

Executive

School Funding

1 EDU - 125 School Funding Formula

R.C. 3306.01, 3306.011

Replaces the current school funding method with a new method that calculates an "adequacy amount" for each city, local, and exempted village school district.

Directs ODE to calculate and report separately the amount of funding for each factor of a district's adequacy amount.

Fiscal effect: State aid for each school district is calculated differently than under current law. Transitional aid, which is described below in entry EDU-139, guarantees that no district experiences a decrease in state aid in FY 2010 and limits any decrease in FY 2011 to 2%. There is also a cap that limits growth in state aid for each district to 15% in FY 2010 and 16% in FY 2011. The bill appropriates \$7.13 billion in FY 2010 and \$7.39 billion in FY 2011 for formula aid for school districts, community schools, STEM schools, and joint vocational school districts.

2 EDU - 143 Formula Average Daily Membership (ADM)

R.C. 3306.02, 3317.03, 3306.01

Directs that students attending community schools, a district other than the one in which they reside due to an open enrollment policy, and certain STEM schools be counted directly where they are educated as opposed to where they reside as under current law.

Directs that all students enrolled in kindergarten be counted as one full-time equivalent (FTE) student regardless of whether the student is enrolled in a part-day or all-day kindergarten class. (Under current law kindergarten students are counted as 0.5 FTE and additional funding is provided for certain districts with above average poverty concentrations for kindergarten students receiving all-day services.)

Requires for the calculation of formula ADM, the use of the ADM for the prior fiscal year unless that number for the current year exceeds the prior year by 2% or more, in which case the current year ADM is to be used.

Eliminates the requirement for the second ADM report by school districts during the first full week of February.

Fiscal effect: Counting kindergarten students as 1.0 FTE increases statewide ADM by about 66,000. There may be administrative savings for districts with significant numbers of resident students attending community schools achieved by funding students where they are educated, as opposed to where they reside, because less resources may be needed for tracking students. Using ADM from the prior year allows a greater level of planning by districts as they better know in advance the amount of state funding they are likely to receive.

Executive

3 **EDU - 126** **Adequacy Amount****R.C. 3306.03**

Defines the adequacy amount of the proposed school funding formula as the sum of the following:

- (1) Instructional services support under R.C. 3306.05;
- (2) Additional services support under R.C. 3306.06;
- (3) Administrative services support under R.C. 3306.07;
- (4) Operations and maintenance support under R.C. 3306.08;
- (5) Gifted education and enrichment support under R.C. 3306.09;
- (6) Technology resources support under R.C. 3306.10;
- (7) The professional development factor, calculated by multiplying the sum of a school district's core teacher, specialist teacher, career-technical teacher, supplemental teacher, lead teacher, special education teacher, special education teacher's aide, and limited English proficiency teacher positions by \$1,833;
- (8) The instructional materials factor, calculated by multiplying the school district's formula ADM by \$165, phased in for all school districts except Cleveland Municipal School District at 25% in FY 2010-2011, 50% for FY 2012-2013, and 75% in FY 2014-2015.

Fiscal effect: The phased in amount for instructional materials is \$41 per student for FY 2010 and FY 2011.

4 **EDU - 127** **Organizational Units****R.C. 3306.04, 3306.02**

Calculates the number of organizational units for all but small school districts, as the sum of the following:

- (1) the number of elementary school organizational units, which is calculated by dividing formula ADM for grades K-5 by 418;
- (2) the number of middle school organizational units, which is calculated by dividing formula ADM for grades 6-8 by 557;
- (3) the number of high school organizational units, which is calculated by dividing formula ADM for grades 9-12 by 733.

Specifies that each small school district, defined as having formula ADM of less than 800 students, constitutes one organizational unit.

Executive

Fiscal effect: Some of the components of the adequacy amount are determined on the basis of the number of organizational units. Except for small districts, students in grades K-5 have a higher weight in this calculation than students in grades 6-8 who in turn have a higher weight than students in grades 9-12.

5 EDU - 128 Instructional Services Support

R.C. 3306.05, 3306.051, 3306.11

Defines the instructional services support component as consisting of funding for core teachers, specialist teachers, career-technical education teachers, lead teachers, special education teachers, special education teacher's aides, limited English proficiency (LEP) teachers, and supplemental teachers.

Specifies the number of teacher positions funded as:

- (1) Core teachers - 1:25 teacher to student ratio for grades 4-12, 1:15 ratio for grades K-3;
- (2) Specialist teachers - 20% of the number of core teachers determined for grades K-8, 25% of the number of core teachers determined for grades 9-12;
- (3) Career-technical education teachers - 10% of the number of core teachers determined for grades 9-12;
- (4) Lead teachers – one per organizational unit;
- (5) Special education teachers – one per 20 special education students where the number of special education students is 90% of the weighted number of children with disabilities;
- (6) Special education teacher's aides – one for every two special education teachers;
- (7) LEP teachers – one per 100 LEP students, where the number of LEP students is the district's formula ADM multiplied by its percentage of LEP students as defined under federal law;
- (8) Supplemental teachers – one per 100 economically disadvantaged students, where the number of economically disadvantaged students is the district's formula ADM multiplied by the percentage of students who are economically disadvantaged as determined for the district report card.

Lists the Ohio Instructional Quality Index (IQ Index) for each district and specifies that the IQ Index have a minimum value of 0.9 and a maximum value of 1.65 for FY 2010 and FY 2011 and be based on the following characteristics:

- (1) the college attainment rate of the district's population;
- (2) the district's wealth per pupil, based on property valuation and federal adjusted gross income;
- (3) the district's concentration of poverty.

Executive

Specifies total funding for instructional services support be calculated as the IQ Index times the statewide base teacher salary of \$51,407 in FY 2010 and \$52,402 in FY 2011 times the number of teacher positions funded.

Directs each school district to account for expenditures of the amount received for instructional services support and report it to ODE.

Fiscal effect: This component is the largest component of the adequacy amount for districts. Funding per teacher ranges from \$46,266 to \$84,822 in FY 2010 and from \$47,162 to \$86,463 in FY 2011, depending on the district's IQ Index.

6 EDU - 129 Additional Services Support**R.C. 3306.06**

Defines the additional services support component as consisting of funding for student support staff, counselors, summer remediation, school nurses, and registered nurses.

Specifies student support staff be funded as one per 75 economically disadvantaged students using a salary of \$38,633 in FY 2010 and \$39,381 in FY 2011 and with the number of economically disadvantaged students calculated as the district's formula ADM multiplied by the percentage of students who are economically disadvantaged as reported on the district's report card.

Specifies counselors be funded as one counselor for every 250 students in grades 6-12, using a salary of \$66,375 in FY 2010 and \$67,660 in FY 2011.

Specifies summer remediation be funded as one teacher for every 30 participating students, where the participating students are calculated as 50% of economically disadvantaged students, using a stipend of \$3,000 per teacher.

Specifies school nurses be funded as one per organizational unit, using a salary of \$28,009 in FY 2010 and \$28,551 in FY 2011. Specifies that small school districts, defined as having formula ADM of less than 800 students, do not receive funding for a school nurse.

Specifies registered nurses be funded as one per school district, using a salary of \$51,407 in FY 2010 and \$52,402 in FY 2011.

Directs each school district to account for expenditures of the amount received for additional services support and report it to ODE.

Executive

7 EDU - 130 Administrative Services Support

R.C. 3306.07

Defines the administrative services support component as consisting of funding for superintendents, treasurers, principals, and administrative support personnel.

Specifies superintendents be funded as one per district, using a salary of \$108,758 in FY 2010 and \$110,864 in FY 2011, phased in at 25% in FY 2010-2011, 50% in FY 2012-2013, and 75% in FY 2014-2015. Specifies that Cleveland Municipal School District is not subject to the phase-in.

Specifies treasurers be funded as one per district, using a salary of \$78,418 in FY 2010 and \$79,937 in FY 2011 phased in at 25% in FY 2010-2011, 50% in FY 2012-2013, and 75% in FY 2014-2015. Specifies that Cleveland Municipal School District is not subject to the phase-in.

Specifies principals be funded as one per organizational unit, using a salary of \$89,563 in FY 2010 and \$91,297 in FY 2011.

Specifies that administrative support personnel includes building managers, secretaries, and noninstructional aides and is to be funded in the following manner, except that small school districts receive funding for one building manager, one secretary, and one noninstructional aide:

(1) One building manager per organizational unit, using a salary of \$33,624 in FY 2010 and \$34,275 in FY 2011;

(2) One secretary per elementary and middle school organizational unit and three secretaries per high school organizational unit, using a salary of \$33,624 in FY 2010 and \$34,275 in FY 2011;

(3) Two noninstructional aides per elementary and middle school organizational unit and three noninstructional aides per high school organizational unit, using a salary of \$19,966 in FY 2010 and \$20,353 in FY 2011.

Directs each school district to account for expenditures of the amount received for administrative services support and report it to ODE.

Fiscal effect: The phased-in amount for superintendents is \$27,190 in FY 2010 and \$27,716 in FY 2011 per district. The phased-in amount for treasurers is \$19,605 in FY 2010 and \$19,984 in FY 2011 per district.

Executive

8 **EDU - 131** **Operations and Maintenance Support****R.C. 3306.08**

Calculates operations and maintenance support funding as \$902 per student, phased in at 25% in FY 2010-2011, 50% in FY 2012-2013, and 75% in FY 2014-2015. Specifies that Cleveland Municipal School District is not subject to the phase-in. Directs each school district to account for expenditures of the amount received for operations and maintenance support and report it to ODE.

Fiscal effect: The phased-in amount is \$226 per student in FY 2010 and FY 2011.

9 **EDU - 132** **Gifted Education and Enrichment Support****R.C. 3306.09**

Calculates gifted education support funding as \$25 per student. Specifies that each school district must use the amount to provide instruction, activities, materials, and supplies for students identified as gifted.

Calculates enrichment support funding as \$200 per student, phased in at 25% in FY 2010-2011, 50% in FY 2012-2013, and 75% in FY 2014-2015. Specifies that Cleveland Municipal School District is not subject to the phase-in. Specifies that each school district must use the amount to support enrichment activities to encourage the intellectual pursuits of all students, including postsecondary courses and advanced placement opportunities, or may use the amount to support gifted programming.

Directs each school district to account for expenditures of the amount received for gifted education and enrichment support and report it to ODE.

Fiscal effect: The phased-in amount for student enrichment is \$50 per student in FY 2010 and FY 2011.

10 **EDU - 133** **Technology Resources Support****R.C. 3306.10**

Defines the technology resources support component as consisting of funding for media services and technical equipment.

Calculates media services funding as \$60,000 per organizational unit.

Calculates technical equipment funding as \$250 per student.

Phases in funding for media services and technical equipment at 25% in FY 2010-2011, 50% in FY 2012-2013, and 75% in FY 2014-2015. Specifies that Cleveland Municipal School District is not subject to the phase-in.

Executive

Directs each school district to account for expenditures of the amount received for technology resources support and report it to ODE.

Fiscal effect: The phased-in amount for media services is equal to \$15,000 per organizational unit and for technical equipment is equal to \$63 per student in FY 2010 and FY 2011.

11 EDU - 134 Special Education Weights
R.C. 3306.11

Updates the weights used to calculate weighted special education ADM as follows (current law weight in parentheses):

- (1) Category 1 = 0.2906 (0.2892);
- (2) Category 2 = 0.3613 (0.3691);
- (3) Category 3 = 1.7809 (1.7695);
- (4) Category 4 = 2.3143 (2.3646);
- (5) Category 5 = 3.5071 (3.1129);
- (6) Category 6 = 5.3543 (4.7342).

12 EDU - 135 Transportation Funding
R.C. 3306.12, 3306.01

Enacts a new formula for transportation funding for school districts based on recommendations of ODE.

