achievement, homework assistance, tutoring, and high-yield learning activities; character and self-esteem building; and a comprehensive health and wellness program. The bill also creates the Preparing Students for Education Success Fund in the state treasury. However, the bill does not make a specific appropriation for the program.

The bill requires that each corporation that receives a grant must submit an annual report that provides a detailed accounting of the use of the grant money to the Superintendent and the General Assembly.

Loans to school districts

(Repealed R.C. 3313.4811, 3317.62, 3317.63, and 3317.64; conforming changes in R.C. 133.06, 3311.22, 3311.231, 3311.38, 3313.483, 3313.484, 3313.488, 3313.4810, 3315.42, 3316.041, and 3316.06)

The bill repeals provisions that authorize the Superintendent of Public Instruction to issue loans from the Lottery Profits Education Fund to qualifying school districts (subject to Controlling Board approval) and to administer those loans. These provisions apply to pre-1997 loans, which appear not to have been issued for the past several years.



School district debt service deductions

(R.C. 3317.18)

The bill removes a reference to R.C. 133.301, which was repealed in 2002, from a provision authorizing the deduction of a school district's debt service from its state operating funds. The repealed section pertained to the authorization of the issuance of certain securities by a district board.

II. Community Schools

Background

Community schools (often called "charter schools") are public schools that operate independently from any school district under a contract with a sponsoring entity. A conversion community school, created by converting an existing school district school, may be located in and sponsored by any school district in the state. On the other hand, a new "start-up" community school may be located only in a "challenged school district." A challenged school district is any of the following: (1) a "Big-Eight" school district, (2) a poorly performing school district as determined by the school's performance index, value-added progress dimension, or overall score ratings on the state report card, or (3) a school district in the original community school pilot project area (Lucas County).³⁷

The sponsor of a start-up community school may be any of the following:

- (1) The school district in which the school is located;
- (2) A school district located in the same county as the district in which the school is located has a major portion of its territory;
- (3) A joint vocational school district serving the same county as the district in which the school is located has a major portion of its territory;
- (4) An educational service center;
- (5) The board of trustees of a state university (or the board's designee) under certain specified conditions; or

³⁷ R.C. 3314.02, not in the bill. The "Big-Eight" districts are Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown.



(6) A federally tax-exempt entity under certain specified conditions.³⁸

Many, but not all, community schools are run by "operators," which are for-profit or nonprofit entities that may handle all of the day-to-day operations of the schools.

Community schools in multiple facilities

(R.C. 3314.05)

Current law allows a start-up community school to be located in multiple facilities in one district under the same contract, and to assign students in the same grade to different facilities, if the following conditions are met:

(1) The school's governing authority filed a copy of its contract with the school's sponsor with the Superintendent of Public Instruction on or before May 15, 2008;

(2) The school was not open for operation before July 1, 2008;

(3) The school's governing authority has entered into and maintains a contract with an operator that is a nonprofit organization that provides programmatic oversight and support to the school and that retains the right to terminate its affiliation with the school for failure to meet the organization's quality standards;

(4) The operator with whom the governing authority entered into a contract manages other schools in the United States that perform at a level higher than academic watch, or presumably its equivalent, as determined by the Department of Education and that at least one of the schools managed by the operator in Ohio must perform higher than academic watch, or its equivalent; and

(5) The school's performance rating does not fall below a combination of any of the following for two or more consecutive years:

(a) Continuous improvement;

(b) For the 2012-2013 and 2013-2014 school years, a rating of "C" for both performance index and the value-added dimension, or if the school serves only grades 10 through 12, a "C" for performance index only;

(c) For the 2014-2015 school year and for any school year thereafter, an overall grade of "C" or an overall performance designation of "meets standards" for community

³⁸ R.C. 3314.02(C)(1)(a) through (f).

schools that primarily serve students enrolled in dropout prevention and recovery programs.

The bill removes the requirements that the contract be filed with the Superintendent of Public Instruction on or before May 15, 2008, and that the school was not open for operation prior to July 1, 2008. By removing the timing restrictions, the bill presumably allows additional start-up community schools that meet the other requirements to locate in multiple facilities in one district under the same contract, and to assign students in the same grade to different facilities.

Community school sponsor oversight

(R.C. 3314.015)

The bill revises the provisions of current law regarding the Department of Education's oversight and approval of sponsors of community schools. Most sponsors must be approved by and enter into an agreement with the Department before they may contract with any schools. (Certain sponsors in the former pilot project area (Lucas County) are exempt from the approval provision, however.) Under current law, if at any time the State Board finds that a sponsor is no longer willing or able to comply with its duties, the State Board or its designee must conduct an administrative hearing on the matter. If the finding is confirmed, then the Department may revoke the entity's approval to be a school sponsor and may assume sponsorship of the sponsor's schools until the earlier of the expiration of two school years or until the school secures a new sponsor.

The bill extends to the State Board and Department the requirement to place a sponsor on probationary status and the option to limit the sponsor's ability to sponsor additional schools, pending satisfactory remedies, rather than outright revoke that authority as provided under current law. To facilitate this option, the bill prescribes specific procedures for placing a sponsor on probation. Under the bill, if the Department finds that a sponsor is noncompliant with applicable laws and administrative rules, the Department must declare to the sponsor the specific laws and rules for which the sponsor is noncompliant. Upon notification of its noncompliance, a sponsor has 14 days to respond to the Department with a plan to remedy the conditions for which it is noncompliant and 60 days to implement that plan. If the sponsor does not meet either of the deadlines, the Department (1) must declare to the sponsor's schools that the sponsor is in probationary status, and (2) may prohibit the sponsor from sponsoring additional schools.

If a sponsor is placed on probationary status, it may apply to the Department for that status to be lifted by submitting to the Department an application including



evidence of the sponsor's compliance with applicable laws and rules. Within 14 days of receiving an application, the Department must decide whether or not to lift a sponsor's probationary status.

The bill enacts a separate provision stating that Department's authority to approve, disapprove, or revoke the approval of an entity's sponsorship applies to *both* start-up community schools *and* conversion community schools.

Direct authorization applications

(R.C. 3314.029)

Under the existing "Ohio School Sponsorship Program," the Department of Education may directly authorize the establishment and operation of a limited number of community schools, instead of those schools being under the oversight of other public or private sponsors. Any individual, group, or entity may apply directly to the Department for authorization to establish a new community school. In addition, the governing authority of an existing community school may apply to the Department, upon the expiration or termination of the current contract with its sponsor, for direct authorization to continue operating the school. Current law allows the Department to deny an application submitted by an existing community school if a previous sponsor of that school chose not to renew its contract with the school. The bill also authorizes the Department to deny an application if the school's sponsor *terminated* that contract.

Tuition for out-of-state students

(R.C. 3314.06 and 3314.08)

The bill allows community schools to admit students who are at least five, but less than twenty-two years old and who are *not* residents of the state and to charge those students tuition.³⁹ The bill specifies that a community school may not receive funds from the state to pay for these students; thus, it may not include out-of-state tuition students in its report of enrolled students that is used to calculate state payments to the community school and the corresponding deductions from school districts.

E-school separation into multiple schools

(R.C. 3314.29)

The bill allows an Internet- or computer-based community school ("e-school") to separate into two schools by grade level if all of the following apply:

³⁹ Otherwise, community schools are generally prohibited from charging tuition.



- (1) The school was in operation before the bill's effective date;
- (2) The school offers at least grades one through eight;
- (3) The school's sponsor approves the division into two schools; and

(4) The school exercises its option to separate into two schools under the bill during either the 2013-2014 or 2014-2015 school year. However, the authority to operate as two separate schools created by the bill continues for the life of the schools.

The bill specifies that an e-school's division into two schools does not count toward the five-school annual limit on new e-schools specified under current law.⁴⁰

Dropout prevention and recovery program report cards

Ratings

(R.C. 3314.017(D))

Beginning with the 2012-2013 school year, community schools that primarily serve students enrolled in dropout prevention and recovery programs are graded under a separate academic performance rating system. That new system is different from the rating system applied to other types of public schools. But like the larger system for other schools, it is phased in over three years so that schools will not receive an overall grade until the 2014-2015 school year. Beginning with that school year, each dropout program will receive a grade based on the following four performance indicators: (1) adjusted cohort graduation rates, (2) percentage of twelfth-grade students and other students passing the graduation assessments, (3) annual measurable objectives, and (4) growth in student achievement in reading or mathematics, or both. The overall ratings that will be "exceeds standards," "meets standards," and "does not meet standards," instead of letter grades as assigned to other public schools.

The bill includes the rating of "exceeds standards," in addition to "meets standards" under current law, as a rating a dropout program can attain if the program improves by 10% both in its graduation rates and percentage of twelfth-grade students and other students passing the graduation assessments.

⁴⁰ R.C. 3314.013(B), not in the bill.

