
DEPARTMENT OF EDUCATION

I. School Financing

School funding in general

- 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 \$5,745, for fiscal year 2014, and \$5,800, for fiscal year 2015.
- Requires each school district to certify its average daily membership (student count) on a biannual basis.
- Specifies that a district's computed state operating funding be calculated to reflect the biannual reporting of average daily membership.
- 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; individual school buildings; education consortia; institutions of higher education; and private entities partnering with one or more educational entities in the bill for projects that aim to achieve significant advancement in student achievement, spending reduction in the five year fiscal forecast, or utilization of a greater share of resources in the classroom.

Special education funding

- Specifies dollar amounts, rather than multiples as under current law, for each category of special education services.



- Adds "preschool child who is developmentally delayed" to the disabilities included in existing law in category two of special education services.
- Changes the formula used to calculate scholarships under the Jon Peterson Special Needs Scholarship Program to align with the special education categories and amounts 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.
- Specifies dollar amounts, rather than multiples as under current law, for each category of career-technical education.
- 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 city, local, exempted village, or joint vocational school district, community school, or STEM school 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.
- Specifies that a community school or STEM school that receives state career-technical education funding must spend that funding only for the purposes that the Department designates as approved for career-technical education expenses, and

specifies that the Department must require the school to report data annually in order to monitor the school's compliance with the requirements for spending state career-technical education funding (similar to the current requirement applicable to school districts).

- 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.
- Permits a student enrolled in a community school to simultaneously enroll in the career-technical program operated by the career-technical planning district to which the student's resident district belongs.
- Maintains unit funding for career-technical education at state institutions.
- Specifies that community schools and STEM schools may be assigned to a career-technical planning district.

Spending economically disadvantaged funds

- Requires a city, local, exempted village, or joint vocational school district, community school, or STEM school to spend the economically disadvantaged funds it receives on specified initiatives.
- Requires each district and school to submit a report to the Department at the end of each fiscal year describing the initiatives on which the district's or school's economically disadvantaged funds were spent during that fiscal year, and requires the Department to submit a report of this information to the General Assembly not later than December 1 of each odd-numbered year, starting in 2015.

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, 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).
- 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.
- Retains a current requirement that the Department deduct from each client school district of an ESC and pay to the ESC, \$6.50 times the school district's total student count.
- Authorizes school districts, community schools, and STEM schools to enter into ESC shared services agreements.
- Expressly permits joint vocational school districts to enter into fee-for-service agreements.
- 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 and unobligated funds that were paid to an 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

- 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.
- Increases to \$360 (from \$325 under prior law) the maximum per pupil amount for reimbursement of chartered nonpublic school administrative costs.
- 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 it is offering all-day kindergarten for the first time or it charged for all-day kindergarten in the 2012-2013 school year.



- Requires the Department to adjust a district's average daily membership certification by one-half of the full-time equivalency for each student charged tuition for all-day kindergarten.
- Establishes a temporary task force to review and make recommendations on open enrollment by December 31, 2013.
- 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.
- 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'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 initial term under an agreement between the Department and a community school sponsor runs for up to seven years, and establishes eligibility qualifications for extensions of that term.
- 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.
- Modifies language regarding grandfathered community school sponsors whose authority to sponsor is not subject to approval by the Department.
- Specifies that a community school that offers any of grades 4 to 8 and does not offer a grade higher than grade 9, in at least two of the three most recent school years, must have been *both*, (1) in a state of academic emergency *and* (2) showed less than one standard year of academic growth in either reading or mathematics, as determined by the Department, to trigger permanent closure of that school.
- 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, the school meets specified conditions, 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.
- Specifies that the resulting two e-schools from a division under the bill may not add grade levels.
- Requires the Department to issue composite grades to a community school operator that manages, in whole or in part, more than one e-school, based on the grades issued for the e-schools managed by the operator.
- Requires that an e-school managed by such an operator issued a composite grade be subject to sanctions or permanent closure based on the lower of the composite grade of the operator or the grade that the individual e-school received.
- Specifies that a student who transfers from one e-school to another e-school managed by the same operator is considered "continuously enrolled" for purposes of state assessment administration.
- 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, 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.

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."
- Retains the law defining a school week as five days for school districts, but 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

Ed Choice scholarships

- 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.
- Prescribes a tiered system of reducing income-based scholarships if a student's family income rises above 200%, 300%, or 400% of the federal poverty guidelines by limiting the student's scholarship to 75% of the full amount, 50% of the full amount, and 0% of the full amount, respectively.
- 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.
- Qualifies a student for an Ed Choice scholarship if the student will be enrolling in school in Ohio for the first time (instead of "eligible to enroll in kindergarten," as under current law) in the school year for which the scholarship is sought and the district or building the student would otherwise attend qualifies for scholarships.
- Specifies that a student who will be enrolling in school in this state for the first time and would otherwise be assigned to a school building that would qualify for the Ed Choice scholarship must be at least five years of age by January 1st of the school year for which the scholarship is sought.
- Eliminates the current requirement that chartered nonpublic schools that accept the Ed Choice Scholarship must permit families of eligible students with family incomes of greater than 200% of the federal poverty guidelines to provide volunteer services in lieu of cash payment to pay all or part of the amount of the school's tuition not covered by the scholarship.

Cleveland scholarships

- Increases maximum amount of a scholarship awarded under the Cleveland Scholarship Program from \$5,000 to \$5,700 beginning in fiscal year 2014.

Jon Peterson Special Needs scholarships

- Places a moratorium on applications for new Jon Peterson Special Needs Scholarships for the fall 2013 application period.
- Requires the Department to reimburse school districts in fiscal year 2014 for the full amount deducted from their state education payments under the Jon Peterson Special Needs Scholarship Program for scholarships for students who did not attend a public school in their resident district in the previous school year, and appropriates \$5 million from the General Revenue Fund for this purpose.
- Modifies a provision requiring the Department 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.

Autism scholarships

- Specifies that individuals that provide services to a child under the Autism Scholarship Program are not required to obtain a one-year, renewable instructional assistant permit until December 20, 2014 (instead of December 20, 2013 as under current law).

Administration of state assessments to scholarship students

- Requires each chartered nonpublic school to administer the state achievement assessments to all of its students if at least 35% of its total enrollment is made up of students who are participating in the Educational Choice Scholarship Program, Autism Scholarship Program, Jon Peterson Special Needs Scholarship Program, or the Pilot Project (Cleveland) Scholarship Program.

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 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.
- Adds a definition prescribing that "operating expenditures per pupil" has the same meaning as "expenditure per equivalent pupils" in regard to the current statutory system for ranking school districts and schools by operating expenditures per pupil.

VI. Student Transportation

- Effective July 1, 2014, changes the minimum amount for payment in lieu of transportation from an amount determined by the Department to \$225.
- 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

Educational service center supervision

- Makes a number of changes to the relationship between educational service centers and school districts, specifically regarding administrative oversight and duties customarily performed by service centers.

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.
- Prohibits state reimbursement to participating colleges under PSEO for remedial college courses.
- Requires that students be qualified to participate in PSEO based solely on the participating college's established placement standards for credit-bearing, college-level courses.
- Requires the Department annually to compile a list of all institutions of higher education that currently participate in PSEO or in other dual enrollment programs and, not later than December 31 of each school year, to distribute that list to all school districts, community schools, STEM schools, and chartered nonpublic schools in the state.
- Requires each district or school to provide this list of participating higher education institutions, as part of the counseling services required of the district or school prior to a student's participation in PSEO, to both the interested student and the student's parents or guardians.

Dual enrollment programs

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

College Credit Plus program recommendations

- Requires the Chancellor of the Board of Regents, by December 31, 2013, to make recommendations for the establishment of the "College Credit Plus" program to the Governor, the President of the Senate, and the Speaker of the House of Representatives.



Participation in district extracurricular activities by nonpublic or homeschooled students

- 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.
- Authorizes a school district board of education to require students enrolled in chartered or nonchartered nonpublic schools and students receiving home instruction who are participating in an extracurricular activity in that district to enroll and participate in not more than one academic course at the school offering the extracurricular activity as a condition to participating in the activity.
- Requires the district board, if it chooses to implement the course requirement described above, to admit students seeking to enroll in an academic course to fulfill that requirement as space allows, after first enrolling students assigned to that school.
- 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.