Directs ODE to calculate statewide transportation cost per student as follows:

- (1) Determine each school district's transportation cost per student by dividing the district's total costs for school bus service in the previous fiscal year by its qualifying ridership in the previous fiscal year;
- (2) Calculate the average after excluding districts that do not provide school bus service, the ten districts with the highest cost per student, and the ten districts with the lowest cost per student.

Directs ODE to calculate statewide transportation cost per mile as follows:

- (1) Determine each school district's transportation cost per mile by dividing the district's total costs for school bus service in the previous fiscal year by its total number of miles driven in the previous fiscal year;
- (2) Calculate the average after excluding districts that do not provide school bus service, the ten districts with the highest cost per mile and the ten districts with the lowest cost per mile.

Executive

Directs ODE to calculate each school district's base transportation payment as follows:

- (1) Multiply the statewide cost per student by the district's qualifying ridership for the current fiscal year;
- (2) Multiply the statewide cost per mile by the district's total number of miles for the current fiscal year;
- (3) Multiply the greater of the amount calculated per student or per mile by the greater of 60% or the district's state share percentage, which is equal to the district's state share of the adequacy amount divided by the district's total adequacy amount.

Directs additional funds be distributed for transportation of nontraditional riders (community school, STEM school, or nonpublic school students), transportation of high school students, transportation of students enrolled in grades K-8 who live less than two miles but more than one mile from school, and demonstration of efficiency by transporting more than a target number of students per bus.

Limits the allocation for each district to the district's actual transportation costs.

Continues to require ODE to pay for students transported by a method other than school bus service using a formula adopted by the State Board.

Requires that, in FY 2010 and FY 2011, ODE pay a pro rata portion of the amount calculated for each school district based on state appropriations for transportation.

Fiscal effect: The bill appropriates \$376.9 million in each fiscal year for these payments.

13 EDU - 136 Local Share of Adequacy Amount

R.C. 3306.13

Calculates each district's local share ("charge-off") of the adequacy amount as:

- (1) 20 mills times the district's total taxable valuation, for districts that levy less than 20.1 effective class-one current expense mills; or
- (2) 20 mills times the district's recognized valuation for districts that levy 20.1 or more effective class-one current expense mills.

Fiscal effect: Under current law, school districts contribute 23 mills of their recognized valuation toward base cost funding and up to 3.3 mills of recognized valuation toward special education, career-technical education, and transportation funding. Reducing the local share to 20 mills increases the state share of the calculated adequacy amount and reduces the local share. Additionally, the use of recognized valuation smoothes changes in state aid due to valuation reappraisals and updates. Using taxable value instead of recognized value for districts that levy less than 20.1 effective class-one operating mills eliminates this smoothing effect for those districts.

Executive

14 **EDU - 110** **Funding for Joint Vocational School Districts****R.C.** **3306.14, Section 265.30.50**

Directs ODE to distribute funds within GRF appropriation item 200550, Foundation Funding, to each joint vocational school district (JVSD) receiving funds in FY 2009. Specifies that each JVSD receive funding equal to the amount received in the previous year inflated by 1.9%.

Requires the Partnership for Continued Learning to establish a JVSD funding committee to study the extent to which current JVSD programming and funding are responsive to state, regional, and local business and industry needs.

Requires the committee to issue a report by September 1, 2010, containing its recommendations for revisions to JVSD programming and funding.

States that the General Assembly will enact laws implementing revisions to JVSD programming and funding by July 1, 2011.

Fiscal effect: The bill earmarks \$263.2 million in FY 2010 and \$268.2 million in FY 2011 for payments to JVSDs. There are also likely administrative costs associated with the JVSD funding committee.

15 **EDU - 112** **Educational Service Centers Funding****R.C.** **3306.15, Section 265.50.10**

Specifies that state funding for educational service centers (ESCs) in FY 2010 and FY 2011 be equal to 90% of the funding provided in FY 2009.

Establishes the Educational Service Center (ESC) Study Committee to study the extent to which the current ESC system supports school districts in academic achievement, teacher quality, shared educational services, and the purchasing of services and commodities. Directs the committee to make recommendations regarding (1) a new regional service delivery system, (2) ESC governance structure, and (3) accountability metrics for ESCs. Requires a progress report due by July 1, 2010 and a final report due to the Governor by October 1, 2010.

Requires each ESC to undergo a performance audit during FY 2010 and FY 2011 conducted by the Auditor of State or a vendor contracted by ODE. Directs ODE, the Office of Budget and Management, and the Auditor of State to agree to the audits' scope and set metrics for (1) operational standards utilized by each ESC, (2) utilization of services by school districts, and (3) the quality of educational and professional development services.

Executive

Fiscal effect: The bill earmarks \$42.3 million in each fiscal year for payments to ESCs. The bill earmarks \$16.4 million in FY 2010 and \$18.0 million in FY 2011 for audits and a portion of the amount is directed to be used for the performance audits of ESCs. There are likely administrative costs associated with the ESC Study Committee.

16 EDU - 141 Community School Funding

R.C. *3306.16, 3314.03, 3314.08, 3314.083,
3314.084, 3314.087, 3314.091, 3314.10,
3314.26, 3317.03, Repealed: 3314.085,
3314.13*

Requires that state payments be made directly to community schools, calculated using some elements of the adequacy amount for school districts, as follows:

- (1) specifies that all community schools constitute one organizational unit for funding purposes, regardless of enrollment size;
- (2) does not apply the IQ Index in calculating community school payments;
- (3) adjusts the model for "brick and mortar" community schools as follows:
 - (a) for additional services support, limits community schools to one counselor regardless of enrollment size, and one school nurse if ADM is less than 800 or one registered nurse if ADM is 800 or more;
 - (b) for administrative services support, does not provide funding for a superintendent or a treasurer, and otherwise limits funding to one principal, one building manager, and one secretary.
- (5) adjusts the model for Internet- or computer-based community schools ("e-schools") as follows:
 - (a) for instructional services support, provides funding for core teachers, special education teachers, special education teacher's aides, and LEP teachers. Determines the number of core teachers funded by using a 1:125 student to teacher ratio for all grades. Does not provide funding for specialist teachers, career-technical teachers, lead teachers, or supplemental teachers.
 - (b) for additional services support, provides funding for one counselor regardless of enrollment size. Does not provide funding for student support staff, summer remediation, school nurses, or registered nurses.
 - (c) does not provide funding for administrative services support (superintendent, treasurer, principals, and administrative support personnel), operations and maintenance support, gifted education and enrichment support, or professional development.

Executive

(d) for technology resources support, provides \$1,037 per pupil for technical equipment with no phase-in applied; does not provide funding for media services.

Repeals the law requiring each e-school to spend at least a portion of its per-pupil state payment on instruction, as the calculation is based on elements of the current funding formula, instead of the new model.

Fiscal effect: E-schools receive fewer components of the adequacy amount, thereby significantly reducing the amount of state funds they will receive through the funding formula as opposed to traditional school districts.

The bill appropriates \$495.9 million in FY 2010 and \$532.2 million in FY 2011 for formula aid payments to community schools, including e-schools.

17 EDU - 142 STEM School Funding

R.C. 3306.17, 3317.03, 3326.31 - 3326.34,
 3326.38, 3326.51

Specifies the funding methodology and distribution for STEM schools based on the school's governance:

(1) if the school is governed by a school district board of education as one of the schools of the district, counts the students in the school's formula ADM and credits funding to the district. (Counts students from other districts who enroll in the school in the formula ADM of the district operating the school, instead of the formula ADM of their resident districts.)

Subjects the district to current law requiring the board to allocate to the STEM school the funds generated by the STEM school's students.

(2) pays other STEM schools state funds directly, calculated using the proposed school funding formula incorporating the adequacy amount, with the following modifications:

(a) does not apply the IQ Index in calculating the school's payments;

(b) subjects the STEM school's funding calculation to the same modifications provided for "small school districts," meaning considers the school to be one organizational unit; does not provide funding for school nurses; and provides funding for one principal, one secretary, and one noninstructional aide under the administrative support services.

18 EDU - 139 Transitional Aid and Growth Cap

R.C. 3306.19

Requires payment of a transitional aid subsidy to school districts to ensure that:

Executive

(1) no district's combined state share of the adequacy amount plus prorated transportation payment in FY 2010 is less than 100% of its transitional aid base for FY 2009, which is equal to the state formula aid credited to the district for FY 2009 less any amount of that aid attributable to community school students and net of any additions or deductions for open enrollment students;

(2) no district's combined state share of the adequacy amount plus prorated transportation payment in FY 2011 is less than 98% of its FY 2010 amount.

Limits growth in a district's state share of the adequacy amount plus prorated transportation payment as follows:

(1) In FY 2010, to no more than 115% of its transitional aid base for FY 2009.

(2) In FY 2011, to no more than 116% of its FY 2010 amount.

Fiscal effect: Transitional aid ensures that no school district receives a decrease in state aid in FY 2010 and limits the decrease to 2% in FY 2011. The cap on growth ensures that no school districts sees growth in state aid greater than 15% in FY 2010 or 16% in FY 2011.

19 EDU - 140 Ohio Research-Based Funding Model Advisory Council

R.C. 3306.29

Establishes the Ohio Research-Based Funding Model Advisory Council to submit biennial recommendations for revisions to the components of the adequacy amount calculation. Directs the Council to meet quarterly, beginning August 2009, and submit its recommendations by September of each even-numbered year.

Directs the Office of School Resource Management in ODE to provide staffing assistance to the Council.

Fiscal effect: There are likely administrative costs associated with the Council. There is no direct appropriation for this purpose, however the bill earmarks \$600,000 in each fiscal year for the Office of School Resource Management which, among its other duties, is directed to provide staffing assistance to the Council.

20 EDU - 23 School Spending Accountability

**R.C. 3306.30, 3306.18, 3306.31-3306.34, 3306.40,
117.54**

Requires each school district, each community school, and each STEM school to submit to ODE a spending plan for state funds received for components of the school funding adequacy amount that deploys those funds for the purposes designated for each component and complies with the operating standards adopted by the State Board.

Executive

Requires each school district that has a high school with a graduation rate of 70% or less (1) to obtain the approval of its spending plan from ODE and the Governor's Closing the Achievement Gap Initiative and (2) to create and staff within its state-funded student support staff the position of linkage coordinator to serve as the primary mentor and service coordinator for students identified as potential nongraduates.

Requires ODE to annually reconcile each district's, community school's, and STEM school's spending plan with its actual spending.

Requires the Superintendent of Public Instruction to certify to the State Board of Education by July 15 each year the amount each city, local, and exempted village school district spent in the previous fiscal year on each component of the district's adequacy amount.

Requires each school district, community school, and STEM school to undergo a performance audit once every five years under the direction of the Office of School Resource Management within ODE. Requires each district or school to submit a written response that specifies a timeline for implementing the audit recommendations. Requires that, at the end of that timeline, each district or school report its progress on implementing the recommendations.

Specifies the actions ODE must take when a school district, community school, or STEM school either fails to properly allocate state funds for at least five components of the adequacy amount, fails to submit or comply with a spending plan, fails to cooperate with a performance audit or submit a response or progress report, or fails to implement recommendations from a performance audit. Requires (1) ODE to provide technical assistance and the district or school to develop a three-year operations improvement plan in the first year of noncompliance, (2) ODE to appoint a State Intervention Team to assist the district or school in the second year of noncompliance, (3) the Superintendent of Public Instruction to appoint an Accountability Compliance Commission or a trustee to manage the district or school in the third year of noncompliance, and (4) the State Board of Education to revoke the district's charter or ODE to order the community school or STEM school to close in the fourth year of noncompliance.

Specifies that the State Board of Education, at any time that a school district fails to comply with the spending accountability measures or to comply with the State Board's new operating standards, may revoke the district's charter. Specifies that ODE may order a community school or STEM school to close if it fails to comply with the spending accountability measures.

Requires the Auditor of State, when conducting an audit of a school district, community school, or STEM school, to determine whether the district or school (1) has developed and submitted, and is complying with a spending plan, and (2) is implementing recommendations from a performance audit. Requires that these determinations be recorded in the audit report.