Review of performance indicators

(R.C. 3314.017(G))

The bill requires the State Board of Education, not later than December 31, 2014, to review the performance levels and benchmarks for the performance indicators used in the report card issued for community schools that primarily serve students enrolled in dropout prevention and recovery programs. The State Board may revise the performance levels and benchmarks based on data collected in developing the rating and report card system under current law.

Community school contract suspension

(R.C. 3314.072)

Current law requires the sponsor of a community school to suspend immediately the operation of the school for health and safety violations, and permits a sponsor to suspend the school's operation for (1) failure to meet student performance requirements and fiscal management standards, (2) violation of the contract or applicable state or federal law, and (3) "other good cause."⁴¹ The bill specifies that a suspended community school's contract is void, if the school's governing authority fails to provide the sponsor with a satisfactory proposal to remedy issues for which it was suspended by September 30 of the following school year. In other words, the school has until the following September 30 to remedy the issues or it will be permanently closed.

Licensing requirements for physical education instructors at community school

(R.C. 3314.03(A)(10))

Under current law, any classroom teacher who is initially hired by a community school on or after July 1, 2013, to provide instruction in physical education at that school must hold a valid license, issued by the State Board of Education, for teaching physical education. The bill eliminates this specific requirement for physical education instructors at community schools. Nevertheless, under continuing law, a community school's classroom teachers are required to hold a valid educator license or permit for teaching in public schools issued by the State Board. Therefore, a classroom teacher that is hired to provide physical education instruction at a community school must be so licensed; however, there is no longer a requirement that the license be issued specifically for the teaching of physical education.

⁴¹ R.C. 3314.07 and 3314.072.

The bill does not affect a separate requirement of current law regarding physical education instructors employed by school districts, who are still required, if hired on or after July 1, 2013, to be licensed by the State Board for the teaching of physical education.⁴²

III. Minimum School Year

School year based on hours rather than days

(R.C. 2151.011, 3313.48, 3313.481, 3313.482, 3313.533, 3313.62, 3313.88, 3314.092, 3317.01, 3317.03, 3321.05, 3326.11, and 3327.01; Sections 733.10, 803.50, 812.10 and 812.40)

Beginning in the 2014-2015 school year, the bill changes the minimum school year for school districts, STEM schools, and chartered nonpublic schools from 182 days to 455 hours for students in half-day kindergarten, 910 hours for students in grades 1 through 6 or in all-day kindergarten, and 1,001 hours for students in grades 7 through 12.⁴³ The bill does not revise the minimum school year for community (charter) schools, which is 920 hours. For a description of the current law prescribing the school year, see "**Background on current minimum school year requirements**" below.

In addition, the bill eliminates a provision of current law that specifies that a school week consists of five days, but it also adds an explicit statement that chartered nonpublic schools may be open for instruction with pupils in attendance on any day of the week, including Saturday and Sunday. The bill eliminates any requirement for a minimum school month, which is four school weeks under current law,⁴⁴ and it eliminates the requirement that a school day be at least five hours long.⁴⁵

Moreover, the bill specifies that when the term "school day" is used throughout the Education Code (R.C. Title 33), unless otherwise specified, it is construed to mean the time during a calendar day that a school is open for instruction under the schedule adopted by each particular school district board.⁴⁶ So, for example, if a student is suspended for three days from school for a violation of the district's code of conduct, that suspension will run for three days and the number of hours of each of those days as specified by the board of the district that suspended the student.

⁴² R.C. 3319.076, not in the bill.

⁴³ R.C. 3313.48(A); Sections 812.10 and 812.40.

⁴⁴ R.C. 3313.62.

⁴⁵ R.C. 3313.48.

⁴⁶ R.C. 3313.481 as reenacted by the bill.



Thus, the effect of these changes is that a school may fulfill the state minimum hourly requirements by developing an attendance schedule of its own choosing.

Exceptions

In order to satisfy the bill's minimum hourly requirements, in a manner similar to current law:

(1) A school may count up to the equivalent of two school days per year when classes are dismissed for individualized parent-teacher conferences and reporting periods.

(2) A school may count up to the equivalent of two school days per year when the schools are closed for teacher professional meetings.

(3) For students in grades K through 6, a school may count morning and afternoon recess periods of not more than 15 minutes each.

(4) Kindergarten students may be further excused for up to the equivalent of three school days, in order to acclimate to school.

(5) Seniors in high school may be excused for up to the equivalent of three school days.⁴⁷

However, unlike under current law, a school is not permitted to count any "calamity" days or hours (including two-hour delays or early dismissals) toward its minimum hourly requirement (see "**Calamity days eliminated**" below).

Public hearing on school calendar

(R.C. 3313.48(B))

The bill requires that, 30 days prior to adopting a school calendar, a district board of education must hold a public hearing on the school calendar. The hearing must address topics that include, but are not limited to, the total number of hours in a school year, length of school day, and beginning and end dates of instruction. The district board must publish notice of the meeting in a newspaper of general circulation in the district not later than 30 days prior to the hearing.

⁴⁷ R.C. 3313.48(A)(1) to (3) and 3317.01(B).

Prohibition on the reduction of hours

(R.C. 3313.48(C))

The bill prohibits a school district from reducing the number of hours that the school is scheduled to be open for instruction from one school year to the next, unless the district board of education approves the reduction by resolution. However, the resolution cannot be used to reduce the number of hours that the school is scheduled to be open for instruction below the minimum number required by law.

This provision does not apply to chartered nonpublic schools (see "**Application of district mandates to chartered nonpublic schools**," below).

Consideration of scheduling needs of other schools

Joint vocational school districts

(R.C. 3313.48(D))

The bill requires the board of each city, exempted village, and local school district, prior to making any change in the hours or days in which a high school is open for instruction, to consider the compatibility of the proposed change with the scheduling needs of any joint vocational school district (JVSD) in which any of the high school's students are also enrolled. The board must consider the impact of the proposed change on student access to the instructional programs offered by the JVSD, incentives for students to participate in vocational education, transportation provisions, and the timing of graduation. The board also must provide the JVSD board with advance notice of the proposed change, and both boards must enter into a written agreement prescribing reasonable accommodations to meet the scheduling needs of the JVSD prior to implementing the change.

(City, exempted village, and local school districts are required under continuing law to transport high school students who attend career-technical classes at another district, including a joint vocational school district, from the public high school operated by the district to which the student is assigned to the career-technical program.⁴⁸)

Community schools

(R.C. 3313.48(E) and 3314.092)

The bill further requires the board of each city, exempted village, and local school district, prior to making any change in the hours or days in which a school is

⁴⁸ R.C. 3327.01.



open for instruction, to consider the compatibility of the proposed change with the scheduling needs of any community school to which the district is required to transport students. The board must consider the impact of the proposed change on student access to the instructional programs offered by the community school, transportation provisions, and the timing of graduation. The board also must provide the sponsor, governing authority, and operator of an affected community school with advanced notice of the proposed change, and the district board and the governing authority, or operator if so authorized, must enter into a written agreement prescribing reasonable accommodations to meet the scheduling needs of the community school prior to implementing the change.

Conversely, the bill also requires the governing authority or operator of a community school to consult with each district that transports students to the community school prior to making any change in the community school schedule.

Chartered nonpublic schools

(R.C. 3313.48(F))

Finally, the bill requires the board of education of each city, exempted village, and local school district, before making a change in the hours or days in which its schools are open for instruction, to consult with the chartered nonpublic schools to which the district is required to transport students and to consider the effect of the proposed change on the schedule for transportation of those students. Conversely, the governing authority of a chartered nonpublic school must also consult with each school district board that transports students to the chartered nonpublic school prior to making any change in its schedule.

Application of district mandates to chartered nonpublic schools

(R.C. 3313.48(G))

The bill prohibits the State Board of Education from adopting or enforcing any rule or standard that would require chartered nonpublic schools to comply with the bill's provisions that require school districts to do the following:

- (1) Hold a public hearing prior to adopting the school calendar;
- (2) Adopt a resolution before reducing the number of hours the school is scheduled to be open; and
- (3) Consult with any joint vocational school district or community school when amending its school schedule.



Transportation to nonpublic and community schools

(R.C. 3327.01(D)(2))

As discussed above, the bill makes explicit that chartered nonpublic schools may be open for instruction with pupils in attendance on any day of the week, including Saturday or Sunday. However, unless an agreement to do so is in place prior to July 1, 2014, the bill exempts school districts from transporting students to and from nonpublic and community schools on Saturday and Sunday.

For a discussion of a district's transportation responsibilities see "**Background**" under "**VI. Student Transportation**," below.