Physical education exemptions

- Exempts children with disabilities and students enrolled in Internet or computer-based schools ("e-schools") from the physical education requirement to graduate from high school.

- Exempts children with disabilities and students that are enrolled in e-schools from the requirements for students currently attending districts or schools that choose to participate in the voluntary physical activity pilot program.
- Exempts children with disabilities from the requirements for students currently attending districts or schools that choose to participate in the voluntary body mass index screenings.
- Prohibits the inclusion of children with disabilities and students that are enrolled in e-schools from any report that uses the measure established by the State Board to gauge student success and compliance with specified health and wellness components.

Chartered nonpublic school end-of-course examination exemption

- Exempts students who attend certain chartered nonpublic schools from passing the end-of-course examinations as a prerequisite for high school graduation.

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.

Joint vocational school district board membership

- Replaces the current method of appointing members of a joint vocational school district (JVSD) board of education with a system where school districts and educational service centers (ESCs) that belong to a JVSD each appoint members to the JVSD board, but also specifies that the appointed individuals may not be members of the appointing board.

Extended programming

- Requires extended programming offered by school districts for career-technical education students to (1) be used for activities that involve direct contact with students or are directly related to student programs and activities and (2) be provided for at least one hour on any given day that it is provided.
- Permits a school district to employ certificated instructional personnel for hours outside of the normal school day for the purpose of providing extended programming.
- Requires, with respect to licensed educators providing extended programming, that (1) a school district board pay each educator on an hourly basis at the regular per diem rate determined under the educator's employment contract or collective bargaining agreement and (2) the educator not provide more than eight hours of extended programming in a 24-hour day.
- Requires the Department to issue a report, not later than December 31, 2013, with recommendations for quality agricultural programs, and permits the Department to periodically review and update the report as it considers necessary.
- Requires all agricultural education instructors to (1) utilize a three-part model of agricultural education instruction focusing on classroom instruction, FFA activities, and extended programming projects and (2) submit a monthly time log to the principal of the school at which the extended programming is offered, or the principal's designee, for review.

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

- Exempts from the teacher content knowledge retesting requirement a community school comprised of students with disabilities.
- Specifies that a student who has 30 or more excused or unexcused absences must not be included in calculating student academic growth for a teacher evaluation.
- Decreases the percentage in which a teacher's evaluation is based on student academic growth from 50% to 35%.



- 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

- Creates the State School for the Blind Employees Food Service Fund and the State School for the Deaf Employees Food Service Fund, each of which consists of payments received from each respective school's employees who make purchases from the school's food service program.
- Expressly permits a STEM school to contract for any services necessary for the operation of the school.
- 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, 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 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.
- Requires the State Board to adopt rules for the issuance of an alternative principal or administrator license to an individual who successfully completes the New Leaders for Ohio Schools pilot program.
- Authorizes the board of education of a school district to pay money received from the sale of real property into the school district's general fund and used only to pay for nonoperating capital expenses related to technological upgrades and equipment for instruction and assessment.
- Clarifies that the board of directors of a municipal school district (Cleveland) transformation alliance, and its committees and subcommittees, may hold executive sessions, as if they were a public body with public employees, for any of the reasons for which an executive session may be held under the Open Meetings Act.

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, 3317.201, 3317.25, 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, 3326.39, 3326.40, 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, and 3323.16)

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, the school funding system proposed in the House Passed version, and the school funding system proposed in the Senate 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 biannually for computing funding for a district or school for a particular purpose or category (see "**Student counts: Biannual certification of average daily membership**" below).

Formula amount

(R.C. 3317.02)

The bill specifies a formula amount of \$5,745 for fiscal year 2014, and \$5,800, 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 enrollment³⁶ and in computing a district's required annual deposit into its capital and maintenance fund.³⁷

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:

³⁶ R.C. 3313.98.

³⁷ R.C. 3315.18, not in the bill.



(1) An opportunity grant that is equal to the formula amount times the sum of the district's formula ADM and the district's preschool scholarship ADM³⁸ 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) A specific amount for each of six categories of disabilities for special education and related services;

(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) A specific amount for each of five career-technical education categories. 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 equal to a district's total career-technical ADM times the district's state share index times the amount specified in the bill for career-technical associated services.

³⁸ A district's "preschool scholarship ADM" is the number of preschool children receiving a scholarship to attend an alternative provider under the Autism Scholarship Program.

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) A specific amount for each of six categories of disabilities for special education and related services;

(3) Economically disadvantaged funds;

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

(5) A specific amount for each of five career-technical education categories;

(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) A specific amount for a student's disability category for special education services;

(4) A specific amount if the student is in kindergarten through third grade (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) A specific amount for a student's career-technical education category. Payment of these funds is subject to approval by the lead district of the district's career-technical planning district (CTPD).

Student counts

Biannual 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 October and the first full week of February. Under current law, this certification is required only once each year during the first full week of October.

The bill also prescribes that the October certification be used to calculate the district's state payments for the months of July through December of the fiscal year and that the *average* of the February and October certifications be used to calculate payments for the months of January through June.

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, 263.250, and 263.253)

The bill adjusts a city, exempted village, or local school district's aggregate amount of core foundation funding, pupil transportation funding, and supplement funding by imposing a cap that restricts the increase in the aggregate amount of funding over the previous year's state aid to no more than 6.25% of the previous year's state aid in fiscal year 2014 and 10.5% of the previous year's state aid in fiscal year 2015. 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 6.25% of the previous year's state aid in fiscal year 2014 and 10.5% of the previous year's state aid in fiscal year 2015.

The bill also requires the Department to adjust, as necessary, the transitional aid guarantee base of school districts that participate in the establishment of a joint vocational school district that first begins receiving core foundation funding in fiscal year 2014 and to establish, as necessary, the guarantee base of the new joint vocational



school district as an amount equal to the absolute value of the sum of the associated adjustments for the participant school districts.

Finally, the bill guarantees that a community school that was declared to be excellent or higher on its report cards for the 2009-2010, 2010-2011, and 2011-2012 school years³⁹ receives at least the amount of payments received from the state in fiscal year 2013.

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, individual school buildings, education consortia (which may represent a partnership with other school districts, school buildings, community schools, or STEM schools), institutions of higher education, and private entities partnering with one or more of the educational entities identified in the bill for projects that aim to achieve significant advancement in one or more of the following goals: (1) student achievement, (2) spending reduction in the five year fiscal forecast,⁴⁰ and (3) utilization of a greater share of resources in the classroom.

The bill appropriates \$100 million, for fiscal year 2014, and \$150 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;

³⁹ See R.C. 3302.03 as it existed prior to March 22, 2013. Effective on that date, H.B. 555 of the 129th General Assembly changed the state academic performance rating system to one using letter grades.

⁴⁰ See R.C. 5705.391, not in the bill.



(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 to establish, with the approval of the governing board (see "**Grant decision**" below), an evaluation and scoring system for awarding grant applications.

Grant decision

The bill requires grant decisions to be made by a "governing board" consisting of nine members: the Superintendent, or the Superintendent's designee, four members appointed by the Governor, two members appointed by the Speaker of the House, and two members appointed by the President of the Senate.⁴¹ 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 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;

⁴¹ 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."⁴²

Special education funding

Special education categories and multiples

(R.C. 3310.56 and 3317.013)

The bill specifies the following dollar amounts for the six categories of special education services, rather than multiples (or weights) that are multiplied by the formula

⁴² As in the case of the Governing Board, members of the advisory council may not be compensated.

amount as 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 ⁴³	Dollar amount for fiscal year 2014 under the bill	Dollar amount for fiscal year 2015 under the bill
1	Speech and language disabled	Same as current law	0.2906	\$1,503	\$1,517
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	\$3,813	\$3,849
3	Hearing disabled; severe behavior disabled	Same as current law	1.7716	\$9,160	\$9,248
4	Vision impaired; other health impairment-major	Same as current law	2.3643	\$12,225	\$12,342
5	Orthopedically disabled; multiple disabilities	Same as current law	3.2022	\$16,557	\$16,715
6	Autistic; traumatic brain injured; both visually and hearing impaired	Same as current law	4.7205	\$24,407	\$24,641

With respect to the Jon Peterson Special Needs Scholarship Program, the bill changes the formulas used to calculate scholarships under that program to align with the special education categories and amounts described above.