Executive

Permits school districts, community schools, and STEM schools to apply to the Superintendent of Public Instruction for a waiver of the bill's spending requirements or the State Board of Education's new operating standards. Directs that the waiver may be in effect for up to five years and may be renewed.

Fiscal effect: (1) School district flexibility in the use of state funds will be restricted.

(2) School districts, community schools, and STEM schools will likely bear a local administrative cost for the preparation of spending plans, audit responses, and implementation plans.

(3) ODE will bear an administrative cost relating to the review of spending plans and associated monitoring and reconciliation.

(4) ODE will bear the cost of the performance audits. The bill earmarks \$16.4 million in FY 2010 and \$18.0 million in FY 2011 for these audits.

21 EDU - 123 Formula Amount

R.C. *3317.02*

Prescribes formula amounts of \$5,841 for FY 2010 and \$5,952 for FY 2011 for (1) districts to use in calculating deposits into their textbook and instructional materials fund and capital and maintenance fund, and (2) the state to use in calculating payments to colleges and universities under the Post-Secondary Enrollment Options program.

22 EDU - 124 ODJFS Reports to ODE

R.C. *3317.10, (Repealed)*

Repeals the law requiring the Department of Job and Family Services (ODJFS) to annually report to ODE the number of children in each school district ages 5 to 17 whose families participate in the Ohio Works First program.

Fiscal effect: The proposed school funding formula will not use the number of students whose families are enrolled in Ohio Works First to determine the economically disadvantaged for funding purposes, but will instead use the percentage of students reported as economically disadvantaged on the district report cards to target funding for economically disadvantaged students.

Executive

23 EDU - 28 All-Day Kindergarten

R.C. *3321.05, 3321.01, 3317.03*

Requires each school district to offer all-day kindergarten to all kindergarten students, beginning in FY 2011, subject to the following exceptions: (1) requires districts to continue to accommodate kindergartners whose parents elect to enroll them for only half-day kindergarten; and (2) permits districts to apply for a waiver of the requirement to the Superintendent of Public Instruction. Permits the Superintendent to take into consideration space concerns or alternative delivery approaches when considering the waiver.

Eliminates the provision by which districts providing all-day kindergarten may charge tuition or fees.

Fiscal effect: Districts currently not providing all-day kindergarten may need to hire more teachers and acquire more classroom space. Districts currently charging tuition or fees for all-day kindergarten will no longer be able to do so, thus eliminating that local revenue stream. However, the school funding formula counts all kindergarten students as full time students instead of half time students as under current law.

24 EDU - 51 Post-Secondary Enrollment Options Alternative Funding

R.C. *3365.12, 3314.08, 3326.36, 3365.04,
3365.041, 3365.07-3365.10*

Authorizes the Superintendent of Public Instruction and the Chancellor of the Ohio Board of Regents jointly to adopt rules allowing school districts, community schools, STEM schools, and nonpublic schools to enter into alternative funding agreements to pay colleges and universities for high school students taking college courses through PSEO programs, including Seniors to Sophomores.

Fiscal effect: The rules adopted may provide flexibility in the amount and manner of payments made to colleges and universities for high school students participating in PSEO programs.

25 EDU - 111 Cleveland Municipal School District Early Adopter Project

Section: *265.40.90*

Provides the Cleveland Municipal School District (CMSD) full funding of its state share of the adequacy amount under the provisions of R.C. 3306.

Permits the CMSD CEO, upon the expiration of the current collective bargaining agreement, to reassign teachers according to the needs of students in individual organizational units.

Executive

Requires CMSD to undergo a curriculum audit and a business and operational management study, to be conducted by an organization with experiences in conducting such studies of urban districts selected by the Superintendent of Public Instruction in consultation with the CMSD CEO.

Requires the CMSD CEO to collaborate with CMSD's Advisory Council to create a five-year strategic plan. Requires the plan to implement the recommendations of the curriculum audit and the business and operational management study, unless the Superintendent of Public Instruction grants a waiver of the requirement. Requires the district board of education to adopt the strategic plan and monitor its implementation. Requires the Superintendent of Public Instruction to provide technical assistance and monitoring.

Requires CMSD to hire a Chief Systems Redesign Officer, who reports directly to the CMSD CEO, to create a five-year redesign plan for each organizational unit.

Requires CMSD to create a Systems Redesign Advisory Council. Directs the Council to make recommendations to the Chief Systems Redesign Officer regarding implementation of the system redesign of the organizational units; implementation of the recommendations of the curriculum audit, business and operational management study, and the Human Ware Audit; and any other matters requested by the Chief Systems Redesign Officer.

Requires CMSD to create a Transformational Leadership Team in each organizational unit to implement a systems redesign of the organizational unit and to define student success.

Requires the CMSD CEO to issue a progress report at the end of each fiscal year to the Governor and Superintendent of Public Instruction. Requires that if the Superintendent determines there has been insufficient progress toward meeting the recommendations of the curriculum audit and business and operational management study in FY 2010, CMSD is not eligible in FY 2011 for funds provided for the Early Adopter Project in GRF appropriation item 200422, School Management Assistance, and transitional aid.

Fiscal effect: Unlike other school districts, no part of the adequacy amount will be phased in for CMSD. Additionally, \$1.0 million is earmarked in each fiscal year in GRF appropriation item 200422, School Management Assistance, to fund the studies directed and assist with training and implementation of the Early Adopter Project.

26 EDU - 55 State School for the Blind and School for the Deaf

Section: 265.60.50

Requires the Superintendent of Public Instruction to study the viability of funding the Ohio State School for the Blind and Ohio School for the Deaf through the evidence-based funding model proposed by the bill and to issue, by June 30, 2010, a report describing the findings and recommendations for a transparent, sustainable funding mechanism for the schools.

Executive

Fiscal effect: Minimal increase in administrative costs for completion of the study.

27 EDU - 20 Foundation and Transitional Aid Funding Reimbursement

Section: 265.60.70

Specifies that no school district for which a reduction was made in its reported formula ADM for FY 2005 based on community school enrollment reports and, accordingly, for which a reduction was made in its foundation or transitional aid funding for FY 2005, FY 2006, or FY 2007, has a legal right to reimbursement for that reduction in funding except as expressly provided in a final court judgment or settlement agreement.

Community Schools

28 EDU - 50 Funding and Expenditure Accountability Reports

R.C. 3302.031

Requires ODE annually to prepare a funding and expenditure accountability report for each community school and STEM school as it currently does for all school districts.

Fiscal effect: Minimal.

29 EDU - 91 Sale of School District Property

R.C. 3313.41, 3314.051, 3318.08

Repeals the following requirements:

- (1) that a school district first offer property suitable for classroom space for sale to start-up community schools in the district before otherwise disposing of it;
- (2) that a school district offer property suitable for classroom space for sale to start-up community schools in the district when the district has not used the property for educational purposes for one year and has not adopted a plan to so use that property within the next three years.

Fiscal effect: None.

Executive

30 **EDU - 5** **Community School Report Cards****R.C.** **3314.012**

Eliminates the requirement that a community school must be in operation for two full school years before ODE may issue a report card for that community school.

Fiscal effect: Minimal increase in administrative costs for ODE.

31 **EDU - 7** **Community School Operators****R.C.** **3314.014, 3314.024, 3314.028**

Requires operators of community schools to be nonprofit entities. Exempts community schools with current contracts with for-profit operators from this requirement until the contracts expire.

Requires that contracts between a community school and an operator be selected through a competitive bidding process established by ODE.

Fiscal effect: Some community schools may need to contract with a different operator after the termination of their current contracts.

32 **EDU - 87** **Community School Sponsor Oversight****R.C.** **3314.015, 3314.021, 3314.027, 3314.191**

Clarifies that ODE's authority to oversee and monitor community school sponsors applies to all sponsors, regardless of whether they must initially be approved by ODE for sponsorship.

Permits ODE to place a sponsor in probationary status or to suspend or restrict the sponsor's authority to sponsor community schools for failure to intervene to correct problems at a school.

Prescribes other, graduated sanctions that ODE must take if the sponsor fails to take certain oversight actions or if one or more of the sponsor's community schools fails to meet certain criteria. Requires that, in the first year, ODE provide technical assistance and the sponsor prepare a three-year improvement plan and notify parents. Requires that, if a failure occurs in a second consecutive year, ODE place the sponsor on probationary status and monitor the sponsor's implementation of remedies. Requires that, if a failure occurs in a third consecutive year, ODE revoke the sponsor's authority to sponsor community schools.

Executive

Requires a sponsor to provide annual assurances to ODE that each community school it sponsors is in compliance with criminal records check and supervision requirements for private contractor employees working in the school.

Requires ODE's annual report on community schools to include the performance of community school sponsors.

Fiscal effect: May increase administrative costs for ODE.

33 EDU - 12 New Start-Up Community Schools
R.C. 3314.016

Revises the exception to the cap on new start-up community schools by prohibiting contracts with operators that manage other schools in Ohio, unless at least one of those schools has a report card rating higher than academic watch.

Fiscal effect: May limit a start-up community school's choice of operator.

34 EDU - 13 Appeal of Termination or Nonrenewal of Operator Contract
R.C. 3314.026, Repealed

Repeals current law that permits a community school operator whose contract will be terminated or not renewed by the school's governing authority to appeal the decision to the school's sponsor, or in some cases, to the State Board of Education, and that requires the operator to replace the school's governing authority if the operator prevails in the appeal.

Fiscal effect: Any costs related to the appeal process would be eliminated and community schools would have more flexibility in terminating or not renewing contracts with operators.

35 EDU - 52 Community School Accountability
R.C. 3314.03, 3314.42-3314.44

Removes the opening date exception for community schools that serve dropouts and requires those schools to open not later than September 30 of each school year as required of other community schools.

Requires the governing authority of each community school to submit to the school's sponsor a copy of any corrective action plan for the school required by ODE.

Specifies that community schools are educational institutions to which student records may be released for a legitimate educational purpose without the consent of the student or the student's parent.

Specifies that if a community school closes, the chief administrative officer must transmit all educational records to ODE and that failure to do so is a third degree misdemeanor.

Executive

Fiscal effect: Minimal.

36 EDU - 4 Community School Teachers

R.C. *3314.102, 3314.03, 3314.19, 3314.21*

Requires that teachers hired on or after the provision's effective date to teach core academic subjects in community schools that receive federal Title I funds meet the definition of highly qualified teacher as defined in section 3319.074 of the Revised Code.

Fiscal effect: None.

37 EDU - 6 Unauditable Community Schools

R.C. *3314.38, 269.60.60*

Codifies and makes permanent Section 269.60.60 of Am. Sub. H.B. 119 of the 127th General Assembly, which prescribes procedures for the Auditor of State, community school sponsors, and ODE, with regard to community schools that are declared unauditable.

Fiscal effect: None.

38 EDU - 83 Community School On-Site Evaluations

R.C. *3314.39*

Requires ODE to conduct an on-site visit of each community school at least every five years to evaluate the school's operations. Requires ODE, during each visit, to do the following:

- (1) Determine if the school has complied with the terms of the contract with its sponsor;
- (2) Determine if the school has complied will all applicable laws and administrative rules, including laws regarding community school academic and fiscal accountability;
- (3) Corroborate the academic and fiscal performance of the school reported annually to ODE by the sponsor; and,
- (4) Review, if applicable, the school's progress in implementing a continuous improvement plan.

Requires schools to provide any data, documents, or other materials ODE considers necessary to conduct a thorough on-site visit.

Requires ODE, upon completion of each visit, to issue a written report summarizing its findings and establishes procedures for review of the report by the sponsor and governing authority of the school. Requires ODE to post the final version of the

Executive

report on its website.

Permits the sponsor of a community school to consider the findings contained in the report in deciding whether to place the school in probationary status, to suspend the operation of the school, or to terminate the school's contract. Specifies that ODE may revoke the sponsor's approval to sponsor community schools if the sponsor fails to take any of these actions ODE determines are warranted based on the report.