Calamity days eliminated

(R.C. 3317.01(B))

A school is permitted under current law to excuse students for up to five days a year for calamity days, which are regularly scheduled hours a school is closed due to hazardous weather or comparable circumstances. The bill generally eliminates excused calamity days, and eliminates another provision in current law that permits a school to count up to two hours a day if a school opens late or closes early because of hazardous weather conditions. Thus, under the bill, if a school is required to cancel classes, open late, or close early because of inclement weather, and the closure would cause the school to fall below the state minimum hours for the year, it is the responsibility of the school to make up those hours as it chooses.

Community school calamity hours retained

(R.C. 3314.08(H)(4))

However, the bill does not affect a provision which excuses calamity days for community schools. Currently, the Department of Education is required to waive the number of hours a community school is closed for a public calamity, as long as the school provides the required minimum of 920 hours of learning opportunities to students during the school year.

Online lessons and Blizzard Bags

(R.C. 3313.482, as renumbered by Section 110.10 of the bill)

The bill retains the recently enacted provision that allows school districts, chartered nonpublic schools, and community schools to make up no more than three calamity days via online lesson plans or paper "Blizzard Bags." However, the bill



clarifies that districts and schools may make up the *equivalent* of three days using these methods.

Other changes related to the minimum school year

(Repealed R.C. 3313.481 and 3313.482)

The bill makes other changes as a result of shifting the minimum school year requirement from days to hours. First, it eliminates the provisions of law that permit a school to operate on an alternative schedule upon the approval of the Department of Education. Also, since calamity days are eliminated, the bill also eliminates the requirement that schools adopt contingency plans to make up calamity days beyond the five they are permitted now.

Collective bargaining agreements

(Section 803.50)

The bill specifically provides that its restructuring of the minimum school year does not apply to any collective bargaining agreement executed prior to July 1, 2014. But it stipulates that any collective bargaining agreement or renewal executed after that date must comply with those changes.

Background on current minimum school year requirements

Current law regulates the length of the school year and school day for both public and nonpublic schools. Community schools ("charter" schools) are not subject to the same requirements as school districts and nonpublic schools, discussed below. Instead, under continuing law, community schools must provide learning opportunities for a minimum of 920 hours per year. Traditional public schools and public STEM schools are, by statute, explicitly subject to a minimum school year and school day requirement. Nonpublic schools, however, are not explicitly subject to these requirements. Rather, the State Board of Education has, by rule, made adherence to minimum school year and school day requirements applicable to both chartered and nonchartered nonpublic schools.⁴⁹

Unless a public or nonpublic school obtains approval to operate on an alternative schedule, as discussed below, a school must be open for instruction with students in attendance at least 182 school days in a school year.⁵⁰ By statute, a school day for

⁴⁹ See R.C. 3314.03(A)(11)(a), 3313.48, 3313.62, 3326.11, and current R.C. 3313.481; Ohio Administrative Code (O.A.C.) 3301-35-08 and 3301-35-12.

⁵⁰ R.C. 3313.48. A school year begins on July 1 and ends the following June 30 (R.C. 3313.62).



students in grades 1 to 6 must include *at least* five hours, with two 15-minute recesses permitted, and a school day for students in grades 7 to 12 must be *at least* five hours, with no provisions for recesses.

The State Board of Education has rulemaking authority to further define what constitutes a school day. Those rules provide that a school day for public and nonpublic school students in grades 1 to 6 must be at least five hours, excluding a lunch period, and five and one-half hours, excluding a lunch period, for public school students in grades 7 to 12. Nonpublic school students in grades 7 to 12 need only have a school day of five hours, excluding a lunch period, which is the minimum prescribed in the statute.⁵¹

Nevertheless, a school day that is shortened by up to two hours because of hazardous weather conditions still counts as a school day towards satisfying the minimum 182-school-day requirement. In complying with the 182-day requirement, a school also may count up to four days when classes are dismissed a half-day early for individual parent-teacher conferences or reporting periods, two days for teacher professional meetings, and up to five days for a public calamity, such as inclement weather.⁵² Taking into account these permitted closings for parent-teacher conferences, reporting, professional development, and calamity days, a school must be open for instruction at least 173 days each year.

Current law also requires a public school to have a school week of five days.⁵³ This requirement does not appear to be extended to nonpublic schools by either statute or administrative rule.

Currently Mandated Minimum School Year, School Week, and School Day

	School Year	School Week	School Day	
			Grades 1-6	Grades 7-12
School Districts and STEM Schools	182 days	5 days	5 hours	5½ hours
Chartered Nonpublic Schools	182 days	Not Specified	5 hours	5 hours
Nonchartered Nonpublic Schools	182 days	Not Specified	5 hours	5 hours

⁵¹ O.A.C. 3301-35-06, 3301-35-08, and 3301-35-12.

⁵² R.C. 3313.48 and 3317.01(B).

⁵³ R.C. 3313.62.



NOTES: The 182-day school year may include up to five "calamity" days, up to four days a school was closed a half-day early for parent-teacher conferences or reporting periods, and up to two days for teacher professional meetings. The five-hour school day may include two 15-minute recesses for grades 1 to 6. Community schools ("charter" schools) are subject to an alternative requirement that they provide learning opportunities for 920 hours per year.

Alternative schedules permitted by current law

As an alternative to operating on a traditional five-hour-a-day, 182-day calendar, current law permits a school district to operate a school on a different schedule in order to (1) provide a flexible school day for parent-teacher conferences and reporting days that require more than the four half-days otherwise permitted, (2) operate on a calendar of quarters, trimesters, or pentamesters, or (3) establish a staggered attendance schedule ("split sessions"). The approval of the Department of Education is required to implement any of these alternative schedules.⁵⁴

If a school district obtains approval to operate an alternative schedule, the school must be open for instruction for at least 910 hours a year. Included within this 910-hour requirement, a school may count two 15-minute daily recess periods for students in grades 1 to 6; ten hours for individualized parent-teacher conferences and reporting periods; ten hours for teacher professional meetings; and the number of hours students are not required to attend because of public calamity days.

IV. Scholarship Programs

Educational Choice Scholarship Program

Background

The Educational Choice Scholarship Program (Ed Choice) operates statewide in every school district except Cleveland to provide scholarships for students who are assigned or would be assigned to district schools that have persistently low academic achievement. Under the program, students may use their scholarships to enroll in participating chartered nonpublic schools. Under current law, a student is eligible for a first-time Ed Choice scholarship if the student was attending, or otherwise would have been assigned to, a school building operated by the student's resident district that, on two of the three most recent report cards, either:

- (1) Received a combination of any of the following ratings:
 - (a) Academic watch or emergency, under the former rating system;

⁵⁴ Current R.C. 3313.481, repealed by the bill.



(b) A "D" or "F" for *both* the performance index score *and* the overall value-added progress dimension or if the building serves only grades 10 through 12, the building received a grade of "D" or "F" for the performance index score and had a four-year adjusted cohort-graduation rate of less than 75%. (Applies only for report cards issued for the 2012-2013 and 2013-2014 school year.)

(c) A "D" or "F" for the overall grade *or* "F" for the overall value-added progress dimension. (Applies for report cards issued for the 2014-2015 school year and thereafter.); or⁵⁵

(2) Was ranked in the lowest 10% of all public school buildings according to performance index score.

In the case of eligibility based on school performance ratings, the school cannot have been rated any of the following on the most recent report card:

(1) Excellent or effective, under the former rating system;

(2) Received an "A" or "B" for the performance index score *and* the value-added progress dimension or, if a building serves only grades 10 through 12, the building received a grade of "A" or "B" for the performance index score and had a four-year adjusted cohort graduation rate of 75% or higher. (Applies only for report cards issued for the 2012- 2013 and 2013-2014 school years.);

(3) An "A" or "B" for the overall grade *or* "A" for the value-added progress dimension or, if a building serves only grades 10 through 12, the building received a grade of "A" or "B" for the performance index score and had a four-year adjusted cohort graduation rate of 75% or higher. (Applies for report cards issued for the 2014-2015 school year and thereafter.)

In the case of students who qualify because their school was in the bottom 10% of performance index ratings, the school cannot have been rated excellent or effective on the most recent report card.

The amount of each annual Ed Choice scholarship is the lesser of (1) the tuition charged by the chartered nonpublic school in which the student is enrolled or (2) a "maximum" amount, which is:

(a) \$4,250 for grades K through 8; and

⁵⁵ H.B. 555 of the 129th General Assembly, effective March 22, 2013, created a new school district and school rating system using A through F letter grades and 15 separate performance measures.

(b) \$5,000 for grades 9 through 12.

The scholarships are financed through a "deduct and transfer" method. Each student awarded an Ed Choice scholarship is counted in the enrollment of the student's resident school district for school funding purposes. The Department of Education then deducts the amount of each student's scholarship from the district's state aid account.

Beginning with the 2011-2012 school year, no more than 60,000 Ed Choice scholarships may be awarded for each school year. (Former law had set lower limits on the maximum number of scholarships.)