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 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

⁴³ Under current law, the prescribed multiples are adjusted by further multiplying them by .90 (90%).



threshold catastrophic cost for serving the student.⁴⁴ 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 board⁴⁵ 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.

Funding for limited English proficient students

(R.C. 3317.016)

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

⁴⁴ 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.

⁴⁵ A county DD board is a county board of developmental disabilities.



Category	Type of student	Dollar amount for fiscal year 2014 under the bill	Dollar amount for fiscal year 2015 under 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	\$1,515
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	\$1,136
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	\$758

Gifted unit funding

(R.C. 3317.051)

Allocation and payment of gifted units

The bill requires the Department 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 specifies dollar amounts for all five categories of career-technical education programs (rather than the multiples of the formula amount that apply to categories one and two in current law).

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	Dollar amount for fiscal year 2014 under the bill	Dollar amount for fiscal year 2015 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	\$4,336	\$4,408

Category	Career-technical education program under current law	Career-technical education program under the bill	Multiple under current law	Dollar amount for fiscal year 2014 under the bill	Dollar amount for fiscal year 2015 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	\$3,907	\$3,944
3	None	Workforce development career-based intervention programs	None	\$2,470	\$2,494
4	None	Workforce development programs in arts and communications, education and training, marketing, workforce development academics, and career development	None	\$1,781	\$1,789
5	None	Family and consumer science programs	None	\$1,379	\$1,392

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. 3314.08(C)(4) and (5), 3317.022(E), 3317.16(D), and 3326.39)

The bill specifies that a city, local, exempted village, or joint vocational school district, community school, or STEM school 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 or school'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.⁴⁶)

The bill also specifies that a community school or STEM school receiving state career-technical education funding must spend that funding only for the purposes that the Department designates as approved for career-technical education expenses (which are only the expenses connected to the delivery of career-technical programming to career-technical students). The Department must require the school to report data annually so that the Department may monitor the school's compliance with the requirements for spending state career-technical education funding. This provision already applies to city, local, exempted village, and joint vocational school districts under current law and continues to apply to them under the bill.

Career-technical education provided by community schools

(R.C. 3314.086 and 3314.087)

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.

⁴⁶ Ohio Administrative Code 3301-61-16.



The bill also permits a student enrolled in a community school to simultaneously enroll in the career-technical program operated by the career-technical planning district to which the student's resident district belongs, rather than the career-technical program operated by the student's resident district as provided in existing law.

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.

Assignment to career-technical planning districts

(R.C. 3317.023)

The bill specifies that community schools and STEM schools may be assigned to a career-technical planning district.

Spending of economically disadvantaged funds

(R.C. 3314.08, 3317.022, 3317.16, 3317.25, and 3326.40)

The bill requires a city, local, exempted village, or joint vocational school district, community school, or STEM school to spend the economically disadvantaged funds it receives for any of the following initiatives or a combination of the following initiatives:

- (1) Extended school day and school year;
- (2) Reading improvement and intervention;
- (3) Instructional technology or blended learning;
- (4) Professional development in kindergarten through third grade;
- (5) Dropout prevention; or



(6) School safety and security measures.

Each school district, community school, and STEM school must submit a report to the Department at the end of each fiscal year describing the initiative or initiatives on which the district's or school's economically disadvantaged funds were spent during that fiscal year. Starting in 2015, the Department must submit a report of this information to the General Assembly not later than December 1 of each odd-numbered year.

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 also requires the Department, 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 and intends that the funds be used for services that will allow students in those subgroups to master the knowledge base required for high school graduation. 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 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 requires that if a district or school fails to show satisfactory achievement and progress, as determined by the State Board, 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 district, school, 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; 3313.849; 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. However, the bill retains and relocates a current law provision requiring that the Department annually deduct from each client school district of an ESC and pay to that ESC an amount equal to \$6.50 times the school district's total student count. The bill also expressly permits the board of education of any client school district to pay an amount in excess of \$6.50 per student and specifies that, if a majority of a service center's districts approve the higher amount, the Department must deduct the approved excess from all of the service center's client school districts.

The bill further specifies that any additional 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 \$37 multiplied by the ESC's total student count and, for fiscal year 2015, is \$35 multiplied by its total student count. However, if the appropriation is not sufficient, the bill requires that the payments be prorated accordingly.

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.⁴⁷

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 for all of the school districts with primary agreements with the ESC. This definition differs from the general definition used under current law, which is the average number of students enrolled

⁴⁷ 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.



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.

Shared services agreements

(R.C. 3313.849)

The bill authorizes school districts, community schools, or STEM schools to agree to share any services offered by an ESC and to pool funding resources with any other school districts, community schools, or STEM schools provided that each participant in those shared services specifies in its service agreement: (1) the amount of funds it will be contributing toward the total cost of the shared services, (2) the services that will be shared, and (3) the other participating districts or schools. While it may be unclear what funding sources these entities may pool from, a plausible interpretation is that those entities may pool their \$6.50 per pupil deduction, the state-funded subsidy, and any additional funds agreed upon in their ESC agreements to receive a more favorable cost for services for purchasing in bulk. The Department is required to pay the ESC for its services under a shared services agreement in the same manner as is required under a primary ESC agreement. Likewise, payment for additional services under a shared services agreement is governed by the terms of the fee-for-service agreement.

The bill specifies that the authority to enter into a shared services agreement is in addition to the authority to share the services of supervisory teachers, special instruction teachers, special education teachers, and other licensed personnel granted to school district boards of education under continuing law.

Fee-for-service agreements

(R.C. 3313.844 and 3313.845)

The bill expressly permits a joint vocational school district to enter into a fee-for-service agreement with an ESC in the same manner as a school district.

The bill also requires the Department, at the request of a school district or community school, to pay the service center the amount due to it under a fee-for-service agreement and to deduct that amount from the payments made to the community school or school district.

Finally, the bill specifies that an agreement entered into by a community school and an ESC is valid only if a copy of that agreement is filed with the Department.



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 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 and unobligated 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 and unobligated 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.

Under the bill, a client must expend its retained funds only for services specifically set forth under a service agreement. The bill requires the treasurer of the ESC to keep a record of the client's expenditure and the service or services for which the expenditure was made. 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, enacted in 2011 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.

See also "**Supervisory services by educational service centers**" below.

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.⁴⁸ 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

⁴⁸ R.C. 3313.847, as enacted by Am. Sub. S.B. 316 of the 129th General Assembly.



continue to receive that instruction, provided that the facility possesses the necessary hardware, software, and Internet-connectivity.

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.⁴⁹

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.

⁴⁹ R.C. 3314.08.

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.

Nonpublic school administrative cost reimbursement

(R.C. 3317.063)

The Superintendent annually reimburses each chartered nonpublic school for administrative and clerical costs incurred as a result of complying with state and federal recordkeeping and reporting requirements. The bill increases to \$360 (from \$325 under current law) the maximum amount per pupil that may be reimbursed to a school each year.

Fees for all-day kindergarten

(R.C. 3321.01(G))

The bill permits a school district to charge tuition in any school year following the 2012-2013 school year for a student enrolled in all-day kindergarten, as long as the district is offering all-day kindergarten for the first time or the district charged for all-day kindergarten in the 2012-2013 school year as permitted under current law. The bill requires the Department to adjust a district's average daily membership certification by one-half of the full-time equivalency for each student charged fees or tuition for all-day kindergarten. This provision, by cross-reference, also appears to apply to community schools.⁵⁰

Under current law, school districts and apparently community schools are permitted to charge fees or 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.

⁵⁰ 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).

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.⁵¹ 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,⁵² 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, 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.