Requires the State Board of Education to adopt rules to implement this section.

Fiscal effect: The bill permits these visits to be conducted in conjunction with visits required for schools in academic emergency, thus, limiting travel costs for these trips. However, visits conducted for schools not in academic emergency could result in increased administrative costs for ODE. Schools may also have increased administrative costs depending on what is required of them by ODE to conduct a thorough on-site visit.

39 EDU - 107 Community School SBH Subsidy

Section: 265.50.60

Continues the payment in FY 2010 and FY 2011 of a subsidy for certain community schools with at least 50% of students enrolled receiving education and services for a severe behavior handicap (SBH). Specifies that the amount of the subsidy not be deducted from the students' resident school district.

Fiscal effect: Provides for higher state payments to the affected community school.

40 EDU - 108 Community School Operation from Residential Facilities

Section: 265.50.80

Continues to prohibit a community school that was not open for operation as of May 1, 2005, from operating from certain residential facilities that receive and care for children.

Fiscal effect: None.

41 EDU - 109 Early College Start Up Community School

Section: 265.50.90

Continues to permit an early college high school that is currently run by a Big Eight school district in partnership with a private university to operate as a start-up community school if certain conditions are met.

Fiscal effect: None.

Executive

Educator Provisions

42 EDU - 27 Educator Preparation Programs

R.C. *3301.12, 3333.048, 3333.049, Repealed: R.C. 3319.23*

Transfers responsibility for approving teacher preparation programs from the State Board of Education to the Chancellor of the Board of Regents and expands the requirement to include approval of preparation programs for other school personnel. Directs the Chancellor, jointly with the Superintendent of Public Instruction, to:

(1) establish metrics and courses of study for the preparation of educators and other school personnel and the institutions of higher education with preparation programs; and (2) provide for inspection of the institutions.

Requires the Chancellor to issue an annual report on the quality of approved teacher preparation institutions.

Fiscal effect: There will likely be some costs relating to the establishment of metrics and inspections of institutions. The provision specifies that if the adopted metrics and regulations require curricular changes in the institutions that money be allocated from its existing appropriations.

43 EDU - 35 Teacher Tenure

R.C. *3319.08*

Adds to the qualifications for a continuing contract (tenure) for regular classroom teachers who become licensed for the first time on or after January 1, 2011, a requirement that the teacher has held an educator license for at least nine years. Stipulates that these tenure requirements override any conflicting collective bargaining agreement entered into on or after the provision's effective date.

Clarifies that classroom teachers first licensed prior to January 1, 2011, are eligible for tenure if they have completed current continuing education requirements since the initial receipt of an educator license, unless that license was a substitute teaching license.

Fiscal effect: None.

Executive

44 EDU - 29 Termination of Teacher Employment Contracts**R.C. 3319.16**

Eliminates "gross inefficiency or immorality" and "willful and persistent violations of reasonable regulations of the board of education" as statutory grounds for termination of a school district teacher employment contract.

Retains "good and just cause" as statutory grounds for termination of a school district teacher employment contract.

Specifies that the bill's changes to the grounds for termination prevail over any conflicting collective bargaining agreement entered into after the changes' effective date.

Fiscal effect: None

45 EDU - 18 School District Reductions in Force**R.C. 3319.17, 3319.172**

Removes the phrase "for financial reasons" from the list of statutory reasons a school district or educational service center may make reductions in force in its teaching and nonteaching staff.

Repeals the current law specifying that statutory standards for reductions in force of teaching and nonteaching employees prevail over conflicting provisions of collective bargaining agreements entered into after September 29, 2005.

Fiscal effect: May reduce some of the flexibility the districts and ESCs have in reducing staff.

Executive

46 EDU - 26 Educator Licensure

R.C. 3319.22, 3319.222, 3319.26, 3319.28,
Repealed: R.C. 3319.222, 3319.302, 3319.304

Requires the State Board of Education to establish qualifications for the following types of educator licenses and to begin issuing them January 1, 2011:

- (1) A four-year, nonrenewable resident educator license for which the minimum qualifications must be a bachelor's degree from a teacher preparation program;
- (2) A five-year, renewable professional educator license for which the minimum qualifications must be a bachelor's degree, successful completion of the Ohio Teacher Residency Program for applicants whose prior license was a resident educator license or an alternative resident educator license, and demonstration that students in the applicant's classroom have achieved a value-added measure designated by the Superintendent of Public Instruction;
- (3) A five-year, renewable senior professional educator license for which the minimum qualifications must be a master's degree, previous receipt of a professional educator license, meeting the criteria for the accomplished or distinguished level of performance described in the Educator Standards Board's teacher standards, and demonstration that students in the applicant's classroom have achieved a value-added measure designated by the Superintendent; and
- (4) A five-year, renewable lead professional educator license for which the minimum qualifications must be a master's degree, previous receipt of a professional or senior professional educator license, meeting the criteria for the distinguished level of performance described in the Educator Standards Board's teacher standards, either certification from the National Board for Professional Teaching Standards or meeting the Educator Standards Board's criteria for a lead teacher, and demonstration that students in the applicant's classroom have achieved a value-added measure designated by the Superintendent.

Permits the State Board to issue additional educator licenses of categories and types it elects to provide.

Specifies that the State Board's qualifications for obtaining a principal license (1) must be aligned with the Educator Standards Board's principal standards, and (2) require an applicant to demonstrate that students in the applicant's classroom or building have achieved a value-added measure designated by the Superintendent.

Repeals the prohibition on the State Board requiring an educator license for teaching children two years old or younger.

Renames the alternative educator license as the "alternative resident educator license" and makes it a four-year license for teaching in grades 4-12, instead of a two-year license limited to grades 7-12. Requires applicants for the license to complete an intensive pedagogical training institute to be developed by the Superintendent and the Chancellor of the Board of Regents. Requires a holder of the license to participate in the Ohio Teacher Residency Program.

Executive

Eliminates the one-year conditional teaching permit for teaching in grades 7-12 and the one-year conditional teaching permit in the area of intervention specialist, which are optional precursors to the current alternative educator license.

Requires the holder of a provisional educator license for teaching in a STEM school who seeks a professional educator license to meet all of the State Board's requirements for the professional license in addition to current requirements.

Requires the State Board to accept applications for the current types of educator licenses through December 31, 2010, and to issue the licenses in accordance with existing requirements. Specifies these licenses remain valid until they expire, at which point the applicants must meet the State Board's new licensure qualifications.

Fiscal effect: There are likely administrative costs associated with implementing the new licensing standards and particularly relating to the creation of tools to measure the academic achievement of a teacher's students as a determinant for whether the teacher is eligible for a teaching license of a particular level and relating to the creation of the Pedagogical Training Institute required for alternative resident educators. The bill earmarks \$5.1 million annually in FY 2010 and FY 2011 for alternative licensure programs.

47 EDU - 25 Ohio Teacher Residency Program

R.C. 3319.223

Requires the Superintendent of Public Instruction and the Chancellor of the Board of Regents, by January 1, 2011, to establish the Ohio Teacher Residency Program, which is a four-year, entry-level program for classroom teachers.

Requires that the program include (1) mentoring by lead teachers, (2) counseling regarding needed professional development, (3) use of measures of student academic gain to evaluate teacher effectiveness, and (4) measures of appropriate progression through the program.

Fiscal effect: District costs for supplying mentors to entry-level teachers will likely increase as the current entry-year program authorized in State Board rules, which also requires mentoring, only lasts one year. Districts may use lead teachers to mentor entry-level teachers. Lead teachers are funded in the proposed school funding model as a factor in the instructional services component of the adequacy amount.

Executive

48 EDU - 24 Educator Standards Board

R.C. 3319.60, 3319.61, 3319.611, 3319.612

Adds a school district treasurer or business manager member and a parent member to the Educator Standards Board, to be appointed by the State Board of Education. Adds the ranking minority members from the education committees of the Senate and House of Representatives as nonvoting, ex officio members. Requires that the Educator Standards Board's membership reflect the diversity of the state in terms of gender, race, ethnic background, and geographic distribution.

Changes the appointing authority of the three members employed by institutions of higher education from the State Board of Education to the Chancellor of the Board of Regents.

Requires that the standards developed for teachers and principals align with the operational standards adopted by the State Board. Requires that the standards developed for teachers align with certain aspects of the academic standards and reflect the Ohio leadership framework.

Directs the Educator Standards Board to develop and recommend to the State Board of Education standards for school district superintendents and standards for school district treasurers and business managers. Creates the Subcommittee on Superintendent Standards and the Subcommittee on School Treasurer and Business Manager Standards.

Directs the Educator Standards Board to investigate and make recommendations for the creation, expansion, and implementation of school building and district leadership academies.

Repeals the requirement that the Educator Standards Board collaborate with teachers colleges to align their courses with the standards developed by the Board.

Repeals the requirement that the Educator Standards Board study the model for agricultural education developed by the College of Food, Agricultural, and Environmental Sciences and the College of Education at The Ohio State University.

Directs the Educator Standards Board to develop model teacher and principal evaluation instruments.

Requires the Educator Standards Board to propose new standards to the State Board of Education by September 1, 2010.

Fiscal effect: There are likely ODE administrative costs associated with the development of new standards, model evaluation instruments for principals and teachers, criteria for lead teachers, and recommendations for leadership academies. The bill appropriates \$1.7 million in each fiscal year to support the Educator Standards Board.

Executive

49 EDU - 16 Lead Teachers

R.C. **3319.61, 3301.0714, 3302.03, 3319.56**

Renames "master teacher" to "lead teacher".

Directs the Educator Standards Board to adopt criteria that certain applicants for a lead professional educator license must meet to be considered a lead teacher.

Fiscal effect: None.

50 EDU - 33 Teach Ohio Program

R.C. **3333.39**

Directs the Chancellor of the Board of Regents and the Superintendent of Public Instruction to establish and administer the Teach Ohio Program which includes:

- (1) a statewide program administered by a nonprofit corporation that encourages high school students from economically disadvantaged groups to become teachers;
- (2) the Ohio Teaching Fellows Program;
- (3) the Ohio Teacher Residency Program;
- (4) alternative licensure programs;
- (5) any other program as identified by the Chancellor and Superintendent.

Fiscal effect: The bill earmarks \$1.0 million in each fiscal year for the nonprofit-administered program, \$5.1 million in each fiscal year for alternative licensure programs, and \$2.5 million in FY 2011 for the Ohio Teaching Fellows Program.

51 EDU - 34 Ohio Teaching Fellows Program

R.C. **3333.391, 3333.392**

Creates the Ohio Teaching Fellows Program to provide undergraduate scholarships for qualified students going into the teaching profession who commit to teaching in a hard-to-staff or academic watch or emergency public school for at least four years. Provides additional consideration in the scholarship application process to students participating in the Teach Ohio program that encourages economically disadvantaged high school students to become teachers, and to those planning to teach students with special needs or within the STEM disciplines.

Executive

Stipulates that failure to fulfill the four year teaching commitment will result in the conversion of the scholarship into a loan that accrues interest at 10% annually.

Fiscal effect: The bill appropriates \$2.5 million in FY 2011 for the Ohio Teaching Fellows Program.

52 EDU - 145 Task Force on Teacher Compensation and Performance

Section: 265.60.20

Creates the 19-member Task Force on Teacher Compensation and Performance to make recommendations by December 1, 2010, for improving connections between teacher compensation, teaching excellence, and higher levels of student learning.

Early Childhood

53 EDU - 116 Early Childhood Advisory Council and Early Childhood Financing Workgroup

R.C. 3301.90, Section 265.70.20

Creates the Early Childhood Advisory Council to serve as the federally mandated state advisory council on early childhood education and care, and advise the state regarding the creation and duties of the Center for Early Childhood Development in ODE.

Directs the Early Childhood Advisory Council to establish an Early Childhood Financing Workgroup, to be chaired by the chairperson of the Early Childhood Advisory Council, to develop recommendations for a single financing system for early care and education programs. Requires the Council to submit its recommendations to the Governor by December 31, 2009.