The bill adds two new categories of students who qualify for Ed Choice scholarships.

Qualification based on K-3 literacy performance

(R.C. 3310.02 and 3310.03)

Beginning with the 2016-2017 school year, the bill qualifies for the Ed Choice scholarship students in kindergarten through third grade who are enrolled in a district-operated school that has received a grade of "D" or "F" in "making progress in improving K-3 literacy" in two of the three most recent state report cards issued prior to the first day of July of the school year for which the scholarship is sought.⁵⁶ A student who receives a scholarship under the bill continues to be eligible for the scholarship so long as the student remains in a qualifying district, the student takes state achievement assessments that applied to the student's grade level, and cannot have had more than 20 unexcused absences, in the previous school year. These provisions regarding continuing eligibility are already required of all recipients of the Ed Choice scholarship under current law.

Scholarships based solely on a school's K-3 literacy performance are to be counted in the total 60,000 scholarship cap that applies to the rest of the Ed Choice program under current law. (See "**Priority for Ed Choice scholarships**," below.)

⁵⁶ This is one of the measures used on the new report card system enacted by H.B. 555 of the 129th General Assembly.



Income-based eligibility

(R.C. 3310.032; Sections 263.10 and 263.320; conforming changes in R.C. 3310.01, 3310.02, 3310.05, 3310.06, 3310.08, and 3317.03)

Beginning with the 2013-2014 school year, the bill expands the Ed Choice Scholarship Program to qualify certain students based entirely on their family incomes. Under the bill, students whose family incomes are at or below 200% of the federal poverty guidelines, regardless of the academic rating of the district school they otherwise would attend, may qualify for an Ed Choice scholarship. However, the bill phases in scholarships for students from low-income families by qualifying only kindergartners for the scholarship in the 2013-2014 school year, with the next grade higher than the preceding year added in each subsequent year. A student receiving a first-time scholarship under the new income-based criteria may continue to receive a scholarship in subsequent school years through grade 12, even if the student's family income rises above 200% of the federal poverty guidelines provided the student remains enrolled in a chartered nonpublic school. All students who are newly qualified under the bill must have taken all state achievement assessments that applied to the student's grade level, and cannot have had more than 20 unexcused absences, in the previous school year.

Scholarships awarded to students under this provision are to be funded directly through an appropriation made by the General Assembly, rather than through deductions from their resident school districts' state education aid as in the case of all other Ed Choice scholarships under current law. For fiscal years 2014 and 2015, the bill finances the new income-based scholarships from the Lottery Profits Education Fund. For fiscal year 2014, the amount appropriated is \$8.5 million and, for fiscal year 2015, it is \$17 million.

If applications for the new income-based scholarships exceed the number of scholarships that can be funded by the appropriation, the bill prioritizes the awarding of scholarships as follows:

First, to students who received scholarships in the previous school year;

Second, to students with family incomes at or below 100% of the federal poverty guidelines; and

Third, to students with family incomes between 100% and 200% of the federal poverty guidelines. If the number of applications for students assigned lower priority exceeds the number of scholarships remaining available, the Department must award the remaining scholarships by lot.



Scholarships based solely on income eligibility are *not* to be counted in the total 60,000 scholarship cap that applies to the rest of the Ed Choice program under current law (see below).

Priority for Ed Choice scholarships

(R.C. 3310.02)

Students eligible under the new K-3 literacy performance category are included in the overall priority list in the event that the number of applicants exceeds the overall cap. Thus, in years when applications exceed the total number of available scholarships, priority for awarding scholarships is as follows:

First, to eligible students who received them in the previous school year (current law);

Second, to students eligible because of the performance rating or grade of their district buildings *and* whose family incomes are at or below 200% of the federal poverty guidelines (current law);

Third, to all other students eligible because of the performance rating or grade of their district buildings (current law);

Fourth, to students in kindergarten through third grade who are eligible because of the K-3 literacy grade of their district buildings *and* whose family incomes are at or below 200% of the federal poverty guidelines (added by the bill);

Fifth, to all other students in kindergarten through third grade who are eligible because of the K-3 literacy grade of their district buildings (added by the bill);

Sixth, to students who are eligible because of the performance index score ranking of their district buildings *and* whose family incomes are at or below 200% of the federal poverty guidelines; and

Finally, to all other students who are eligible because of the performance index score ranking of their district buildings.

If the number of applicants in any of the categories listed above exceeds the amount of available scholarships, scholarships must be awarded on the basis of a lottery.

As noted above, students eligible under the bill's new income-based eligibility are not subject to the 60,000 scholarship cap.



Eligibility based on performance index score ranking

(R.C. 3310.03(B))

As noted under "**Background**" above, current law qualifies students for Ed Choice scholarships if their district schools have been ranked in the lowest 10% of school buildings based on performance index score for at least two out of three years and have not been rated "excellent" or "effective" in the most recent report card ratings. The bill specifies that such a qualifying student's building not be rated, in that most recent report card, as excellent or effective "or the equivalent of such ratings as determined by the Department of Education." This change is to accommodate the new report card and rating system based on letter grades. Also that new system does not provide for any overall score until the 2014-2015 school year. Thus, a determination of an "equivalent" rating may be necessary to administer that component of the program.

Students who qualify under more than one category

(R.C. 3310.032 and 3310.035)

The bill specifies that if a student is eligible for the Ed Choice scholarship based on both the student's public school performance and the bill's new Ed Choice scholarship expansion based on family income, the student, applying for the scholarship for the first time, must receive the scholarship based on public school performance and not family income.

However, once a student receives an Ed Choice scholarship, the student will continue to receive the scholarship under the provision for which the student received the scholarship in the previous year so long as that student continues to meet the requirements for the scholarship. Thus, if a student qualified for the first time for the Ed Choice scholarship under the expansion based on family income, received a scholarship under that provision, and then subsequently became eligible to receive a scholarship based on where the student attends, the student would continue to receive the scholarship under the family income expansion and that scholarship will be funded accordingly.

Pilot Project (Cleveland) Scholarship Program

(R.C. 3313.978)

The bill increases the maximum amount allowed for any student in grades 9 through 12 under the Pilot Project (Cleveland) Scholarship Program from \$5,000 to \$5,700 beginning in fiscal year 2014. The bill does not increase the maximum amount for



students in grades K-8 (\$4,250), nor does it appropriate or earmark additional funds to finance the increased maximum high school scholarship amount.⁵⁷

Background

The Pilot Project Scholarship Pilot Program provides scholarships to attend alternative schools, including private schools, and tutorial assistance grants to certain students who reside in any school district that is or has been under a federal court order requiring supervision and operational management of the district by the Superintendent of Public Instruction. Currently, only the Cleveland Municipal School District meets this criterion. The program has been authorized since 1995. It is financed partially with state funds and partially with an earmark of Cleveland's state payments.

Jon Peterson Special Needs Scholarship Program – formative evaluation

(Sections 125.11.10 and 263.440)

Under the bill and a provision of current law enacted in H.B. 153 of the 129th General Assembly, the Department of Education is required to conduct a formative evaluation of the Jon Peterson Special Needs Scholarship Program and to report its findings to the General Assembly by December 31, 2014. Under the current H.B. 153 provision, the Department is required to include in the report an assessment on (1) the level of the participating student's satisfaction with the program, (2) the level of the participating parent's satisfaction with the program, and (3) the fiscal impact to the state and resident school districts affected by the program. In addition, the H.B. 153 provision permits the Department to contract with one or more qualified researchers who have previous experience evaluating school choice programs to conduct the study and to accept grants to assist in funding the study.

While the bill maintains the requirement for a formative evaluation for the program, it eliminates all of the required assessments for the report, as well as the provisions permitting the Department to contract with a qualified researcher and to accept grants for the study.

Background

The Jon Peterson Special Needs Scholarship Program provides scholarships for children with disabilities to attend special education programs other than those offered by their school districts. The program applies to any identified disabled child in grades K through 12. It began operating in the 2012-2013 school year. A scholarship may be

⁵⁷ The bill does not affect the maximum amount of a tutorial assistance grant under the program, which is \$400.

used to pay the expenses of a public or private provider of special education programs for implementation of the child's individualized education program (IEP) and other services that are not in the IEP but are associated with educating the child.⁵⁸

V. State Board Standards and Reporting

School district and school minimum operating standards

(R.C. 3301.07(D))

Continuing law requires the State Board of Education to formulate and prescribe minimum standards to be applied to all elementary and secondary schools. The bill revises the statutory specifications for those minimum standards. First, it states that the minimum standards are intended for the purpose of *providing children access to a general education of high quality*, rather than *requiring* that education as stated in current law. It also specifies that, in providing children access to "a general education of high quality," the standards must be prescribed according to the learning needs of each individual, including students with disabilities, economically disadvantaged students, limited English proficient students, and gifted students.