⁵¹ R.C. 3317.029(D), repealed by the bill.

⁵² R.C. 3321.01, as amended by Sub. H.B. 190 of the 127th General Assembly.



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); 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 made 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.

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 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).⁵³

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

⁵³ 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.⁵⁴

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

⁵⁴ 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 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'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.)

Sponsor agreement terms

The bill specifies that the initial term of a community school sponsor's agreement with the Department lasts for up to seven years.⁵⁵ Moreover, the bill adds that, if a sponsor satisfies certain conditions, the Department must add one year to the agreement's term, unless the sponsor does not wish to have the term extended. In addition, either of the following conditions (as applicable) must be satisfied for a sponsor to qualify for a yearly extension:

(1) Prior to January 1, 2015, the sponsor is not ranked in the lowest 20% of sponsors statewide, according to the composite performance index score, under the annual sponsor rankings required by separate law⁵⁶ and the sponsor continues to meet all the prescribed community school sponsor requirements; or

(2) On or after January 1, 2015, the sponsor is rated as either "exemplary" or "effective" under the community school sponsor evaluation system that will replace

⁵⁵ Current law is silent on the term of a sponsor's agreement with the Department.

⁵⁶ R.C. 3314.017.

annual rankings effective on that date⁵⁷ and the sponsor continues to meet all the prescribed community school sponsor requirements.⁵⁸

Sponsor probation and compliance plans

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 option 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.⁵⁹ 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 proposed plan to remedy the conditions for which it is noncompliant. The Department must either approve or disapprove the plan within 14 days after receiving the proposed plan. If the plan is disapproved, the sponsor may submit a revised plan to the Department within 14 days after receiving the Department's notification of disapproval or within 60 days after receiving the Department's notification of noncompliance, whichever is earlier.

Similarly, the Department must either approve or disapprove the revised plan within 14 days after receiving the plan or within 60 days after notifying the sponsor of its noncompliance, whichever is earlier. A sponsor may continue to make revisions to a revised plan that was disapproved by the Department until the 60th day after receiving its notification of noncompliance. If a plan or a revised plan is approved by the Department, the sponsor must implement the plan within 60 days after receiving the noncompliance notification or within 30 days after the plan's approval, whichever is earlier.

⁵⁷ R.C. 3314.017, as amended by H.B. 555 of the 129th General Assembly.

⁵⁸ R.C. 3314.015(B)(1).

⁵⁹ R.C. 3314.015(F).



If the sponsor does not respond to the Department or implement an approved compliance plan by the deadlines described above, or if a sponsor does not receive approval of a compliance plan within 60 days after receiving its noncompliance notification, the Department (1) must declare to the sponsor that it 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 also adds a 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.⁶⁰

Direct authorization applications

(R.C. 3314.029)

Under the existing "Ohio School Sponsorship Program," the Department 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

⁶⁰ R.C. 3314.015(H).

those students tuition.⁶¹ 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.

Grandfathered community school sponsors

(R.C. 3314.027)

The bill removes language in current law regarding grandfathered community school sponsors not subject to approval by the Department. Specifically, it removes the current language stating that a sponsor may continue sponsoring a school "as long as the entity complies with all other sponsorship provisions of this chapter" (meaning R.C. Chapter 3314.) and "need not be approved by the Department for such sponsorship, as otherwise required under divisions (A)(2) and (B)(1) of section 3314.015 of the Revised Code." Presumably, the result of the changes made by the bill is that grandfathered community school sponsors may continue to sponsor community schools and enter into new contracts to sponsor community schools so long as the contracts conform with the Community School Law. However, the substance of the bill's changes may not be clear.

Under current law, certain sponsors are not subject to initial Department approval. Specifically, these are the entities that were already sponsoring community schools as of April 8, 2003, when the approval requirement became law to be approved by the Department.⁶²

Community school closure criteria – grade 4-8 schools

(R.C. 3314.35)

Under current law, beginning with the 2013-2014 school year, a community school that offers any of grades 4 to 8 and does not offer a grade higher than 9 must permanently close if it meets any of the following conditions for two of the three most recent school years: (1) the school has received a rating of "academic emergency" (under the former school district and school rating system), (2) the school has received an "F" for the performance index score and for the overall value-added progress dimension, or (3) the school has received an overall grade of "F" and an "F" for the overall value-added

⁶¹ Otherwise, community schools are generally prohibited from charging tuition.

⁶² The requirement for sponsors to be approved by the Department was enacted in Sub. H.B. 364 of the 124th General Assembly. Section 6 of that act, which exempted the grandfathered sponsors from approval, is now codified as R.C. 3314.027.

progress dimension.⁶³ (The latter two conditions refer to the new rating system enacted in 2012.⁶⁴)

The bill revises the first condition for closure by specifying that, to trigger permanent closure after July 1, 2013, the school must have been both, (1) in a state of academic emergency and (2) showed less than one standard year of academic growth in either reading or mathematics, as determined by the Department. Prior to July 1, 2013, both of these criteria apply for closure of such schools.⁶⁵

E-school separation into multiple schools

(R.C. 3314.29)

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

- (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;

(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.

(5)(a) For a school that wishes to divide in the 2013-2014 school year, the school was rated in continuous improvement or higher on the report card for the 2011-2012 school year and received a "C" or higher for its performance index score on the report card for the 2012-2013 school year; or

(b) For a school that wishes to divide in the 2014-2015 school year, the school received a "C" or higher for its performance index score on the report cards for the 2012-2013 and 2013-2014 school years.

The bill also specifies that the accountability data, including report card data, of the original school before it separates, continues to apply to the applicable grade levels of the new schools.

⁶³ R.C. 3314.35(A)(3)(b).

⁶⁴ H.B. 555 of the 129th General Assembly, effective March 22, 2013.

⁶⁵ R.C. 3314.35(A)(2)(b).

The bill prohibits either of the resulting two e-schools to add additional grade levels at any time during either school's operation.

Finally, 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.⁶⁶

E-school operator grades

(R.C. 3314.035)

The bill requires the Department to issue composite grades to each operator that manages, in whole or in part, more than one e-school. The composite grades issued to an operator must be for the same academic performance measures prescribed for individual schools under current law and must be based on the grades issued for the separate e-schools managed by the operator.

The bill then specifies that an e-school managed by an operator that is issued composite grades is subject to sanctions and permanent closure based on the *lower* of the grade or grades issued to an individual school under current law or the composite grade or grades issued to the e-school's operator. Community schools that serve primarily students enrolled in dropout prevention and recovery programs are exempt from this provision.

Continuous enrollment

(R.C. 3314.261)

The bill specifies that a student who transfers from one e-school to another e-school managed by the same operator is considered "continuously enrolled" for purposes of the administration of state assessments. For a student's test score to count toward a school's annual report card, that student must be "continuously enrolled," or not withdrawn from school, from the first full week of October through the date of the test.⁶⁷ Thus, a student who transfers within that time period from one e-school to another e-school managed by the same operator would be considered continuously enrolled and would still have to take the required state assessments, which results would be included in the calculation of the school's report card.

⁶⁶ R.C. 3314.013(B), not in the bill.

⁶⁷ R.C. 3302.03(K)(2)(a).



Dropout prevention and recovery program report cards

Ratings

(R.C. 3314.017(D)(3))

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.

Review of performance indicators

(R.C. 3314.017(G))

The bill requires the State Board, 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."⁶⁸ The bill specifies that, beginning with the 2013-2014 school year, 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. Additionally, for a community school that has been suspended by its sponsor *prior to* the bill's (90-day) effective date, the school's governing authority must provide, by September 30, 2014, a proposal to remedy the issues for which the school's contract was suspended. If the governing authority fails to do so, the school's contract is void, and the school must permanently close.

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 12.⁶⁹ The bill does not revise the minimum school year for community 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 retains the current law that specifies the school week generally be five days, but 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,⁷⁰ and it eliminates the requirement that a school day be at least five hours long.⁷¹

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

⁶⁸ R.C. 3314.07, not in the bill and 3314.072.