Fiscal effect: There are likely minimal administrative costs associated with the implementation and duties of both the Early Childhood Advisory Council and the Early Childhood Financing Workgroup.

Executive

54 EDU - 38 Early Childhood Education

Section: 265.10.20

Continues the GRF-funded early childhood education program at school districts, joint vocational school districts, or educational service centers for children at least three years old as of the district entry date for kindergarten (except that children with an IEP where the early childhood education program is the least restrictive environment may be enrolled on their third birthday), not eligible for kindergarten, and whose families earn not more than 200% of the federal poverty guidelines.

Makes the following requirements for participating programs: (1) development and administration costs may not exceed 15% of the cost of each program, (2) fiscal records must be maintained, (3) a corrective action plan, approved by ODE, must be implemented if the program is found to not be meeting standards (ODE may deny funding if a program fails to successfully complete its plan), (4) teacher qualification requirements prescribed by law must be met, including a requirement that teachers attend a minimum of 20 hours every two years of professional development regarding implementation of content standards and assessments, (5) curriculum must be aligned to the early learning content standards, (6) child progress must be documented and reported, (7) early learning program guidelines must be met, (8) child or program assessment requirements must be met, (9) families who earn more than the 200% of the federal poverty guidelines must be charged a fee based on a sliding scale.

Specifies that per-pupil funding must be sufficient to provide eligible children with services for a standard early childhood schedule, defined as one-half of the statewide average length of the school day, as determined by ODE, for the minimum school year as prescribed by law.

Directs that funds first be distributed to those who received funds for early childhood programs in the previous fiscal year, and the balance be distributed to new providers of early childhood education programs, existing providers to serve more eligible children, or for purposes of program expansion, improvement, or projects to promote quality and innovation.

Requires ODE to provide an annual report regarding early childhood education programs and the early learning program guidelines.

Fiscal effect: The bill appropriates \$34.8 million in each fiscal year for the program, including an earmark of 2% for ODE's administrative costs.

Executive

55 **EDU - 57** **Center for Early Childhood Development****Section: 265.70.10**

Creates the Center for Early Childhood Development, comprised of staff from ODE, and the departments of Job and Family Services and Health, to research and make recommendations regarding the transfer from various state agencies to ODE of the authority and responsibility to implement and coordinate early childhood programs and services for children, beginning with prenatal care until entry into kindergarten.

Directs the Superintendent of Public Instruction to hire a Director for the Center.

Requires the Director of the Center to submit an implementation plan regarding coordination and implementation of early childhood education plans to the Superintendent and Governor not later than August 31, 2009.

Permits the Director of Budget and Management to seek Controlling Board approval to create new funds and non-GRF appropriation items, transfer cash between funds, and transfer appropriation within the same fund used by the same state agency to support the preparation of the implementation plan.

Fiscal effect: Increase in personnel cost for the Director of the Center for Early Childhood Development.

56 **EDU - 144** **Early Learning Initiative****Section: 309.40.60**

Requires that ODJFS and ODE enter into an interagency agreement to claim expenditures for ELI to the state's TANF maintenance of effort requirement and develop reporting guidelines for these expenditures.

Outlines the terms of the contract between ODJFS, ODE, and the early learning agency, as well as the duties of each early learning agency. Specifies both separate duties for ODJFS and ODE to fulfill for ELI, and joint duties.

Requires families of eligible children whose income is more than 100% of the federal poverty guidelines (FPG) and equal to or less than 200% FPG to pay copayments for ELI services and exempts families whose income is equal to or less than 100% FPG from co-payment requirements.

Specifies that once ODE selects an entity to be an early learning agency, ODJFS and ODE must enter into a contract with that entity, and ODE must designate the number of eligible children that the entity may enroll and must notify ODJFS of the number.

Reauthorizes the Early Learning Initiative (ELI), jointly administered by ODE and the Department of Job and Family Services (ODJFS) to provide early learning services on a full-day and part-day basis to TANF-eligible children.

Executive

Provides that an eligible child is a child (1) who is at least three years of age but not of compulsory school age or enrolled in kindergarten, (2) who is eligible for Title IV-A services, and (3) whose family income at the time of application does not exceed 200% of the federal poverty guidelines (FPG).

Requires each county department of job and family services (CDJFS) to determine eligibility for Title IV-A services for children seeking to enroll in an early learning program within 15 days after the CDJFS receives a completed application.

Requires ODJFS and ODE to contract for up to 12,000 enrollment slots for eligible children each fiscal year.

Fiscal effect: Potential decrease in expenditures due to increase in copayments received from participating families. In FY 2008 and FY 2009 copayments were required only of families whose incomes were 165% FPG to 200% FPG.

The executive proposal recommends funding ELI services through GRF appropriation item 600535, Early Care and Education, in the ODJFS budget. Expenditures from this appropriation item will be used to help meet the state's TANF maintenance of effort. In FY 2008 and FY 2009 ELI was funded through an earmark from the TANF Block Grant.

Scholarship Programs

57 EDU - 3 Assessments at Nonpublic Schools with Scholarship Students

R.C. *3310.14, 3313.976*

Requires all nonpublic schools that participate in the Educational Choice scholarship program or the Cleveland Scholarship Program to administer state assessments to all enrolled students, instead of just to scholarship students as under current law, and report student scores to ODE.

Fiscal effect: ODE would bear the cost of furnishing the tests to participating nonpublic schools.

Other Education Provisions

58 EDU - 137 School Operating Standards

R.C. *3301.07*

Requires the State Board to adopt additional standards for school districts including (1) standards for the effective and efficient organization, administration, and supervision of each district; (2) standards for the establishment of a business advisory committee and a family and community engagement team; (3) standards for the expenditure of the amounts received under each component of the school funding formula; and (4) standards for district organizational units.

Specifies that the standards for organizational units require (1) effective and efficient organization, administration, and supervision of the unit; (2) a school organizational unit leadership team; and (3) compliance with standards for

Executive

expenditures of the amounts received under each component of the school funding formula.

Specifies that these additional standards prevail over collective bargaining agreements entered into after the provision becomes effective.

Permits the Superintendent of Public Instruction to waive these additional standards as they relate to school district schools.

Requires that in the minimum operating standards for schools adopted by the State Board of Education, the Board require that instructional materials and equipment be aligned with the academic standards.

Fiscal effect: ODE's administrative costs may increase as a result of developing and adopting these additional standards.

59 EDU - 67 School Financial Reporting

R.C. *3301.07, 3314.03, 3326.21*

Modifies a current requirement for the State Board to develop a standard of financial reporting by (1) specifying that it must apply to community schools and STEM schools, as well as school districts and educational service centers as under current law; (2) requiring the inclusion of annual budgets for each school building; (3) eliminating a requirement for year-to-year comparisons over a five-year period.

Fiscal effect: Possible increase in costs for districts, community schools, and STEM schools for increased reporting requirements.

60 EDU - 117 Academic Standards

R.C. *3301.079, 3301.0710, 3301.0711, 3301.0712,
3301.16, 3301.42, 3302.01, 3302.02,
3313.603, 3313.608, 3313.61, 3313.611,
3313.612, 3313.614, 3314.36, 3325.08,
Section 265.60.80, Repealed: R.C. 3301.43,
3302.032*

Requires the State Board of Education, by June 30, 2010, and at least once every five years thereafter, to adopt new statewide academic standards for all grades in English language arts, math, science, and social studies to replace the current content standards in reading, writing, math, science, and social studies. Requires the State Board to adopt model curricula reflecting these standards by December 31, 2010.

Executive

Requires the State Board to convene a committee of national and state experts and local practitioners by July 15, 2009, to provide guidance in the design of the updated standards and model curricula.

Requires the State Board, after completing the standards listed above, (1) to revise the academic standards and model curricula for grades K-12 in fine arts and foreign language, (2) to revise the standards and curricula in computer literacy and to expand them to cover grades K-12 (instead of 3-12 as in current law), and (3) to adopt standards and curricula for K-12 in the new areas of financial literacy and entrepreneurship and wellness literacy.

Requires that the standards emphasize coherence, focus, and rigor, and specify (1) skills related to creativity and innovation, critical thinking and problem solving, and communication and collaboration; (2) skills that promote information, media, and technological literacy; (3) skills that promote flexibility and adaptability, initiative and self-direction, social and cross-cultural skills, productivity and accountability, and leadership and responsibility; (4) interdisciplinary, project-based real world learning opportunities; (5) opportunities for community service learning.

Requires the State Board to periodically revise and update the physical education standards.

Repeals the current law prohibition on adopting or revising health standards and curriculum without approval by concurrent resolution of the General Assembly.

Fiscal effect: The bill appropriates \$5.8 million in each fiscal year for development, revision, and communication to school districts of the academic standards and curriculum models.

61 EDU - 118 Student Assessments

R.C. *3301.079, 3301.0710, 3301.0711, 3301.0712,
3301.16, 3301.42, 3302.01, 3302.02,
3313.603, 3313.608, 3313.61, 3313.611,
3313.612, 3313.614, 3314.36, 3325.08,
Repealed: 3301.43, 3302.032*

Requires the State Board of Education to develop achievement assessments that reflect the new academic standards. Replaces each of the current achievement tests in grades 3-8 with a new assessment, except reduces the number of assessments by two by combining the current reading and writing assessment into an English language arts assessment. (Under current law a separate writing assessment is given in grades 4 and 7.)

Reduces the reported levels of achievement on the assessments from 5 to 3 by eliminating the accelerated and basic levels. Retains the advanced, proficient, and limited skill levels.

Repeals the current law restrictions on the dates and times for administering each assessment and instead requires the Superintendent of Public Instruction to designate these dates and times.

Executive

Requires the State Board, the Superintendent, and the Chancellor of the Board of Regents to develop a new high school assessment system to replace the Ohio Graduation Tests (OGT) as a requirement for a high school diploma. Specifies that the new assessment system consist of: (1) a nationally standardized assessment in science, math, and English language arts; (2) a series of end-of-course examinations in science, math, English language arts, and social studies; (3) a community service learning project; (4) a senior project completed individually or by a group of students.

Requires the State Board to adopt rules for implementation of the new high school assessment system, including timelines, high school diploma requirements, and application to dropout programs.

Prohibits the release of the OGT as a public record.

Fiscal effect: According to ODE, development of the new assessments in grades 3-8 may cost approximately \$70,000 per assessment. Costs for the English language arts assessments may be somewhat higher as they incorporate two of the subjects currently being assessed. Costs for administering these assessments may decrease as the number of assessments decreases by two. ODE estimates the cost for developing end-of-course exams at about \$2.1 million per exam and currently foresees developing eight exams. Cost of federal peer review of these exams to meet NCLB requirements is approximately \$400,000. Additional costs may be incurred for developing alternate exams for students with disabilities. Administering and scoring these tests is estimated to cost about \$27 per student. The estimated cost for administering the ACT (a nationally standardized test) is approximately \$35-40 per student. Approximately 120,000 to 150,000 students would be tested each year. Schools may incur additional costs in scoring the senior project.

62 EDU - 8 Office of School Resource Management

R.C. 3301.80

Establishes the Office of School Resource Management within ODE. Requires the office to (1) determine fiscal data to be included on the funding and expenditure accountability reports; (2) collaborate with the Auditor of State in establishing metrics for performance audits of schools and in publishing best practices identified in the audits; (3) ensure that districts and schools act timely to develop plans for implementation of recommendations contained in the performance audits; (4) provide staff assistance to the Ohio Research-Based Funding Model Advisory Council; and (5) conduct assessments and evaluations as directed by the Superintendent of Public Instruction.

Fiscal effect: The bill earmarks \$600,000 in each fiscal year to support this office.