The bill also makes all of the following changes regarding the content of the minimum operating standards:

(1) Adds the requirement that any standards governing the assignment of staff must be based on ensuring each school has a sufficient number of teachers to ensure a student has an appropriate level of interactions to meet each student's personal learning goals;

(2) Removes the requirement that the standard for instructional materials and equipment, including library facilities, be aligned with and promote skills expected under the statewide academic standards;

(3) Specifies that the standards must provide for *the provision of safe building, grounds, health and sanitary facilities and services*;

(4) Revises statutory language regarding school organizational standards (permitted but not required of the State Board) to express a "commitment to high expectations for every student" based on the learning needs of each individual, including students with disabilities, economically disadvantaged students, limited English proficient students, and gifted students, and that the "commitment to closing

⁵⁸ R.C. 3310.52, not in the bill.



the achievement gap" must be done without suppressing the achievement levels of higher achieving students;

(5) Adds standards for promotion and graduation based on the ability of students, at any grade level, to earn credits or advance upon demonstration of mastery of knowledge and skills through competency-based learning models and specifies that credits of grade level advancement must not require a minimum number of days or hours in a classroom; and

(6) Removes descriptive language of permissive school standards regarding the effective and efficient organization, administration, and supervision of each school district and school district building.

Financial reporting requirements for schools

(R.C. 3301.07(B), 3314.042, 3317.01, 3326.112, and 3328.27)

Currently, the statutory specifications for the State Board of Education financial reporting standards require that certain categories of financial information be shown at *either* the school district *or* the school building level. The specific categories that the format is required to show include (1) revenue by source, (2) expenditures for salaries, wages, and benefits of employees, showing such amounts separately for specified employees, (3) expenditures other than for personnel, by category, and (4) per pupil expenditures.

The bill revises the statutory specifications for these financial reporting standards. Under the bill, such financial information must be shown at *both* the district and school building level. The format must show all of the categories listed above, in addition to (1) total revenue and expenditures, (2) per pupil revenue, and (3) expenditures for both (a) classroom and nonclassroom purposes and (b) the aggregate and each subgroup of students that receives services provided for by state or federal funding. (See also "**Accountability for subgroups**" under "**I. School Financing**" above.)

In addition, the bill requires each governing authority of a community school, governing body of a STEM school, or board of trustees of a college-preparatory boarding school, or its respective designee, to report annually to the Department of Education financial information in accordance with State Board's standards in the same manner as currently required for school districts and their boards.

Finally, the bill specifies that the Department must post district and school financial information in a prominent location on its web site and notify each school when the reports are made available.



Performance management information

(R.C. 3302.26)

The bill requires the Department of Education to create a performance management section on its web site. This section must include all of the following:

(1) Information on academic and financial performance metrics for each school district to assist schools and districts in providing an effective and efficient delivery of educational services;

(2) A graph that illustrates the relationship between a district's academic performance, as measured by performance index score, and its "expenditure per equivalent pupils" as compared to similar districts. The bill defines a district's expenditure per equivalent pupils as the total operating expenditures of a school district divided by the measure of "equivalent pupils" (which is the total number of students in a school district adjusted for the relative differences in costs associated with the unique characteristics and needs of each pupil category).

(3) Statistics of academic and financial performance measures for each school district to allow for a comparison and benchmarking between districts.

The bill permits the Department to contract with an independent organization to develop and host the performance management section of its web site.

VI. Student Transportation

Background on student transportation responsibilities

State law generally requires each city, exempted village, and local school district to transport to and from school any student in grades K to 8 who resides in the district and is enrolled in a school that is more than two miles from the student's home. A district is required to transport resident students attending the district's own schools, as well as those attending nonpublic schools and community schools. A district may choose to transport students it is not required to transport, including high school students. If a district opts to transport high school students, it appears that the district must offer that service to nonpublic and community school students as well as those attending its own schools. Still, a district need not transport any private or community school student for whom the direct travel time is more than 30 minutes. A district may



offer a payment in lieu of providing transportation to the parent of a student it is required to transport, upon a finding that it is impractical to transport that student.⁵⁹

Transportation subsidy

(R.C. 3327.01 and 3327.02 and Section 263.463; conforming changes in 3314.09, 3314.091, and 3326.20)

The bill eliminates the payment in lieu option of transportation option and instead replaces it with a transportation subsidy. Beginning in the 2014-2015 school year, the bill allows a student's parent, or the student if the student is at least 18 years of age and is not appointed a guardian or custodian, to opt to receive a subsidy instead of transportation from the school. If a parent or student chooses to apply for the subsidy, the school district is no longer required to provide transportation to and from school for that student.

Only those students enrolled in a school district, community school, STEM school, or nonpublic school for whom a district is required to transport may receive the subsidy. However, the subsidy is not available for any of the following:

(1) A student attending a community school or nonpublic school that is more than 30 miles of direct travel time, as provided under current law;

(2) A student attending a community school that either has an agreement with the district for the community school to transport the students or accepts responsibility to transport students;

(3) A student who attends a school district other than the student's resident district under an open enrollment policy;

(4) A student who attends school in a school district in which the student was entitled to attend at the end of the first full week of October of the school year, and the student or parent has moved to a new address located outside of that school district but is located within the same county.⁶⁰

In order to receive the subsidy, a parent or student must submit an application to the Department of Education and notify the school district by deadlines prescribed by the Department. So long as the parent or student qualifies under the bill and meets the procedures and deadlines set by the Department, the Department must award subsidies

⁵⁹ R.C. 3327.01 and R.C. 3327.02 (repealed by the bill).

⁶⁰ R.C. 3313.64(I).

to all applicants. Subsidies are to be awarded annually, and parents and students must reapply for a subsidy for each school year. The State Board of Education must adopt rules that prescribe procedures necessary to implement the transportation subsidy. In addition, the Department must set deadlines that would give districts enough time to account for those students opting to take the subsidy in planning its transportation routes and schedules for the following school year.

Subsidy amount

The amount of the subsidy is the lesser of the statewide average cost of pupil transportation for the previous school year or the average cost of pupil transportation for the previous school year for the student's resident school district. The Department must pay that amount in quarterly payments. In contrast, the payment in lieu of transportation, under current law, must be at least as high as a minimum set by the Department, but cannot exceed the statewide average cost for the previous year.

To fund the subsidy, the Department must deduct the amount of each subsidy from the state aid account of the student's resident district. The bill instructs the Department to include students who receive the subsidy in the calculation of the district's transportation payment. (See also "**Transportation funding**" under "**I. School Financing**" above.)

No effect on college-preparatory boarding schools

The bill specifies that the replacement of payment in lieu of transportation with the transportation subsidy has no effect on a school district's responsibility to transport a student to and from a college-preparatory boarding school. Under current law, a boarding school student's resident school district is responsible for the student's weekly transportation to and from the boarding school.

Public transit as a means to transport

(R.C. 3327.01(H))

Public transit buses are an authorized form of vehicle to transport students to and from school under the State Board of Education's rule.⁶¹ The bill prohibits a school district from using public transit busses to transport students in grades kindergarten through five to and from school. It does not affect their use for other grade levels.

⁶¹ Ohio Administrative Code 3301-83-19.



Fee for transportation charged by chartered nonpublic schools

(R.C. 3327.07)

Effective July 1, 2014, the bill specifically permits a chartered nonpublic school to charge a fee for transportation, regardless of whether the student is eligible for transportation by a school district, if the chartered nonpublic school's governing authority purchased the vehicle transporting the student using without state or federal funds. This includes permission to charge a fee for transportation to a parent or guardian who opts to receive a subsidy instead of receiving transportation from the school district (see "**Transportation subsidy**," above) and to a parent or guardian who chooses to decline transportation services from their child's resident school district and use transportation provided by the chartered nonpublic school instead.

Under the bill, a chartered nonpublic school may not charge the parent or guardian of a student a fee that exceeds the per student cost of the transportation, as determined by the governing authority of the chartered nonpublic school.

The bill states that nothing in its nonpublic school fee-charging provisions relieves school districts from any statutory duty to provide transportation to students enrolled in chartered nonpublic schools under current law.

Community school responsibility to transport

(R.C. 3314.091)

Current law permits a community school and a school district to enter into a bilateral agreement under which the community school will transport the district's resident students in return for a payment specified in the agreement. It also permits a community school to unilaterally assume responsibility for transporting a school district's resident students to and from the school. If it does so, the community school will receive the district's state subsidy amount attributable to those students, which will be deducted from the district's state aid account. To unilaterally assume responsibility, the governing authority of the community school must submit written notification to the school district board of education by January 31 of the preceding school year.

The bill allows the governing authority of a community school that is not yet open for operation to assume responsibility for providing or arranging for the transportation of its students if it submits written notification to do so by April 15th of the preceding school year. Once the community school opens for operation, it must comply with the requirements under current law to renew or relinquish that responsibility.