⁶⁹ R.C. 3313.48(A); Sections 812.10 and 812.40.

⁷⁰ R.C. 3313.62.

⁷¹ R.C. 3313.48.



adopted by each particular school district board.⁷² 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.

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.⁷³

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.

⁷² R.C. 3313.481 as reenacted by the bill.

⁷³ R.C. 3313.48(A)(1) to (3) and 3317.01(B).

Prohibition on the reduction of hours except by resolution

(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 "**Prohibition on applying certain requirements 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.⁷⁴)

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

⁷⁴ 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.

Prohibition on applying certain requirements to chartered nonpublic schools

(R.C. 3313.48(G))

The bill prohibits the State Board 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 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. 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 has, by rule, made adherence to minimum school year and school day requirements applicable to both chartered and nonchartered nonpublic schools.⁷⁵

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.⁷⁶ By statute, a school day for

⁷⁵ 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.

⁷⁶ 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 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.⁷⁷

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.⁷⁸ 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.⁷⁹ 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

⁷⁷ O.A.C. 3301-35-06, 3301-35-08, and 3301-35-12.

⁷⁸ R.C. 3313.48 and 3317.01(B).

⁷⁹ 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 is required to implement any of these alternative schedules.⁸⁰

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;

⁸⁰ 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.); or⁸¹

(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

⁸¹ 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.⁸² 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 toward 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.)

⁸² 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%, but does not exceed 400%, of the federal poverty guidelines provided the student remains enrolled in a chartered nonpublic school. For a student whose family income rises above 200% of the federal poverty guidelines after initially qualifying under the expansion, the bill prescribes a three-tiered system under which the student's scholarship will be reduced. However, if the student's family income rises above 400% of the federal poverty guidelines after initially qualifying, the student will no longer be eligible for a scholarship. (See "**Scholarship reductions if family income rises**" below.)

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.

Priorities

(R.C. 3310.032(D))

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 toward the total 60,000 scholarship cap that applies to the rest of the Ed Choice program under current law.

Scholarship reductions if family income rises

(R.C. 3310.032(E))

The bill prescribes a tiered system for reducing scholarship amounts if an eligible student's family income rises above 200% of the federal poverty guidelines, as follows:

(1) If the student's family income is above 200% but at or below 300% of the federal poverty guidelines, the student's scholarship is 75% of the full scholarship amount;

(2) If the student's family income is above 300% but at or below 400% of the federal poverty guidelines, the student's scholarship is 50% of the full scholarship amount; and

(3) If the student's family income is above 400% of the federal poverty guidelines, the student is no longer eligible to receive a scholarship.

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, but are subject instead to the separate order of priority prescribed for those students.

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.

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, assuming the student's family income does not rise above prescribed levels (see "**Scholarship reductions if family income rises**" above).

Eligibility for homeschooled students and students transferring to Ohio

(R.C. 3310.03)

The bill expands the eligibility provisions for the Ed Choice scholarship to qualify a student who "will be enrolling in school in this state for the first time" in the school year for which the scholarship is sought and whose school district or school building that the student would otherwise attend qualifies for scholarships, including the bill's new qualification beginning in the 2016-2017 school year for students in buildings with a grade of "D" or "F" on the K-3 literacy performance measure. Current law specifies that the student must be "eligible to enroll in kindergarten," to qualify under the relevant eligibility provision. Therefore, under the bill, students moving to Ohio from another state and students who were previously homeschooled, regardless of their grade level, will be eligible for scholarships, in addition to the incoming kindergarteners who are currently eligible.

Minimum eligibility age

(R.C. 3310.03)

The bill specifies that a student who will be enrolling in school in this state for the first time and would otherwise be assigned to a school building that would qualify



for the Ed Choice scholarship, as proposed under the bill, must be at least five years of age by January 1st of the school year for which the scholarship is sought. Current law specifies that the student must be "eligible to enroll in kindergarten," to qualify under the relevant eligibility provision. Therefore, under the bill, students moving to Ohio from another state and students who were previously homeschooled, regardless of their grade level, who are at least five years of age by January 1st will be eligible for scholarships, in addition to the incoming kindergarteners who are currently eligible.

Volunteering in lieu of payment

(R.C. 3310.13(B))

Current law prohibits chartered nonpublic schools that accept the Ed Choice Scholarship to permit the family of an eligible student with a family income at or below 200% of the federal poverty guidelines to pay a tuition fee that is greater than the student's scholarship. On the other hand, current law also requires a school to permit families of eligible students with family incomes greater than 200% of the federal poverty guidelines to provide volunteer services in lieu of cash payment to pay all or part of the amount of the school's tuition not covered by the scholarship. The bill eliminates this latter provision from current law.

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.⁸³

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. 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.

⁸³ The bill does not affect the maximum amount of a tutorial assistance grant under the program, which is \$400.

Jon Peterson Special Needs Scholarship Program

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 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.⁸⁴

Moratorium on applications

(Section 263.443)

The bill prohibits the Department from accepting any applications for new Jon Peterson Special Needs Scholarships in the fall 2013 application period. However, the Department may accept applications from those students who received the scholarship in the previous or current school year.

Ordinarily, there are two application periods for the Jon Peterson Special Needs Scholarship annually. The first application period begins in February and ends on April 15th. Scholarships awarded to this group of applicants will be for the full school year. The second application period begins in October and ends on November 15th. Scholarships awarded during this second application period will be awarded for half of the school year (January 1 through June 30).⁸⁵

Payments for certain students

(Sections 263.10 and 263.250)

The bill requires the Department to reimburse school districts in fiscal year 2014 for the full amount deducted from their state education payments under the Jon Peterson Special Needs Scholarship Program for scholarships for students who did not attend a public school in their resident district in the previous school year. The bill appropriates \$5 million from the General Revenue Fund for this purpose. If this amount is not sufficient, the Department must prorate the payment amounts.

⁸⁴ R.C. 3310.52, not in the bill.

⁸⁵ See R.C. 3310.52, not in the bill. See also <http://education.ohio.gov/Topics/Other-Resources/Scholarships/Special-Needs-Scholarship>.

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 and the provisions permitting the Department to contract with qualified researchers and to accept grants for the study, it eliminates all of the required assessments for the report. The bill also removes the current requirement for the Department to use "both quantitative and qualitative analyses" when conducting the evaluation.

Autism Scholarship Program; instructional assistant permit

(Sections 605.23 and 605.24)

The bill changes existing law⁸⁶ to specify that individuals that provide services to a child under the Autism Scholarship Program are not required to obtain a one-year, renewable instructional assistant permit until December 20, 2014 (rather than December 20, 2013). Current law not changed by the bill, permits the State Board to issue an instructional assistant permit to an individual, upon the request of a registered private provider,⁸⁷ qualifying that individual to provide services to a child under the program.⁸⁸

The Autism Scholarship Program pays scholarships to the parents of identified autistic children in grades pre-kindergarten to 12. The scholarship is to be used solely to pay all or part of the cost of sending the child to a public or an approved nonpublic

⁸⁶ Section 4 of Am. Sub. H.B. 279 of the 129th General Assembly.

⁸⁷ Continuing law defines a registered private provider as a nonpublic school or other nonpublic entity that has been approved by the Department to participate in the program (R.C. 3310.41(A), not in the bill).

⁸⁸ R.C. 3310.43, not in the bill.



special education program instead of the one provided by the child's resident school district. The scholarship amount is the lesser of the amount charged by the special education program or \$20,000. The scholarship is to be used to pay for only those services specified in the child's "individualized education program" (IEP) prepared by the child's resident school district.

Administration of state assessments by nonpublic schools accepting scholarship students

(R.C. 3301.0711(K), 3301.16, 3310.14, 3310.522, and 3313.976)

Current law requires a nonpublic school to administer the state assessments to each student attending the school with a scholarship under a state scholarship program.⁸⁹ All chartered nonpublic high schools, regardless of whether they accept state scholarships, must administer the Ohio Graduation Test (OGT) and all their students, generally, must pass all five areas of the test to be eligible for their diplomas.⁹⁰ (The OGT is scheduled to be replaced by a college and work ready assessment system consisting of a national standardized test and prescribed end-of-course examinations.)⁹¹

The bill requires a chartered nonpublic school to administer the applicable state achievement assessments to *all* of its students if at least 35% of its total enrollment is made up of students who are participating in any of the state scholarship programs. The bill also maintains current law by specifying that each chartered nonpublic school that (1) has a total enrollment in which *less than* 35% of students participate in the scholarship programs, and (2) educates students in ninth through twelfth grades, *must* continue to administer the OGT and the replacement assessments and *may* elect to administer the elementary state assessments.