Executive

63 **EDU - 63** **Office of Urban and Rural Student Success****R.C. 3301.81**

Creates the Office of Urban and Rural Student Success in ODE to (1) develop systems redesign and improvement strategies for urban and rural school districts; (2) provide school districts with recommendations and strategies to improve the academic success of students from economically disadvantaged areas and to address nonacademic barriers; (3) work with the University System of Ohio's institutions, private institutions of higher education, and national and international experts to implement its duties; and (4) provide other assistance and support as directed by the Superintendent of Public Instruction.

Fiscal effect: The bill earmarks \$200,000 in each fiscal year to support this Office.

64 **EDU - 10** **Center for Creativity and Innovation****R.C. 3301.82**

Creates the Center for Creativity and Innovation within ODE to monitor, develop, and disseminate information about creative and innovative education practices.

Fiscal effect: The bill earmarks up to \$200,000 in each fiscal year to support the activities of this center.

65 **EDU - 68** **On-Site Visits to Schools****R.C. 3301.83, 265.60.10**

Requires ODE to establish a pilot program of school on-site visits. Requires the on-site visits to be conducted in cooperation with one or more institutions of higher education. Requires ODE, during each visit, to do the following: (1) determine if the school has complied with the operating standards prescribed by the State Board of Education; (2) determine if the school has complied with all applicable laws and administrative rules, including laws regarding academic and fiscal accountability; and (3) review the school's progress in implementing a continuous improvement plan.

Requires schools to provide any data, documents, or other materials ODE considers necessary to conduct a thorough on-site visit.

Requires ODE, upon completion of each visit, to issue a written report summarizing its findings. Establishes procedures for review of the report by the district board of education. Requires ODE and each school district board, if applicable, to post the final version of the report on their respective web sites.

Executive

Directs the ODE to report to the Governor and the General Assembly no later than December 31, 2010 on the progress of the pilot program and recommendations for full implementation to include an on-site visit of each school district school at least every five years.

Fiscal effect: The bill permits these visits to be conducted in conjunction with visits required for schools or districts in academic emergency, thus, limiting travel costs for these trips. However, these visits will likely result in increased administrative costs for ODE. Schools may also have increased administrative costs depending on what is required of them by ODE to conduct a thorough on-site visit.

66 EDU - 119 Report Card Performance Indicators

R.C. *3302.02, 3301.079, 3301.0710, 3301.0711,
3301.0712, 3301.16, 3301.42, 3302.01,
3313.603, 3313.608, 3313.61, 3313.611,
3313.612, 3313.614, 3314.36, 3325.08,
Repealed: 3301.43, 3302.032*

Requires the State Board of Education, by December 31, 2009, and once every six years thereafter, to establish new performance indicators for the school district and building report cards, based on recommendations of the Superintendent of Public Instruction.

Eliminates the requirement that there be a minimum of 17 performance indicators.

Repeals a requirement that the State Board include measures of high school graduates' preparedness for higher education and the workforce on the report cards, beginning with report cards issued for 2012-2013.

Fiscal effect: Increased administrative costs for ODE to develop new indicators.

67 EDU - 17 Value-Added Data

R.C. *3302.021*

Requires ODE to share aggregate student value-added data and calculations, analyses, and reports using aggregate student value-added data with the Chancellor of the Board of Regents.

Fiscal effect: None.

Executive

68 **EDU - 120** **Educational Choice Scholarships****R.C.** **3310.08, 3310.09, 3310.03**

Disqualifies from eligibility for the scholarship pilot program any student enrolled in a nonpublic school for any portion of the school year in which an application for a scholarship is submitted.

Continues the practice of counting Educational Choice Scholarship recipients in the formula ADM of their resident school districts and then deducting amounts from the district.

Increases the deduction for kindergarten students from \$2,700 to \$5,200 per pupil to account for the new school funding model's counting each kindergarten student as one instead of one-half student.

Establishes a maximum scholarship amount of \$4,500 for grades K-8 and \$5,300 for grades 9-12. (Under current law the maximum scholarship increases each year by the same percentage as the base cost formula amount.)

Fiscal effect: Prohibiting eligibility for students who have been enrolled in a nonpublic school may reduce the total number of scholarships awarded.

69 **EDU - 22** **Minimum School Year****R.C.** **3313.48, 3313.481, 3313.482, 3313.485,
3313.62, 3314.031, 3306.01, 3317.01**

Extends the number of days in a learning year for school district and STEM schools from 182 days, the number of hours for a community school from 920 hours, and the number of hours for districts operating under an ODE approved alternative schedule from 910 hours as follows:

- (1) 186 days and 930 hours in FY 2010 and FY 2011;
- (2) 190 days and 950 hours in FY 2012 and FY 2013;
- (3) 194 days and 970 hours in FY 2014 and FY 2015;
- (4) 198 days and 990 hours in FY 2016 and FY 2017;
- (5) 202 days and 1,010 hours in FY 2018 and thereafter.

Uses the terms "learning day" and "learning year" in place of the current terms "school day" and "school year" in defining the minimum days and hours a school must be open for instruction.

Specifies that new minimum learning year provisions do not prevail over conflicting provisions of a collective bargaining agreement entered into prior to the bill's effective date, but requires that all collective bargaining agreements entered into, renewed, or amended on or after the bill's effective date comply with the applicable minimum number of days or hours

Executive

specified in the new "learning year" provisions.

Retains the current requirement regarding "calamity days" that permits up to five learning days to be waived if necessary for school closings for specified purposes. Directs the State Board of Education to adopt standards to apply in the determination of waivers for districts operating state-approved alternative schedules.

Allows school districts to amend their contingency plans for make-up days, after the initial adoption of such plan by September 1st, if it is determined the plan cannot be implemented as originally adopted.

Fiscal effect: Schools will likely see increased costs for school operations as the school year is extended.

70 EDU - 73 School Emergency Procedures

R.C. 3313.536

Requires school districts, community schools, STEM schools, and chartered nonpublic schools to inform, prior to opening day each school year, each enrolled student and the student's parent of the parental notification procedures in the school's protocol for responding to threats and emergency events, which are established under existing law.

Fiscal effect: Minimal.

71 EDU - 2 Eighth Grade American History

R.C. 3313.60

Allows school district boards to waive the requirement to take an American History course for promotion from eighth grade to ninth grade for academically accelerated students who show a mastery of the subject. (Retains current law requiring one unit of American history and government in high school for a diploma.)

Fiscal effect: Districts may have more flexibility in choosing their course offerings.

72 EDU - 79 Life and Career Ready Skills in Curriculum

R.C. 3313.60, 3313.607, 3314.03, 3326.11

Requires school districts, community schools, and STEM schools to add "life and career-ready skills" to the schools' curriculum, to be offered in the seventh or eighth grade. Requires the Superintendent of Public Instruction to issue program guidance and guidelines to assist in implementing this requirement.

Executive

Requires students of all school districts, community schools, and STEM schools to develop a career and college plan by the end of the eighth grade as part of their coursework on life and career-ready skills. Permits the schools to provide individual career passports to students (school districts are already permitted to do so under current law).

Fiscal effect: May increase administrative costs of ODE for development and distribution of program guidelines and guidance. May also increase administrative costs for school districts, community schools, and STEM schools for development and implementation of a life and career-ready skills curriculum.

73 EDU - 49 High School Graduation Requirements

R.C. 3313.603

Clarifies that a high school that permits students below the ninth grade to take advanced work for high school credit must award high school credit for successful completion of that work.

Fiscal effect: None.

74 EDU - 9 Community Service Education

R.C. 3313.605

Requires all school districts, community schools, and STEM schools to include community service education in their educational programs, to create community service advisory committees, and to develop and implement community service plans.

Fiscal effect: School districts, community schools, and STEM schools may incur costs in the development and implementation of a community service plan.

75 EDU - 121 School Fees for Low-Income Students

R.C. 3313.642

Revises the law prohibiting school districts that receive state poverty-based assistance from charging instructional or materials fees to certain low-income students by applying the prohibition to districts that received the subsidy in FY 2009.

Fiscal effect: None.

Executive

76 EDU - 60 Student Health Screenings**R.C. 3313.673, 3301.0714**

Requires school districts and community schools to report to ODE, through the Education Management Information System (EMIS), the aggregate results of hearing, vision, speech and communications, health and medical, and developmental screenings for entering kindergarteners and first graders.

Fiscal effect: Currently, schools are required to screen students enrolling in school for the first time. Administrative costs for schools may increase as a result of entering the data in EMIS.

77 EDU - 80 Administration of Prescription Drugs to Students**R.C. 3313.713**

Limits, beginning July 1, 2011, the authority to administer prescription drugs to students in school districts to registered nurses and licensed practical nurses employed by the school district.

Fiscal effect: Districts may need to hire more nurses.

78 EDU - 66 School Business Advisory Councils**R.C. 3313.82, 3314.03, 3315.17, 3326.11**

Requires all school districts, educational service centers, community schools, and STEM schools to appoint a business advisory council. (Under current law, only city and exempted village school districts and educational service centers are required to appoint a council.)

Expands the matters on which business advisory councils must provide advice and recommendations to include coordination with the Ohio Skills Bank and University System of Ohio institutions and development of responses to and implementation of recommendations from a performance audit of a school.

Requires each school board, governing authority, or governing body to annually report to ODE the names of council members.

Fiscal effect: Minimal.

Executive

79 EDU - 82 Family and Community Engagement Teams

R.C. 3313.821, 3314.03, 3326.11

Requires each school district, community school, and STEM school to appoint a family and community engagement team, to include parents, community representatives, health and human service representatives, business representatives, and other representatives identified by the board, governing authority, or governing body, to do the following:

- (1) Work with local county family and children first councils to recommend qualifications and responsibilities for school family and community engagement coordinators.
- (2) Develop five-year family and community engagement plans.
- (3) Provide annual progress reports on the development and implementation of the plans that are to be submitted along with the plan to the county family and children first council.
- (4) Advise and provide recommendations to the board, governing authority, or governing body on matters specified by those entities.

Fiscal effect: Potential administrative cost for schools.

80 EDU - 19 Termination of School District Transportation Staff

R.C. 3319.0810, (Repealed)

Repeals a statutory procedure for a school district not covered by the State Civil Service Law (exempted village and local school districts and some city school districts) to terminate some or all of its pupil transportation staff and to instead engage an independent contractor to provide pupil transportation.

Fiscal effect: May reduce the flexibility these districts have in terminating transportation staff.

81 EDU - 30 School Safety and Violence In-Service Training

R.C. 3319.073

Extends to public middle and high schools a requirement that under existing law applies to public elementary schools, under which specified employees must complete four hours of in-service training in the prevention of child abuse, violence, and substance abuse, and the promotion of positive youth development.

Establishes a deadline of two years after the effective date of the amendment for the specified middle and high school employees to take the required four hours of in-service training.

Executive

Allows districts and schools to adapt or adopt the curriculum developed by ODE for that in-service training, as an alternative to the existing law requirement that each district or school develop its own curriculum.

Directs districts and schools to incorporate training in school safety and violence prevention into their in-service training in the prevention of child abuse, violence, and substance abuse, and the promotion of positive youth development.

Fiscal effect: Additional costs will be associated with providing in-service training for the middle and high school employees covered by the amendment. The bill appropriates \$1.2 million in each fiscal year for violence prevention and school safety subsidies.

82 EDU - 31 Licensure of School Nurses

R.C. 3319.221

Requires the State Board of Education to adopt rules establishing standards and requirements for obtaining a school nurse or school nurse wellness coordinator license. Requires that at a minimum, the rules require an applicant for the school nurse license to be a registered nurse and an applicant for a school nurse wellness coordinator to be a licensed practical nurse.

Directs that if any examinations are required for licensure the results be provided by ODE to the Chancellor of the Board of Regents, to the extent permitted by law.

Fiscal effect: There are potential administrative costs associated with the creation of the standards for the school nurse and school nurse wellness coordinator licenses.

83 EDU - 81 Corporal Punishment

R.C. 3319.41

Prohibits corporal punishment in school districts, educational service centers, community schools, STEM schools, and chartered nonpublic schools.