Under current law, not affected by the bill a community school's acceptance of the transportation responsibility must cover an entire school year. It remains in effect for subsequent school years unless the community school submits written notification to the school district board of education relinquishing the responsibility. However, the community school cannot relinquish responsibility before the end of a school year and must submit notice of its relinquishment by January 31 of the preceding school year to allow the district reasonable time to prepare transportation for its resident students enrolled in the school. If the community school relinquishes its transportation responsibility, it cannot resume it in a future school year without the consent of the district board of education.

Transportation funding data

(R.C. 3317.0212(H))

The bill requires each city, local, and exempted village school district to report all data the district uses to calculate transportation funding to the Education Management Information System, which is an electronic database of district and school operational, financial, and student data maintained by the Department of Education.

VII. Other Education Provisions

Post-Secondary Enrollment Options Program

(R.C. 3365.01, 3365.02, 3365.022, 3365.07, and 3365.12)

Background

The Post-Secondary Enrollment Options Program (PSEO) allows high school students to enroll in nonsectarian college courses on a full- or part-time basis and to receive high school and college credit. Students in public high schools (school districts, community schools, and STEM schools) and nonpublic high schools (both chartered and nonchartered) are eligible to participate in the program. College courses under the program may be taken at any participating state institution of higher education, private nonprofit college or university, or private for-profit educational institution.

PSEO consists of two "options," which the student elects at the time of enrolling in the college course. Under Option A, the student is responsible for payment of all tuition and other costs charged by the higher education institution. Under this option, the student may further elect to receive only college credit for a completed course or to receive both college and high school credit. Under Option B, the student receives both college credit and high school credit for successfully completing a college course, and



the state makes a payment to the institution of higher education on the student's behalf. The bill retains both of these options under its new College Credit Plus Program.

The state payment to an institution of higher education on behalf of a student under PSEO is made in the fiscal year after the student completes the college course. State payments for students enrolled in public high schools are deducted from the state aid accounts of the students' school districts, community schools, or STEM schools. State payments for students enrolled in nonpublic high schools are paid out of a separate state amount set aside for that purpose, since those schools do not receive operations funding from the state. The amount of the payment for each public or nonpublic secondary student is the lesser of the actual cost of tuition, textbooks, materials, and fees associated with the college course or the full-time equivalent percentage of time the student attends the course multiplied by the "tuition base," which the bill defines as the "formula amount" under its school funding formula. That amount is \$5,732, for fiscal year 2014, and \$5,789, for fiscal year 2015.

In recent years, however, due to the limited amount of funds and growing demand for PSEO courses by private school students, temporary law also authorized the Department of Education to apportion those funds according to rule of the State Board of Education. Under that rule, the Department allocates funding to private school students according to units of study (that is, one course at a time for each student) and by giving priority to students based on their grade levels. Thus, twelfth-grade students have the highest priority for funding.

Qualification of home-instructed students for participation in PSEO

(R.C. 3365.01 and 3365.022)

Beginning July 1, 2013, the bill qualifies any student who has been excused from Ohio's compulsory school attendance law for the purpose of home instruction, and is considered the academic equivalent of a student in grades 9-12, to participate in the PSEO program.

Under the bill, if a home-instructed student wishes to participate in the PSEO program, the student's parent or guardian must notify the Department by April 1 of the prior school year, which is currently the same deadline applied to nonpublic school students. However, for the 2013-2014 school year, the bill allows the Department to accept late applications from home-instructed students who wish to participate during the 2013-2014 school year. For subsequent school years, April 1 will remain the notification deadline.

The bill specifies that if a home-instructed student enrolls at a participating college under the PSEO program (and chooses to take courses under Option B to have



the college reimbursed), payments to that participating college must be made in the same manner as those payments made for students who attend a nonpublic school. As noted above, such payments come from a separate state amount set aside and are apportioned by rule of the State Board of Education.

Alternative funding agreements

(R.C. 3365.12)

Under current law, a participating college may receive reimbursement for PSEO through an alternative funding agreement with a high school, so long as (1) both the high school and the institution mutually agree on the alternative formula and (2) the alternative formula meets the rules adopted by the Superintendent of Public Instruction and the Chancellor of the Board of Regents.

The bill stipulates that the rules adopted by the Superintendent and the Chancellor must prohibit charging a student participating in PSEO any tuition or fees.

Course content and reimbursement

(R.C. 3365.07(C))

The bill prohibits the Department from reimbursing a participating college for any course that is not included in, or is the equivalent to, a transfer module or the Chancellor of the Board of Regents' Transfer Assurance Guide. A transfer module is a subset or a complete set of courses that satisfy an institution of higher education's general education requirements but that can be completed at another institution. The Transfer Assurance Guide (or "TAG") provides a system to match courses based on learning outcomes, regardless of at which state institution of higher education they are completed, so that a student who completes a TAG course is guaranteed that the credit for that course will transfer.

College admission requirements

(R.C. 3365.02(F))

Under current law, the State Board of Education is required to adopt rules to govern the PSEO program. One of the required rules is that a student may not enroll in a college course through the program if that student (1) has already taken high school courses in the same subject area as that college course and (2) has failed to attain a cumulative GPA of at least 3.0 on a 4.0 scale in such completed high school courses.

The bill eliminates this provision and replaces it with a requirement that student participation in PSEO be based solely on the participating college's established



admission standards. Therefore, it appears that this provision would prohibit a college from imposing on PSEO students entrance requirements that are more lax or more stringent than those imposed on other entering first-year undergraduate students. Nevertheless, certain college courses require prerequisites to be completed before enrolling in the class, which would likely allow colleges to require PSEO students to complete particular high school courses as prerequisites before enrolling in certain courses at the college level.

Dual enrollment programs

(R.C. 3313.6013)

The bill adds Early College High Schools to the list of programs or options that qualify as dual enrollment. Early College High Schools allow students to simultaneously take high school- and college-level courses, with the goal of earning both a high school diploma and an associate's degree at the time of graduation.

Background

Under current law, a "dual enrollment program" is a program in which a student, who is currently enrolled in a high school, may choose to participate in order to earn credit toward a college degree while also completing the high school curriculum requirements. All public high schools in the state, as well as chartered nonpublic high schools, are required to offer at least one dual enrollment program.

Several programs or options currently qualify as dual enrollment, including the PSEO Program, Advanced Placement (AP) courses, and any program that is similar to PSEO and AP and is agreed upon by both the high school and the institution of higher education. Under the AP Program, students complete advanced coursework in specified subject areas (i.e. American History, English) with the possibility of earning college credit toward a degree. Students earn college credit based upon attainment of a specified score, prescribed by each institution of higher education, on the AP examination in the respective subject area.

Participation in district extracurricular activities

(R.C. 3313.5311 and 3313.5312)

Chartered and nonchartered nonpublic school students

The bill requires each school district superintendent to afford any of the district's resident students who are enrolled in a chartered or nonchartered nonpublic school the opportunity to participate in extracurricular activities offered by the district school the student would attend, if the student's nonpublic school does not offer that



extracurricular activity. The bill also permits, but does not require, a school district superintendent to afford any student who (1) is enrolled in a nonpublic school and (2) is *not* entitled to attend school in that district, the opportunity to participate in an extracurricular activity offered by a school of the district if (1) the student's nonpublic school does not offer the activity, and (2) the activity is not interscholastic athletics, interscholastic contests, or competition in music, drama, or forensics.

To participate, the student must (1) meet age and grade level requirements for the school offering the activity, as determined by the district superintendent, and (2) fulfill the same academic, nonacademic, and financial requirements as any other participant in the extracurricular activity.

Homeschooled students

Similarly, the bill requires each district superintendent to afford any of the district's resident students who are receiving home instruction (homeschooled) the opportunity to participate in extracurricular activities offered by the student's resident district school. If the student is eligible to attend more than one school in the district, the student must participate at the school to which the student otherwise would be assigned. A student may *not* participate in an activity in another district or school to which the student is not entitled to attend, if the activity is offered by the student's resident district school. However, if a homeschooled student's resident district does *not* offer a particular activity in which the student is interested, the superintendent of any school district is *authorized* to afford the student the opportunity to participate in that activity.

To participate, the student must (1) meet age and grade level requirements for the school offering the activity, as determined by the superintendent, (2) fulfill the same academic, nonacademic, and financial requirements as any other participant in the extracurricular activity, and (3) fulfill either of the following requirements: (a) meet academic requirements established by the State Board of Education for the continuation of home instruction (if homeschooled in the preceding school year), or (b) based on the student's academic record for the preceding school year, meet the district's academic eligibility standards for participating in extracurricular activities (if *not* homeschooled in the preceding school year).