⁸⁹ R.C. 3310.14, 3310.522, and 3313.976. These statutes apply that requirement to scholarship students under the Ed Choice Scholarship Program, Jon Peterson Special Needs Scholarship Program, and Cleveland Scholarship Program. The requirement applies to students participating in the Autism Scholarship Program by rule of the State Board (Ohio Administrative Code 3301-103-04(C)).

⁹⁰ R.C. 3313.612. Under specified conditions, a student may be awarded a diploma even if the student passes only four of the five areas of the OGT (R.C. 3313.615).

⁹¹ Elsewhere, the bill exempts students enrolled in certain chartered nonpublic schools from the end-of-course examination provision but not from the requirement to pass the national standardized test (R.C. 3313.612(B)).

V. State Board Standards and Reporting

School district and school minimum operating standards

(R.C. 3301.07(D))

Continuing law requires the State Board 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 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 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 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 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.

School operating expenditure rankings

(R.C. 3302.20 and 3302.21)

In regard to the current statutory system for ranking school districts and schools by operating expenditures per pupil, the bill adds a definition prescribing that "operating expenditures per pupil" has the same meaning as "expenditure per equivalent pupils" (see "**Performance management information**" below). Under the bill, these rankings are to be included in the new performance management section on the Department's web site.

Currently, the Department must rank school districts, joint vocational school districts, community schools, Internet- or computer-based community schools, and STEM schools among similar types of schools. The Department is then required to post this information in a prominent location on 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.⁹² A district also must transport STEM school students, unless the school's proposal as approved by the STEM committee provides for transportation.⁹³ 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.⁹⁴

Payment in lieu

(R.C. 3327.02)

The bill maintains current law provisions for a payment in lieu of transportation to a student's parent (see above), but changes the minimum amount for such a payment to \$225, effective July 1, 2014. Currently, the minimum amount for such a payment is an "amount determined by the Department of Education."

The bill maintains current law regarding the maximum amount for a payment in lieu of transportation, which is the average cost of pupil transportation for the previous school year, as determined by the Department.

Fee for transportation charged by chartered nonpublic schools

(R.C. 3327.07)

Effective July 1, 2014, the bill expressly 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 chooses to decline transportation services from their child's resident school district and use transportation provided by the chartered nonpublic school instead.

⁹² R.C. 3327.01.

⁹³ R.C. 3326.20, not in the bill.

⁹⁴ R.C. 3327.01 and 3327.02.

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.

VII. Other Education Provisions

Supervisory services by educational service centers

The bill makes the following changes with respect to an educational service center's (ESC) supervisory relationship with school districts:

- Requires each "local" district board to prescribe a curriculum for all schools under its control, and removes this requirement for ESCs with respect to "local" districts (R.C. 3313.60).
- Removes a requirement that each ESC annually certify the average daily membership (ADM) of students receiving services from schools under the ESC superintendent's supervision (i.e., "local" school districts) (R.C. 3317.03).
- Permits a "local" district superintendent to excuse a child that resides in the district from attendance for any part of the remainder of the current school year upon satisfying conditions specified in law and in accordance with district board and State Board rules, and removes this authority for an ESC superintendent acting on behalf of a "local" district (R.C. 3321.04).
- Requires the superintendent of a "local" district in which a child withdraws from school to immediately receive notice of the withdrawal from the child's teacher, and removes this requirement as it applies to ESC superintendents acting on behalf of "local" districts (R.C. 3321.13).
- Permits a city or exempted village district board to obtain services from an ESC attendance officer instead of employing its own attendance officer (R.C. 3321.14).
- Permits, rather than requires, every ESC governing board to employ an ESC attendance officer, and requires an ESC to make the decision regarding employment of an attendance officer based on consultation with the districts that have agreements with the ESC (R.C. 3321.15).

- With respect to the salary schedule that any district board participating in the school foundation program must adopt, removes a requirement that each "local" district board file a copy of its salary schedule with the ESC superintendent for certification of the correct salary to be paid to each teacher (R.C. 3317.14).
- Permits a "local" district to provide an instructional program for the employees of the district, in the same manner as currently authorized for "city" and "exempted village" districts (R.C. 3315.07(A)).
- Specifies that any school district board that has an agreement with an ESC to receive services may authorize the ESC to purchase or accept upon donation supplies and equipment for the district. Current law specifies that a "city" or "exempted village" district may make this authorization, subject to approval by the ESC, and a "local" district may make this authorization without any approval from the ESC (R.C. 3315.07(D)).
- Permits the superintendent of a "local" district to certify the qualifications of the school bus drivers employed or contracted by the district (R.C. 3327.10).
- Requires a "local" district board to appoint a business advisory council unless the district and an ESC have an agreement providing that the ESC's business advisory council will represent the district's business (R.C. 3313.82).
- Applies the above exception to the requirement to appoint a business advisory council to city and exempted village districts, which are already required to appoint a council under existing law (R.C. 3313.82).
- For purposes of each ESC appointing the committee for selecting and recommending high school graduates for the Ohio Scholarship Fund for Teacher Trainees, removes the requirement that the high school principal and classroom teacher appointed to the committee be from only a "city" or "exempted village" district, thus permitting the principal or teacher to be from a "local" district as well (R.C. 3315.33).

Post-Secondary Enrollment Options Program

(R.C. 3365.01, 3365.02, 3365.021, 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 \$5,745, for fiscal year 2014, and \$5,800, 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 to apportion those funds according to rule of the State Board. 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.

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 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 remedial college course. Under continuing law, the Department is also prohibited from reimbursing a participating college for any course that is taken under "Option A" of PSEO (see "**Background**" above).

College admission requirements

(R.C. 3365.02(F))

Under current law, the State Board 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 placement standards for credit-bearing, college-level courses. Therefore, because certain college courses require prerequisites to be completed before enrolling in the class, this provision would likely allow colleges to require PSEO students to complete particular high school courses as prerequisites before participating in the program and enrolling in certain courses at the college level.

List of participating institutions of higher education

(R.C. 3365.02 and 3365.021)

The bill requires the Department to compile an annual list of all institutions of higher education that currently participate in PSEO or in other dual enrollment programs (see "**Dual enrollment programs**" below). This list must then be distributed, not later than December 31 of each school year, to all school districts, community schools, STEM schools, and chartered nonpublic schools in the state. Additionally, as part of the counseling services required of each district or school prior to a student's participation in PSEO (see below), the bill requires each district or school to provide the list of participating institutions to interested students and interested students' parents or guardians.

Under current law, public schools and chartered nonpublic schools are required to provide counseling to each interested student and the student's parents or guardians before that student participates in PSEO. Such counseling must include an explanation



of the possible risks and consequences of participating. For chartered nonpublic schools, counseling must also include a discussion regarding funding availability and the possibility of limited participation in the program, while counseling for public schools must include information in several specified areas, including, among others, program eligibility, the process for granting academic credits, financial arrangements for tuition and course materials, and the consequences of failing or not completing a course.

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.

College Credit Plus program recommendations

(Section 363.590)

The bill requires the Chancellor of the Board of Regents to make recommendations to establish the "College Credit Plus" program. The program would allow high school students to earn credits through institutions of higher education in the state. Presumably, the program would replace the existing Post-Secondary Enrollment Options Program.



In developing the recommendations, the bill requires the Chancellor to consult with the Inter-University Council of Ohio, the Association of Independent Colleges and Universities of Ohio, the Ohio Association of Community Colleges, and the Superintendent of Public Instruction. By December 31, 2013, the Chancellor must provide a report of these recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives, "for implementation of the program in the 2014-2015 academic year."