Fiscal effect: None.

Executive

84 EDU - 32 School Health Services Advisory Council

R.C. *3319.70, 3319.71*

Establishes the nine-member School Health Services Advisory Council to make recommendations on:

- (1) the content of courses of instruction required to obtain a school nurse license or a school nurse wellness coordinator license; and
- (2) best practices for the use of school nurses and school nurse wellness coordinators in providing health and wellness programs for students and employees of public schools.

Fiscal effect: There are potential administrative costs related to creation and proceedings associated with the School Health Services Advisory Council.

85 EDU - 77 Special Education Procedure

R.C. *3323.05*

Modifies existing procedural guidelines established for ODE to protect the rights of a child whenever the parents of a child are not known, specifying that the surrogate parent be assigned by the school district or other educational agency responsible for educating the child or by the court with jurisdiction over the child's custody.

Fiscal effect: None.

86 EDU - 104 Waiver of Required Pupil Teacher Ratio

Section: *265.50.20*

Permits the Superintendent of Public Instruction to waive the pupil to teacher ratio in grades K-4 in rule 3301-35-05 of the Administrative Code if the following apply: (a) the board of education of the district requests the waiver; (b) ODE determines that meeting the required ratio would impose an extreme hardship on the district; and (c) the board of education provides assurances that it will act in good faith to meet the required ratio as soon as possible.

Fiscal effect: Allows certain districts to continue to receive state funding even if the required pupil to teacher ratio is not met.

Executive

87 **EDU - 105** **Private Treatment Facility Project****Section: 265.50.30**

Establishes procedures by which Ohio youth who have been assigned to a participating residential treatment facility are enrolled in an approved educational program in or near the facility. Requires that the school district responsible for tuition for a residential child pay the tuition to the provider for the educational programs. Prohibits a district from including the youth in the district's average daily membership (ADM). Requires that ODE track the utilization of funds and monitor the program for educational accountability.

Fiscal effect: In addition to the tuition payment, the bill earmarks \$1.0 million in each fiscal year for the Private Treatment Facility Project.

88 **EDU - 106** **National Assessment of Education Progress****Section: 265.50.40**

Expresses the General Assembly's intention that Ohio school districts participate in the administration of the National Assessment of Education Progress (NAEP). Requires each school and school district selected to participate.

Fiscal effect: Small cost for districts chosen to participate. Federal funding is provided for coordination of the state's participation in NAEP.

89 **EDU - 113** **Use of Volunteers****Section: 265.60.30**

Authorizes ODE to use the services of volunteers to accomplish any of the purposes of ODE.

Authorizes the Superintendent of Public Instruction to reimburse volunteers for necessary expenses in accordance with state guidelines and to designate volunteers as state employees for the purposes of motor vehicle accident liability insurance and for indemnification from liability incurred in the performance of their duties.

Fiscal effect: May reduce costs for ODE if they are able to use volunteers to fulfill purposes for which they would otherwise need to hire.

Executive

90 EDU - 75 State School for the Blind and School for the Deaf

Sections: 265.60.40, R.C. 3325.01-3325.16, 3301.13

Merges the State School for the Blind and the School for the Deaf into ODE effective July 1, 2009.

Authorizes the Superintendent of Public Instruction to appoint, fix the salaries of, and terminate employment of employees who work at the state schools. Permits the Superintendent to reassign and reclassify employee positions for efficient administration.

Transfers control over expenditures from the State School for the Blind Student Activity and Work-Study Fund and the State School for the Deaf Educational Program Expenses Fund to ODE, but retains current law requiring money in the funds be used for specified school programs. Permits the Director of Budget and Management to make budget and accounting changes necessary for the transfer.

Fiscal effect: All appropriations for the schools are made to ODE.

91 EDU - 95 School Employees Health Care Board

Section: 265.60.90

Transfers the School Employees Health Care Board and any unexpended and unencumbered appropriations or reappropriations for the Board from DAS to ODE. Requires the transfer to take effect on July 1, 2009, or as soon as possible thereafter. Requires the Director of Budget and Management to make budget changes made necessary by the transfer.

Fiscal effect: Increased expenditures of ODE presumably offset by transfer of appropriations from DAS.

Appropriation Language

92 EDU - 36 Personal Services

Section: 265.10.10

Permits ODE to use GRF appropriation item 200100, Personal Services, to pay fees for ODE's membership in the Education Commission of the States and makes the following earmarks:

- (1) Up to \$25,000 in each fiscal year for travel expenses for the members of the State Board of Education.
- (2) Up to \$150,000 in each fiscal year to support Ohio's Partnership for Continued Learning.

Executive

- (3) Up to \$500,000 in each fiscal year for expenses associated with the Governor's Closing the Achievement Gap Initiative.
- (4) Up to \$200,000 in each fiscal year to support ODE's Office of Urban and Rural Student Success.
- (5) Up to \$200,000 in each fiscal year to support ODE's Center for Creativity and Innovation.

93 EDU - 37 Early Childhood Education**Section: 265.10.20**

Earmarks up to 2% of GRF appropriation item 200408, Early Childhood Education, in each fiscal year to be used by ODE for support and technical assistance of early childhood education programs.

94 EDU - 39 Career-Technical Education Match**Section: 265.10.30**

Specifies that GRF appropriation item 200416, Career-Technical Education Match, be used to provide vocational administration matching funds.

95 EDU - 40 Computer/Application/Network Development**Section: 265.10.30**

Specifies that GRF appropriation item 200420, Computer/Application/Network Development, be used to support the development and implementation of information technology solutions designed to improve the performance and services provided by ODE. Permits this appropriation to also be used to support data-driven decision-making and differentiated instruction and to communicate academic content standards and curriculum models through the Internet.

96 EDU - 41 Alternative Education Programs**Section: 265.10.40**

Specifies that GRF appropriation item 200421, Alternative Education Programs, be used for the renewal of successful implementation grants and competitive matching grants to urban, rural, and suburban districts.

Permits ODE to waive minimum education standards for the alternative schools funded by the grants.

Specifies that a portion of the appropriation may be used for program administration, monitoring, technical assistance, support, research, and evaluation.

Executive

97 **EDU - 42** **School Management Assistance****Section: 265.10.50**

Makes the following earmarks of GRF appropriation item 200422, School Management Assistance:

- (1) Up to \$1,000,000 in each fiscal year for expenses incurred by the Auditor of State for the Auditor's role in performing audits of districts in fiscal distress.
- (2) Up to \$350,000 in each fiscal year for ODE to work with school districts and entities that serve school districts to develop and deploy analytical tools that allow districts to analyze more thoroughly district spending patterns in order to promote more effective and efficient use of resources.
- (3) Up to \$1,000,000 in each fiscal year to fund studies associated with the Cleveland Municipal School District Early Adopter Project and for ODE to assist with training and implementation of the project.
- (4) Up to \$16,394,000 in FY 2010 and up to \$17,980,000 in FY 2011 to contract with an entity to conduct performance audits of school districts and community schools on a five year cycle. Requires that a portion of this amount in each fiscal year be used to conduct performance audits of ESCs and JVSDs to inform the recommendations of new funding models for ESCs and JVSDs to be implemented in the FY 2012-FY 2013 biennium.

Specifies that the remainder be used to provide fiscal technical assistance and in-service education for school district management personnel and to administer, monitor, and implement the fiscal watch and fiscal emergency provisions of the Revised Code.

98 **EDU - 43** **Policy Analysis****Section: 265.10.60**

Specifies that GRF appropriation item 200424, Policy Analysis, be used to support a system of administrative, statistical, and legislative education information to be used for policy analysis and makes the following earmark:

Up to \$600,000 in each fiscal year to support the ODE's Office of School Resource Management. Specifies that a portion of this amount be used in conjunction with GRF appropriation item 200439, Accountability/Report Cards, to develop a fiscal reporting dimension to the school report card beginning in FY 2011.

Executive

99 EDU - 44 Tech Prep Consortia Support

Section: 265.10.60

Specifies that GRF appropriation item 200425, Tech Prep Consortia Support, be used to support state-level activities in support of tech prep programs.

100 EDU - 45 Ohio Educational Computer Network

Section: 265.10.70

Specifies that GRF appropriation item 200426, Ohio Educational Computer Network, be used to maintain a system of information technology throughout Ohio and to provide technical assistance in support of the P-16 State Education Technology Plan. Makes the following earmarks:

- (1) Up to \$15,874,498 in each fiscal year to support connection of all public school buildings and participating chartered nonpublic schools to the state's education network, to each other, and to the Internet.
- (2) Up to \$2,163,657 in each fiscal year for the Union Catalog and InfOhio Network.
- (3) Up to \$7,942,391 in each fiscal year to subsidize the activities of designated information technology centers.

Specifies that the remainder of the appropriation be used to support a network of uniform and compatible computer-based information and instructional systems.

101 EDU - 46 Academic Standards

Section: 265.10.80

Specifies that GRF appropriation item 200427, Academic Standards, be used by ODE for the development and dissemination of academic content standards and curriculum models.

102 EDU - 47 School Improvement Initiatives

Section: 265.10.90

Makes the following earmarks of GRF appropriation item 200431, School Improvement Initiatives:

- (1) Up to \$510,990 in each fiscal year to support educational media centers to provide Ohio public schools with instructional resources and services.

Executive

(2) Up to \$9,349,007 in each fiscal year to support districts in the development and implementation of continuous improvement plans.

103 EDU - 48 Student Assessments

Sections: 265.20.10, 265.50.50

Makes the following earmarks of GRF appropriation item 200437, Student Assessments:

(1) Up to \$212,486 in each fiscal year for costs associated with the state's required diagnostic assessments.

Directs the Superintendent of Public Instruction and the Chancellor of the Board of Regents to determine a percentage of the appropriation in each fiscal year to support: (1) a college readiness exam for high school juniors; (2) preparation, practice examinations, and diagnostics related to a college readiness exam. Specifies that for examinations paid for by these funds where scores may be submitted to institutions of higher education, all students must submit their scores to the University System of Ohio.

Directs that a portion of the appropriation may be used to reimburse public school districts for: (1) costs associated with Advanced Placement testing and programming, (2) costs associated with taking the International Baccalaureate Examination.

Specifies that the remainder of the appropriation be used to develop, field test, print, distribute, score, and report results of tests. If funds remain in this appropriation after all other purposes have been fulfilled, permits ODE to use the remainder to develop end-of-course exams.

Authorizes the Director of Budget and Management to transfer unspent and unencumbered funds within ODE, as necessary, to GRF appropriation item 200437, Student Assessments, to fully fund the student assessment requirements of state law. If these transferred funds not sufficient, permits the Superintendent of Public Instruction to seek Controlling Board approval to transfer up to \$9.0 million from the Lottery Profits Education Reserve Fund to the GRF to be appropriated to this item.

104 EDU - 53 Accountability/Report Cards

Section: 265.20.20

Earmarks up to \$2,378,976 in each fiscal year of GRF appropriation item 200439, Accountability/Report Cards, to train district and regional specialists and district educators in the use of value-added progress dimension.

Executive

Specifies that the remainder of the appropriation be used to incorporate a statewide pilot value-added progress dimension into performance ratings for school districts and for the development of an accountability system that includes the preparation and distribution of school report cards.

105 EDU - 54 Child Care Licensing

Section: 265.20.20

Specifies that GRF appropriation item 200442, Child Care Licensing, be used by ODE to license and to inspect preschool and school-age child care programs.

106 EDU - 56 Education Management Information System

Section: 265.20.30

Specifies that GRF appropriation item 200446, Education Management Information System, be used to improve the education management information system (EMIS) and makes the following earmarks:

- (1) Up to \$1,276,761 in each fiscal year to be distributed to information technology centers for costs related to processing, storing, and transferring data for the effective operation of EMIS.
- (2) Up to \$7,874,541 in each fiscal year to be distributed on a per-pupil basis to school districts, community schools, educational service centers (ESCs), joint vocational school districts (JVSDs), and other educational entities that report data through EMIS. Specifies that each school district or community school with more than 100 students and each JVSD receive a minimum of \$5,000 in each fiscal year. Specifies that each school district and community school with between 1 and 100 students and each ESC and each county board of MRDD that submits data receive \$3,000 in each fiscal year.