The bill also specifies the eligibility requirements for students who are homeschooled for less than one full school year. For a student who leaves a district school to be homeschooled in the middle of the school year, eligibility is determined based on an interim academic assessment issued by the student's resident district that is based on the student's work while enrolled in the district. Moreover, a student who begins homeschooling after the school year commences, and who fails to meet the



academic requirements of the student's resident district at the commencement of homeschooling, is ineligible to participate in extracurricular activities. Such a student is ineligible at least for the remainder of the semester in which the student was determined ineligible and also until the student meets the State Board's academic requirements for homeschooling.

The bill does not specify the eligibility requirements for a student who terminates homeschooling to attend school in the student's resident district.

Fee, rule, and eligibility restrictions

The bill prohibits a school or district from imposing fees for a nonpublic school student or homeschooled student to participate in extracurricular activities that exceed any fees charged to other students for the same activities. It also prohibits the imposition of additional rules that do not apply to other students participating in the same activity. Finally, the bill prohibits a school district, interscholastic conference, or organization that regulates interscholastic conferences or events from imposing eligibility requirements that conflict with the any of the applicable provisions.

Background

Under current law, school districts must afford to any of its resident students enrolled in a community school or STEM school the opportunity to participate in extracurricular activities offered by the traditional public school to which the student otherwise would be assigned. An "extracurricular activity" is a student activity program that a school or school district operates that is not included in the graded course of study. It also includes an interscholastic extracurricular activity that a school or district sponsors or participates in and that has participants from more than one school or district. To participate, a student must fulfill the same academic, nonacademic, and financial requirements as any other participant in the extracurricular activity.⁶²

A school or district may not impose fees for a community school or STEM school student to participate in extracurricular activities that exceed any fees charged to other students for the same activities. No school district, interscholastic conference, or organization that regulates interscholastic conferences or events may impose eligibility requirements that conflict with any of the applicable provisions.

⁶² R.C. 3313.535 and 3313.537, neither in the bill.

Academic distress commission for knowing manipulation of student data

(Section 263.490)

The bill permits the Superintendent of Public Instruction to establish an academic distress commission for any school district that is found by the Auditor of State to have knowingly manipulated student data with evidence of intent to deceive. Under the bill, such a commission may exercise all the authority vested in an academic distress commission that is established for a district with persistent poor academic performance. As such, the commission is tasked with assisting the district for which it was established in improving the district's academic performance.

The bill specifies that such a commission must consist of five voting members, three of whom are appointed by the Superintendent and two of whom are residents of the school district and appointed by the mayor of the largest municipality within that district. Under the bill, when a district becomes subject to this provision, the Superintendent must: (1) provide written notification of that fact to the mayor of the largest municipality within the district and (2) request that the mayor submit the names of the mayor's appointees. All appointments to the commission must be made within 30 days after the district is notified that it is subject to this provision.

If a member is unable to serve for any reason, the appointing authority must appoint a successor within 15 days after the vacancy occurs. Otherwise, the bill specifies that each member serves without compensation (except for necessary and actual expenses incurred while engaged in the business of the commission) at the pleasure of the member's appointing authority for the entire life of the commission.

The bill requires that a commission under this provision adhere to the same requirements as any other academic distress commission. The bill requires that such a commission ceases to exist based on rules adopted by the State Board of Education. Accordingly, the bill also requires that, not later than 90 days after the bill's (immediate) effective date, the State Board adopt these rules.

Under the bill, the Department of Education must compile a final report of the commission's activities upon termination of that commission, to assist other academic distress commissions in the conduct of their functions.

Administration of kindergarten diagnostic assessments

(R.C. 3301.0715)

The bill specifies that, beginning July 1, 2014, each kindergarten student must take the prescribed diagnostic assessments between the first day of school and the first



day of November, "except that the language and reading skills portion of the assessment must be administered by the thirtieth day of September." Current law, maintained until July 1, 2014, specifies that each kindergarten student must take the diagnostic assessments not earlier than four weeks prior to the first day of school and not later than the first day of October.

Under continuing law, each school district, community school, and STEM school is required to administer certain diagnostic assessments at the appropriate grade level to specified students. For grades kindergarten through two, the prescribed diagnostic assessments are in reading, writing, and mathematics, and for grade three, the prescribed diagnostic assessments are in reading and writing. These assessments are used to determine which students need to receive additional services in order to attain grade level performance.⁶³

Kindergarten early enrollment

(Section 263.473)

The bill prohibits any entity from requiring a student who was admitted to and successfully completed kindergarten in the 2012-2013 school year to repeat kindergarten based solely on the age of the student. Thus a student who successfully completed kindergarten in the 2012-2013 school year, but was younger than five years of age may not be held back from first grade because the student is younger than the compulsory school age.

Under current law, a child who is between 6 and 18 years of age is "of compulsory age." However, once a child is enrolled in kindergarten, that child is also considered "of compulsory school age." A child generally must be five or six years old, respectively, by September 30, unless the district has opted to set the earlier cut-off date of August 1, in order to enroll in kindergarten or first grade. A child admitted also can be prior to attaining 5 or 6 years of age by meeting conditions prescribed under a district's (or school's) acceleration policy.⁶⁴

Governor's Effective and Efficient Schools Recognition Program

(R.C. 3302.22)

Law enacted in 2011 created the Governor's Effective and Efficient Schools Recognition Program. Under that program, the Governor annually recognizes the top

⁶³ R.C. 3301.079, not in the bill.

⁶⁴ R.C. 3321.01.



10% of all public schools in Ohio from among city, exempted village, local, or joint vocational school districts; community schools; and STEM schools. These top schools are determined by the Department of Education according to standards established by the Department, which must include (1) student performance, including, at a minimum, performance indicators, report cards, performance index scores, and statewide and national assessments, and (2) fiscal performance, including cost-effective measures taken by schools.

The bill revises this program in several ways. First, it requires the Department to consult with the Governor's Office of 21st Century Education in establishing standards for the program.

Next, while it continues to require the standards to include indicators for both student performance and fiscal performance, the bill now makes the application of these indicators contingent upon the availability of data. Also, the standards for student performance and fiscal performance are no longer required to include any specific factors for determining performance but may vary based upon type of public school. Moreover, the performance standards may be applied either at the school building or district level.

Finally, the bill adds college-preparatory boarding schools to the list of schools eligible for recognition.

Teacher and nonteaching school employee salary schedules

(R.C. 3317.12 and 3317.14; repealed R.C. 3317.13; conforming changes in R.C. 3311.78, 3313.42, 3317.19, 3317.141, 5126.24, and 5705.412)

The bill repeals a provision from current law that specifies the minimum salary schedules for teachers. The bill also eliminates provisions prescribing (1) the salary schedule filing deadlines and requirements for teachers and nonteaching school employees and (2) the conditions upon which the salary schedules for teachers and nonteaching school employees must be based. In eliminating those provisions, the bill generally requires each school district board of education annually to adopt salary schedules for teachers and nonteaching school employees.

The bill does not affect separate provisions of law affecting teacher salaries in a municipal school district (Cleveland) enacted in 2012.⁶⁵

⁶⁵ R.C. 3311.78, as amended by Sub. H.B. 525 of the 129th General Assembly.



Background

Current law requires the board of education of each school district and the governing board of each educational service center (ESC) to annually adopt a teacher salary schedule. If a district or ESC receives federal Race to the Top funds, it must adopt a merit-based salary schedule.⁶⁶ But, if not, the district or ESC must adopt either a merit-based schedule or one that contains provisions for increments based on training and years of service. In addition, each district and ESC must adopt a salary schedule for nonteaching employees based upon training, experience, and specified qualifications. While a board is permitted to establish its own service requirements and system for granting credit for service in schools not under the control of the board, the law also prescribes a *minimum* schedule for teacher salaries with which all school district and ESC boards must comply.⁶⁷ Under the statutory schedule, the base salary is \$20,000 for a teacher with zero years of service and a bachelor's degree. All of the other salaries on the schedule are increments upward (or downward in some cases, if a teacher does not have a bachelor's degree) as a teacher gains experience and education.⁶⁸ It is this minimum schedule that the bill eliminates.

Assignment of business manager functions

(R.C. 3319.031; Section 733.20)

The bill authorizes a school district board of education that chooses not to employ a business manager to assign the statutorily prescribed powers and duties of a business manager to one or more other district employees or officers, and to give them any title that reflects the assignment of those duties. The bill also specifies that one of the district officers that may be given the powers and duties of a business manager is the district treasurer. Moreover, it states that the current prohibition against a business manager having possession of district moneys does not prevent the district board from assigning the business manager's powers and duties to the treasurer and does not prevent the treasurer who is assigned those powers and duties from exercising the powers and duties of a treasurer. If a board assigns the duties of a business manager to the district treasurer, the bill specifies that the district superintendent – not the treasurer – is responsible for making recommendations for the appointment or discharge of most "noneducational employees." The district treasurer may retain, appoint, or discharge responsibility over noneducational staff assigned to the district's fiscal affairs, as under current law.