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.

The bill permits a district board to require a student enrolled in a chartered or nonchartered nonpublic school to first enroll and participate in no more than one academic course at the school offering the extracurricular activity. If a district board chooses to implement such a requirement, it must enroll such students in academic courses at the school offering the extracurricular activity as space allows, after first enrolling students assigned to that school.

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.

Just as in the case of a nonpublic school student (described above), the bill permits a district board to require a homeschooled student to first enroll and participate in no more than one academic course at the school offering the extracurricular activity. If a district board chooses to implement such a requirement, it must enroll such students in academic courses at the school offering the extracurricular activity as space allows, after first enrolling students assigned to that school.

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 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.⁹⁵

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.

Physical education exemptions

(R.C. 3302.032, 3313.603, 3313.6016, and 3313.674)

Physical education requirement

(R.C. 3313.603)

The bill exempts children with disabilities and students who are currently enrolled in Internet or computer-based schools ("e-schools") from the physical education requirements for graduation from high school. This exemption is automatic and does not require approval by the district or school. However, the exemption for

⁹⁵ R.C. 3313.535 and 3313.537, neither in the bill.

children with disabilities is subject to, and must not conflict with, each child's individualized education program (IEP).

Under current law, all students that are enrolled in public or chartered nonpublic schools are required to complete one-half unit of physical education in order to graduate from high school. However, a district or school may choose to adopt a policy that exempts students who, during high school, participated in either (1) interscholastic athletics, marching band, or cheerleading for at least two full seasons, or (2) the Junior Reserve Officer Training Corps (JROTC) for at least two full school years.

Physical activity pilot program

(R.C. 3313.6016)

The bill exempts children with disabilities and students who are enrolled in e-schools from a current law requirement that they meet a specified amount and level of physical activity each school day, if they attend districts or schools that choose to participate in the voluntary physical activity pilot program (see "**Physical activity pilot program**" below). Like the exemption from the physical education requirement above, this exemption is subject to each child's IEP.

Under current law, each district or school that chooses to participate in the pilot program must require all students in grades kindergarten through twelve to engage in at least 30 minutes of moderate to rigorous physical activity each school day, exclusive of recess. However, districts or schools must exempt from this requirement any student enrolled in (1) the Post-Secondary Enrollment Options (PSEO) Program, (2) a career-technical education program operated by the district or school, or (3) a dropout prevention and recovery program operated by the district or school. In addition, districts or schools may choose to exempt any student that is participating in interscholastic athletics, marching band, cheerleading, or JRTOC.

Body mass index screenings

(R.C. 3313.674)

Subject to each child's IEP, the bill exempts children with disabilities from a current law requirement that they undergo screenings for body mass index and weight status category, if they attend districts or schools that choose to participate in the voluntary screenings. The bill maintains a provision of current law that already exempts e-school students from the requirements related to the body mass index screenings.⁹⁶

⁹⁶ R.C. 3314.15, not in the bill.

Under current law, each district or school that chooses to participate in the body mass and weight status screenings may require each student to undergo such screenings. The district or school may either provide the screenings itself or allow the parents to obtain the screenings from a third-party provider. Following these screenings, the district or school must notify each student's parent or guardian of any health risks associated with the student's results. Additionally, the district or school must submit the results of these screenings to the Department of Health.

Currently, the parent or guardian of a student who attends a district or school participating in these screenings may submit a written statement to the district or school seeking an exemption. If the parent or guardian submits such a written statement, the district or school must not require that student to undergo the screenings.

State Board's health and wellness measure

(R.C. 3302.032)

The bill prohibits the inclusion of children with disabilities and students that are enrolled in e-schools from any report that uses the measure established by the State Board to gauge (1) student success in meeting physical education benchmarks, (2) compliance with local wellness policies prescribed by the federal "Child Nutrition and WIC Reauthorization Act of 2004," (3) whether a school district or building elected to administer body mass index screenings, and (4) whether a school district or building is participating in the physical activity pilot program. The bill also explicitly exempts children with disabilities and e-school students from some of the individual components of this measure, including the physical education requirements for graduation (as described above) and the requirements related to the physical activity pilot program (also as described above). Meanwhile, the bill exempts children with disabilities from the requirements related to body mass index screenings and maintains a current law provision which already exempts e-school students from these requirements (as described above).

Under current law, the State Board was required to establish, by December 31, 2011, a measure of the four components listed above. Additionally, beginning with the report cards issued for the 2012-2013 school year, this measure must be reported on the annual district and building report cards. However, the measure does not factor into any performance ratings based on these report cards.



Chartered nonpublic school end-of-course examination exemption

(R.C. 3313.612; conforming changes in R.C. 3301.0712 and 3313.615)

The bill exempts students who attend a chartered nonpublic school accredited through the Independent School Association of the Central States from taking end-of-course examinations as a prerequisite from graduating from high school. Under current law, all students enrolled in a school district, community school, STEM school, and chartered nonpublic school, with some exceptions, must pass the required state assessments to receive their high school diploma. Currently, that assessment is the Ohio Graduation Test (OGT); however, the OGT eventually is to be replaced with the college and work ready assessment system. The college and work ready assessment system consists of two parts – a nationally standardized assessment that measures college and career readiness and a series of end-of-course exams in the areas of science, mathematics, English language arts, American history, and American government.⁹⁷ Although the bill exempts students who attend the specified accredited chartered nonpublic schools from the end-of-course exams, the bill does not exempt those students from taking the nationally standardized assessment. Nor does the bill exempt those students from taking the OGT.

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

⁹⁷ R.C. 3301.0712.

used to determine which students need to receive additional services in order to attain grade level performance.⁹⁸

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 may be admitted prior to attaining 5 or 6 years of age by meeting conditions prescribed under a district's (or school's) acceleration policy.⁹⁹

Joint vocational school district board membership

(R.C. 3311.19; conforming changes in R.C. 3313.911)

The bill revises the method of appointing members of a joint vocational school district (JVSD) board of education. Under current law, members of a JVSD board either consist of the members of the educational service center (ESC) governing board of the county in which the JVSD is located or selected members of the boards of education of participating districts and ESCs, depending on the composition of the JVSD.

The bill directs the board of each school district and ESC that is a member of a JVSD to appoint individuals to the JVSD board. However, unlike current law, these appointed individuals may not be members of the appointing district board or ESC board. The bill also provides that the total number of members on a JVSD board must be the same as the number of members that were on the board prior to the bill's

⁹⁸ R.C. 3301.079, not in the bill.

⁹⁹ R.C. 3321.01.



effective date.¹⁰⁰ Initial appointments under the bill are to be made as terms of current JVSD board members expire or are vacated prior to the expiration of a member's term. The bill allows member school district boards to appoint students as nonvoting members of the JVSD board.

The term of office for members of a JVSD board appointed on or after the bill's effective date is three years. In addition, the bill limits members to two consecutive terms, but a member may serve again after three or more years have passed since the member's last term expired.

Members must be selected based on the diversity of the employers from the geographical region of the state in which the JVSD is located. A majority of the JVSD board members must reside in or be employed within the member's JVSD territory. Further, members of JVSD boards must have experience as chief financial officers, chief executive officers, human resources managers, or other business and industry professionals who are qualified to discuss the labor needs of the region with respect to the regional economy. The bill also specifies that appointing district and ESC boards must appoint members who represent employers in the JVSD region who are qualified to consider a region's workforce needs with an understanding of the skills, training, and education needed for current and future employment needs in the region.

Extended programming

(R.C. 3301.0725, 3313.6018, 3319.0811, and 3319.0812)

Requirements for extended programming

The bill provides that extended programming¹⁰¹ for career-technical education students that is offered by school districts must be used for activities that involve direct contact with students or are directly related to student programs and activities. However, the bill also provides that extended programming funds may be used for teacher professional development activities that are associated with agricultural education (see "**Agricultural education programs**," "**Professional development**" below). On any given day that extended programming is provided, it must be provided for at least one hour.

¹⁰⁰ Elsewhere in this same provision the bill states that the number of members on a JVSD school board must consist of one member appointed by the board of each school district belonging to the JVSD. These statements appear to be in conflict.

¹⁰¹ "Extended programming" is defined in rules adopted by the State Board as "instruction beyond the regular school year, that is based on locally approved courses of study and provides graduation credit to enrolled career-technical students" (Ohio Administrative Code 3301-61-16).



Provision of extended programming by certificated instructional personnel

The bill permits a school district to employ certificated instructional personnel for the purpose of providing extended programming for hours outside of the normal school day. Under current law, a school district may employ certificated instructional personnel for more days during a school year than the district normally employs its regular classroom teachers.

Provision of extended programming by licensed educators

The bill requires the board of education of a school district to pay a licensed educator who is providing extended programming on an hourly basis at the regular per diem rate determined under the licensed educator's employment contract or collective bargaining agreement. A licensed educator is prohibited from providing more than eight hours of extended programming in a 24-hour day.

Agricultural education programs

(R.C. 3313.6019)

Report with recommendations for quality agricultural education programs

The bill requires the Department of Education to issue a report with recommendations for quality agricultural education programs by December 31, 2013. These recommendations must be developed using both of the following:

(1) The standards for exemplary agricultural education that are described in the National Quality Program Standards for Secondary (Grades 9-12) Agricultural Education¹⁰² developed by the National Council for Agricultural Education (or a successor document developed by the National Council for Agricultural Education or its successor);

(2) The Quality Program Standards for Ohio's Agricultural and Environmental Systems Career Field Programs¹⁰³ (or a successor document) developed by the Department, the Ohio Association of Agricultural Educators, the Ohio State University, and Wilmington College of Ohio.

¹⁰² To access this document, go to www.ffa.org, then click on "Resources," then click on "FFA Learn," then click on "National Quality Program Standards Online Assessment," then click on the link for this document that is labeled "PDF."

¹⁰³ To access this document, go to www.ohioffa.org, then click on "For Educators," then click on "Resources Page," then click on the link under the "Quality Program Standards" heading.



The report must include the appropriate use of extended programming in agricultural education programs and the recommended number of hours outside the normal school day that licensed educators may be permitted to provide extended programming instruction.

Following the initial issuance of the report, the Department may periodically review and update the report as it considers necessary.

Agricultural education instructors

The bill specifies that all agricultural education instructors must utilize a three-part model of agricultural education instruction of classroom instruction, FFA activities, and extended programming projects.

Agricultural education instructors must submit a monthly time log to the principal of the school at which the extended programming is offered (or the principal's designee) for review.

Professional development

The bill provides that professional development associated with agricultural education is to be considered an acceptable use of extended student programming funds.

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 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 evaluations

(R.C. 3319.112)

Under continuing law, all school districts and educational service centers, and all community schools and STEM schools that receive federal Race to the Top grant funds, must adopt a standards-based teacher evaluation system that conforms to a framework developed by the State Board. The evaluation system must provide for multiple evaluation factors. Under current law, one of those factors must be student academic growth, and it must make up 50% of each evaluation. Under the bill, however, the student academic growth factor must account for 35% of each evaluation. In addition, the bill permits a school district to attribute an additional percentage to that factor, not to exceed 15% of each evaluation.

The bill also specifies that in calculating student academic growth for an evaluation, a student must be excluded if the student has 30 or more *excused or unexcused* absences for the school year, instead of 60 or more *unexcused* absences for the school year as under current law.

Testing teachers

(R.C. 3319.58)

The bill exempts a community school primarily comprised of students with disabilities from the current law requirement that a teacher retake all written examinations of content knowledge, if the school is ranked in the lowest 10% of all public school buildings according to performance index score.

Background

Under continuing law, in any year in which a building of a community school or STEM school is ranked in the lowest 10% of all public school buildings based on performance index, the building's classroom teachers must retake all exams required by the State Board for licensure to teach the subject area and grade level taught by the teacher. This requirement generally applies to all teachers of reading and English



language arts, math, science, foreign language, government, economics, fine arts, history, or geography.¹⁰⁴

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.

The bill 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*,¹⁰⁵ 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.

¹⁰⁴ A similar testing provision applies to school district teachers of core subject areas who are rated "ineffective" for two of three performance evaluations.

¹⁰⁵ 174 Ohio App.3d 46.



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. 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.¹⁰⁶

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."¹⁰⁷

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.¹⁰⁸

Thus, current law prohibits a district superintendent from nominating for employment a family member and creates a conflict for a district superintendent where

¹⁰⁶ R.C. 3313.03 and 3313.04, neither in the bill.

¹⁰⁷ R.C. 3313.22 and 3313.31, neither in the bill.

¹⁰⁸ R.C. 2921.42, not in the bill.



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.

State schools' Employees Food Service funds

(R.C. 3325.13 and 3325.14; Sections 375.10 and 377.10)

The bill creates two separate funds: (1) the State School for the Blind Employees Food Service Fund, and (2) the State School for the Deaf Employees Food Service Fund. Each fund consists of payments received from the respective school's employees who make purchases from the school's food service program. The money generated from those payments must be used to pay costs associated with the school's food service program. The bill also specifies that the approval of the State Board of Education is not required to designate money for deposit into either of the funds.

STEM school contracting authority

(R.C. 3326.07 and 3326.08)

The bill expressly permits a STEM school to contract for any services necessary for the operation of the school, including the authority to "engage the services" of officers, teachers, and other employees.

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.

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, 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.¹⁰⁹

¹⁰⁹ R.C. 3302.03(A)(2), (B)(3), and (C)(3).



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" (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 provides for the creation of 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 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 the incorporators.

The board of directors of the corporation must consist of the following nine 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; two individuals 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; and 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 individuals on the board who represent major business enterprises in Ohio are to be appointed by a statewide organization selected by the Governor. The organization is to be nonpartisan and consist of chief executive officers of major corporations organized in Ohio.

The board must elect a chairperson from among its members, and 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 overhead expenses 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 state financial support for the corporation must cease on the date that is five years after the bill's (immediate) effective date.

Alternative license

(Section 733.50)

The bill requires the State Board to issue an alternative principal or alternative administrator license to an individual who successfully completes the New Leaders for Ohio Schools pilot program. The State Board must adopt rules that prescribe the requirements for such licenses and use existing rules for alternative principal and



administrator licenses, required under continuing law, as a guideline for the new rules. The bill does not specify a date by which the State Board must adopt the new rules.

School district revenue from sale of real property

(R.C. 5705.10)

Authorizes the board of education of a school district to pay money received from the sale of real property into the school district's general fund and used only to pay for the costs of nonoperating capital expenses related to technological upgrades and equipment to be used for instruction and assessment. Under current law, except for a municipal school district (Cleveland), such money must be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. Current law provides municipal school districts, under certain circumstances, with authority to pay such money into the district's general fund.

Executive sessions of a municipal school district transformation alliance

(R.C. 3311.86)

Under continuing law, meetings of the board of directors of a municipal school district transformation alliance are public meetings open to the public at all times, except that the board may hold an executive session. The bill clarifies that the board and its committees and subcommittees may hold executive sessions, as if they were a public body with public employees, for any of the purposes for which an executive session may be held under the Open Meetings Act,¹¹⁰ notwithstanding that the alliance is not a public body as defined in the Act, and that its employees are not public employees.

Under continuing law, a municipal school district is "a school district that is or has ever been under a federal court order requiring supervision and operational, fiscal, and personnel management of the district by the state Superintendent of Public Instruction."¹¹¹ Cleveland is currently the only municipal school district. Unlike other school districts, the board of education of a municipal school district is appointed by the mayor of the city containing the largest portion of the district's territory (City of Cleveland). H.B. 525 of the 129th General Assembly, enacted in 2012, prescribes a number of revisions in the administration of a municipal school district. One of those provisions authorizes the mayor to establish and appoint the board of directors of a Municipal School District Transformation Alliance to advise the district and Department of Education regarding district initiatives.

¹¹⁰ R.C. 121.22.

¹¹¹ R.C. 3311.71(A), not in the bill.