⁶⁶ R.C. 3317.141.

⁶⁷ R.C. 3317.12 and 3317.14.

⁶⁸ R.C. 3317.13, repealed by the bill.



The bill also contains an uncodified provision expressing the General Assembly's intent to supersede the effect of a recent appellate district court decision, to the extent it conflicts with the bill's provisions permitting a district board, in its "sole discretion," to assign the roles and functions of a business manager to one or more other employees or officers of the board, including the treasurer. In 2007, in *OAPSE/AFSCME Local 4 v. Berdine*,⁶⁹ the Eighth Appellate District Court of Appeals (Cuyahoga County), held that a school district board could not hire the same person as the treasurer and as the "director of support services," the latter of which had job duties very similar, but not identical, to the statutory duties of a district business manager. The court held that, by statute, a treasurer could not be "otherwise regularly employed" by the district board and the director of support services (functionally the equivalent of a business manager) could not have custody of the district's moneys. Thus, the same person could not be employed in both positions.

Background

Each school district board may (but is not required to) employ a district "business manager." If a board does employ a business manager, it may specify that the person either is responsible directly to the board or to the district superintendent. No one may be employed as a business manager without a business manager's license issued by the State Board of Education. A business manager's statutory duties include (1) care and custody of all district property except moneys, (2) supervision of the construction, maintenance, operation, and repairs of buildings, (3) advertisement for bids for, purchase of, and custody of all district supplies and equipment, and (4) assistance in the preparation of the district's annual appropriation resolution. The business manager also may be given the authority to employ and terminate (with board confirmation) "noneducational employees," except those employees directly engaged in day-to-day fiscal operations and who are, instead, under the supervision of the district treasurer.⁷⁰

On the other hand, a district board must employ a district treasurer, who the statute specifies is the chief fiscal officer of the school district. Accordingly, the treasurer has custody of the district funds and is responsible for its financial affairs. The treasurer reports to and is subject to the direction of only the district board. And, as noted above, current law specifies that the treasurer may not be "otherwise regularly employed by the board."⁷¹

⁶⁹ 174 Ohio App.3d 46.

⁷⁰ R.C. 3313.03 and 3313.04, neither in the bill.

⁷¹ R.C. 3313.22 and 3313.31, neither in the bill.



District superintendent nomination of teachers for employment

(R.C. 3319.07)

Each school district board of education must employ the teachers of the schools of its district. Additionally, the governing board of each educational service center employs certain teachers to provide services to the school districts with service agreements with the ESC. However, no teacher may be employed unless nominated by the superintendent of either the school district or ESC. Also, continuing law prohibits any public official from knowingly authorizing, or from employing the authority or influence of the public official's office to secure authorization of, any public contract in which, a member of the public official's family has an interest.⁷²

Thus, current law prohibits a district superintendent from nominating for employment a family member and creates a conflict for a district superintendent where a family member also is qualified to teach in the same district. To address this situation, the bill permits a different individual, who is selected by the district or ESC board, to nominate an individual who is related to the superintendent for employment within that district or ESC.

In-service training for human trafficking prevention

(R.C. 3319.073)

The bill requires that human trafficking content be added to every public school's in-service training program in school safety and violence prevention, which most school employees are required to complete. Currently, school districts, community schools, and STEM schools are required to offer an in-service training program to all employees who work as a nurse, teacher, counselor, psychologist, or administrator at the district or school. The program must include training in school safety and violence prevention, which includes bullying, harassment, intimidation, dating violence, and youth suicide. School employees are required to complete four hours of training every five years.

Physical activity pilot program

(R.C. 3313.6016)

Current law authorizes school districts, community schools, STEM schools, and chartered nonpublic schools to participate in a physical activity pilot program in which participating districts and schools must require most students to engage in at least 30 minutes of moderate to rigorous physical activity each school day, exclusive of recess.

⁷² R.C. 2921.42, not in the bill.



The bill requires a participating school district to select one or more school buildings to participate in the program, rather than requiring all schools operated by the district as provided under current law. Moreover, the bill adjusts the program's 30-minute daily requirement for a participating school's students by allowing the students, alternatively, to satisfy the requirement with at least 150 minutes of physical activity in a week.

Report card rating system benchmarks

(R.C. 3302.03(L))

H.B. 555 of the 129th General Assembly enacted a new A-F letter grade academic performance rating and report card system for school districts and individual schools. The bill specifies that the State Board of Education, beginning with the 2015-2016 school year and at least once every three years thereafter, must review and may adjust the benchmarks for assigning letter grades to the 18 academic performance measures and six components under that system.

Current law, enacted in H.B. 555, already requires the State Board to adopt rules to prescribe the grading methods, benchmarks, and grading systems for assigning an overall grade and for assigning a letter grade to each of the components and performance measures at various times. Specifically, by April 30, 2013, the State Board must adopt a resolution describing the performance measures, benchmarks, and grading systems to be used for only the 2012-2013 school year. By June 30, 2013, the State Board must prescribe the benchmarks for (1) annual measurable objectives, (2) performance index score, (3) number of performance indicators met, (4) graduation rates, (5) overall value-added progress dimension, and (6) disaggregated value-added progress dimension. By December 30, 2013, the State Board must prescribe, for the 2013-2014 school year only, the benchmarks for the disaggregated value-added progress dimension and kindergarten through third-grade literacy progress measure. Finally, prior to the beginning of the 2014-2015 school year, the State Board must prescribe the methods for calculating the components to determine an overall grade for school districts and schools.⁷³

No Child Left Behind waiver

(R.C. 3302.01 and repealed R.C. 3302.043)

The bill repeals a current law provision that permits the Ohio Department of Education to implement changes described in the federal "No Child Left Behind Act"

⁷³ R.C. 3302.03(A)(2), (B)(3), and (C)(3).



(NCLB) waiver application once the application is approved by the U.S. Department of Education. While that provision authorizes the Ohio Department of Education to implement the waiver's changes, it also prohibits the Department from implementing a new report card system.

In May 2012, the U.S. Department of Education approved Ohio's flexibility waiver application, thus granting the Ohio Department of Education the authorization to implement the changes prescribed in the waiver. Reportedly, the Department has plans to apply for a new waiver based on the recently enacted report card rating system. The provision repealed by the bill apparently is obsolete.

The bill also includes any waiver approved by the U.S. Department of Education in Ohio's statutory definition of the NCLB. Currently, that definition includes in the NCLB statutes, amendments, rules and regulations, guidance documents, and policy directives from the U.S. Department of Education.

New Leaders for Ohio Schools

(Section 733.40)

The bill requires the Superintendent of Public Instruction to appoint three individuals who are knowledgeable about the administration of public schools and about the operation of nonprofit corporations in Ohio to function as incorporators. The incorporators must set up a nonprofit corporation called "New Leaders for Ohio Schools." The purpose of the nonprofit corporation is to create and implement a pilot program that (1) provides an alternative path for individuals to receive training and development in the administration and leadership of primary and secondary schools, (2) that will enable these individuals to earn a degree in public school administration, (3) that will enable these individuals to obtain licenses in public school administration, and (4) that promotes the placement of these individuals as administrators in public schools that have a poverty percentage greater than 50%.

The board of directors of the corporation must consist of the following eight directors: the Governor or the Governor's designee; the Superintendent or the Superintendent's designee; the Chancellor of the Board of Regents or the Chancellor's designee; a person to represent major business enterprises in Ohio; two individuals appointed by the Speaker of the House, one of whom must be an active duty or retired military officer; two individuals appointed by the President of the Senate, one of whom must be a current or retired teacher or principal.

The Dean of The Ohio State University Fisher College of Business and the Dean of The Ohio State University College of Education and Human Ecology are to serve as ex-officio nonvoting members of the board.



The person on the board who represents a major business enterprise in Ohio is to be appointed by an organization selected by the Governor. The organization is to be nonpartisan and consist of chief executive officers of corporations organized in Ohio.

The board must appoint a president of the corporation. The president, subject to the approval of the Board, must enter into a contract with The Ohio State University Fisher College of Business. Under the contract, the College is to provide oversight to the corporation, is to serve as fiscal agent for the corporation, and is to provide the corporation with office space, and with office furniture and equipment, as is necessary for the corporation successfully to fulfill its duties.

The Board of Directors must establish criteria for program costs, participant selection, and continued participation, and metrics to document and measure pilot program activities.

The bill specifies that the administrative costs of the corporation may not exceed 15% of the annual budget of the corporation.

It also requires the president to apply for and accept, grants, gifts, bequests, and contributions from private sources to support the corporation.

The bill requires the corporation must submit an annual report to the General Assembly and Governor beginning December 31, 2013.

Finally, the bill specifies that the corporation must cease operations on the date that is five years after the bill's (immediate) effective date.