Specifies that the remainder of the appropriation be used to develop and support a common core of data definitions and standards as adopted by the Education Data Advisory Board. Specifies that any provider of software meeting the standards approved by the Education Data Advisory Board be designated as an approved vendor and may enter into contracts with educational entities for the purpose of collecting and managing data required under Ohio's EMIS law. Prohibits school districts and community schools that are not implementing a common and uniform set of data definitions and data format standards from receiving funding until they are in compliance.

Executive

107 EDU - 58 GED Testing**Section: 265.20.40**

Specifies that GRF appropriation item 200447, GED Testing, be used to provide General Educational Development (GED) testing at no cost to applicants and to reimburse school districts and community schools for a portion of the costs incurred in providing services to students who have not graduated because of their inability to pass a state achievement test.

108 EDU - 59 Educator Preparation**Section: 265.20.50**

Earmarks up to \$350,000 in each fiscal year of GRF appropriation item 200448, Educator Preparation, to be used for training and professional development of school administrators, treasurers, and business officials.

Permits the remainder of the appropriation to be used by ODE to support the Educator Standards Board, to develop alternative preparation programs for school leaders, and for the coordination of a career ladder for teachers.

109 EDU - 61 Community Schools**Section: 265.20.60**

Makes the following earmarks of GRF appropriation item 200455, Community Schools:

(1) Up to \$1,308,661 in each fiscal year to support the State Office of Community Schools in ODE.

(2) Up to \$225,000 in each fiscal year for the development and conduction of training sessions for sponsors and prospective sponsors of community schools.

110 EDU - 62 STEM Initiatives**Section: 265.20.60**

Specifies that GRF appropriation item 200457, STEM Initiatives, be used for initiatives that support innovative mathematics and science education and mathematics and science professional development for teachers.

Executive

111 EDU - 64 Public School Employees Health Care Board**Section: 265.20.60**

Specifies that GRF appropriation item 200458, Public School Employees Health Care Board, be used by the School Employees Health Care Board to hire staff to provide administrative support to the Board.

112 EDU - 65 Pupil Transportation**Section: 265.20.70**

Makes the following earmarks to GRF appropriation item 200502, Pupil Transportation:

(1) Up to \$838,930 in each fiscal year for training school bus drivers.

(2) Up to \$60,469,220 in each fiscal year for special education transportation reimbursements to school districts and county MR/DD boards.

Specifies that the remainder of the appropriation be used for state reimbursement of public school districts' costs in transporting pupils to and from school as computed under the school funding formula.

113 EDU - 69 Bus Purchase Allowance**Section: 265.20.80**

Specifies that GRF appropriation item 200530, Bus Purchase Allowance, be distributed to school districts, educational service centers, and county MRDD boards for the purchase of school buses. Earmarks up to 28% of the amount appropriated for the purchase of buses to transport handicapped and nonpublic school students.

114 EDU - 70 School Lunch Match**Section: 265.20.80**

Specifies that GRF appropriation item 200505, School Lunch Match, be used to provide matching funds to obtain federal funds for the school lunch program.

Specifies any remaining appropriation be used to reimburse school buildings required to have a school breakfast program.

Executive

115 EDU - 71 Auxiliary Services**Section: 265.20.90**

Specifies that GRF appropriation item 200511, Auxiliary Services, be used for providing services and materials to students enrolled in nonpublic schools.

Earmarks up to \$2,121,800 in each fiscal year for nonpublic school student participation in the Post-Secondary Enrollment Options Program and requires ODE to adopt rules governing the distribution of these funds.

116 EDU - 72 Nonpublic Administrative Cost Reimbursement**Section: 265.30.10**

Specifies that GRF appropriation 200532, Nonpublic Administrative Cost Reimbursement, be used to reimburse chartered nonpublic schools for their administrative costs associated with maintaining their state charter.

117 EDU - 74 Special Education Enhancements**Section: 265.30.20**

Makes the following earmarks to GRF appropriation item 200540, Special Education Enhancements:

(1) Up to \$2,906,875 in each fiscal year for home instruction for children with disabilities.

(2) Up to \$47,518,582 in FY 2010 and up to \$48,421,435 in FY 2011 to fund special education and related services at county MRDD boards and institutions. Notwithstands the distribution formulas for those students and inflates the per pupil amount received by each MRDD board and institution in the prior fiscal year by 1.9% and provides that inflated per pupil amount for each student served in the current fiscal year.

Specifies that the remainder of the appropriation be used to fund preschool special education and preschool supervisory units at county MRDD boards, educational service centers, and school districts.

118 EDU - 76 Career-Technical Education Enhancements**Section: 265.30.30**

Makes the following earmarks to GRF appropriation item 200545, Career-Technical Education Enhancements:

Executive

- (1) Up to \$2,633,531 in FY 2010 and up to \$2,683,568 in FY 2011 to fund career-technical education at institutions. Directs ODE to distribute funds on a grant basis rather than through the current method of unit funding.
- (2) Up to \$2,228,281 in each fiscal year to fund competitive grants to tech prep consortia.
- (3) Up to \$2,890,850 in each fiscal year to support existing High Schools That Work (HSTW) sites, develop and support new sites, fund technical assistance, and support regional centers and middle school programs.

119 EDU - 84 Foundation Funding

Section: 265.30.40

Provides the following concerning GRF appropriation item 200550, Foundation Funding:

- (1) Specifies that the appropriation includes \$75,000,000 in each fiscal year for the state education aid offset due to the change in public utility valuation as a result of Am. Sub. S.B. 3 and Am. Sub. S.B. 287, both of the 123rd G.A. Permits the Director of Budget and Management to increase or decrease the cash transfer from Fund 053, School District Property Tax Replacement-Utility, upon certification by ODE of the actual state aid offset.
- (2) Specifies that the appropriation in FY 2010 includes \$106,768,866 and in FY 2011 includes \$238,511,467 for the state education aid offset due to the changes in tangible personal property valuation as a result of Am. Sub. H.B. 66 of the 126th G.A. Permits the Director of Budget and Management to increase or decrease the cash transfer from Fund 047, School District Property Tax Replacement - Business, upon certification by ODE of the actual state aid offset.
- (3) Earmarks up to \$425,000 in each fiscal year to help defray the cost of educating children who are placed in a private institution, school, or residential treatment center by the order of an Ohio court.
- (4) Earmarks up to \$15,000,000 in each fiscal year to be reserved for payments to certain school districts with large changes in valuation. Permits the Controlling Board to increase the amount if requested.
- (5) Earmarks up to \$10,000,000 in each fiscal year to provide additional state aid to school districts for the special education catastrophic cost supplement. Permits the Controlling Board to increase the amount if requested.
- (6) Earmarks up to \$2,000,000 in each fiscal year for Youth Services tuition payments.
- (7) Earmarks up to \$42,300,000 in each fiscal year to fund the state reimbursement of educational service centers (ESCs).
- (8) Requires that an amount be available in each fiscal year for transitional aid for school districts.
- (9) Earmarks up to \$1,000,000 in each fiscal year for a program to pay for educational services for youth who have been assigned by a juvenile court or other authorized agency to a facility participating in the private treatment facility project.
- (10) Earmarks up to \$8,686,000 in FY 2010 and \$8,722,860 in FY 2011 to operate the school choice program.

Executive

(11) Specifies that up to \$11,901,887 in each fiscal year of the foundation program funds credited to the Cleveland Municipal School District be used to operate the school choice program in that district. Further specifies that of that amount, up to \$1,000,000 in each fiscal year be used by the district to provide tutorial assistance. Requires that the use of funds for tutorial assistance be reported in the district's three-year continuous improvement plan.

(12) Earmarks \$263,184,858 in FY 2010 and \$268,185,371 in FY 2011 to fund joint vocational school districts (JVSDs).

(14) Specifies that GRF appropriation items 200455, Community Schools; 200502, Pupil Transportation; 200540, Special Education Enhancements; 200541, Special Education - Federal Stimulus; 200550, Foundation Funding; 200551, Foundation Funding - Federal Stimulus; and 200609, Poverty Funding - Federal Stimulus, other than specific set-asides, are to fund state formula aid obligations. Provides that ODE seek Controlling Board approval to transfer funds among these items, or other GRF appropriation items in which there are excess appropriation, in order to meet these obligations.

120 EDU - 85 Teach Ohio

Section: 265.30.60

Earmarks \$1,000,000 in each fiscal year of GRF appropriation item 200555, Teach Ohio, to support the Teach Ohio program to encourage high school students interested in entering the teaching profession.

Specifies that the remainder of the be used to support alternative teach licensure programs.

121 EDU - 86 Violence Prevention and School Safety

Section: 265.30.70

Earmarks up to \$224,250 in each fiscal year of GRF appropriation item 200578, Violence Prevention and School Safety, to fund a safe school center to provide resources for parents and for school and law enforcement personnel.

Specifies that the remainder of the appropriation be distributed based on guidelines developed by ODE to enhance school safety.

122 EDU - 88 Property Tax Allocation - Education

Section: 265.30.80

Prohibits the Superintendent of Public Instruction from requesting, and the Controlling Board from approving, the transfer of funds from GRF appropriation item 200901, Property Tax Allocation - Education, to any other appropriation item.

Executive

Specifies that GRF appropriation item 200901, Property Tax Allocation - Education, be used to pay for the state's costs incurred because of the homestead exemption, the property tax rollback, and reimbursements associated with conversion levies.

123 EDU - 89 Teacher Certification and Licensure

Section: 265.30.90

Specifies that GSF Fund 4L20 appropriation item 200681, Teacher Certification and Licensure, be used in each fiscal year to administer and support teacher certification and licensure activities.

124 EDU - 90 School District Solvency Assistance

Section: 265.30.90

Specifies that funds in GSF Fund 5H30 appropriation item 200687, School District Solvency Assistance, be used to provide assistance and grants to school districts to enable them to remain solvent. Requires that assistance and grants be subject to the approval of the Controlling Board.

Earmarks \$9,000,000 in each fiscal year for the School District Shared Resource Account to make advances to districts that must be repaid.

Earmarks \$9,000,000 in each fiscal year for the Catastrophic Expenditures Account to make grants to school districts that need be repaid only if the district receives third party reimbursement funding.

Permits the Director of Budget and Management to make transfers into Fund 5H30 in each fiscal year to maintain sufficient cash balances in the fund. Appropriates any funds so transferred.

125 EDU - 92 Schools Medicaid Administrative Claims

Section: 265.40.10

Allows the Director of Budget and Management, at the request of the Superintendent of Public Instruction, to transfer up to \$639,000 in each fiscal year from the GRF to FED Fund 3AF0, Schools Medicaid Administrative Claims, to pay expenses incurred in administering the Medicaid School Component of the Medicaid program.

Requires the Director of Budget and Management on June 1 of each fiscal year, or as soon as possible thereafter, to transfer cash from FED Fund 3AF0, Schools Medicaid Administrative Claims, back to the GRF in an amount equal to that transferred to Fund 3AF0 in that fiscal year.

Executive

126 EDU - 93 Reading First**Section: 265.40.20**

Specifies that FED Fund 3Y40 appropriation item 200632, Reading First, be used by school districts to administer federal diagnostic tests as well as other functions permitted by federal statute. Specifies that federal diagnostic tests may be recognized as meeting the state diagnostic testing requirements.

127 EDU - 94 Half-Mill Maintenance Equalization**Section: 265.40.20**

Specifies that SSR Fund 5BJ0 appropriation item 200626, Half-Mill Maintenance Equalization, be used to make payments to eligible school districts to equalize districts' half-mill maintenance levies required under the Classroom Facilities Assistance program of the School Facilities Commission to the statewide average wealth level.

128 EDU - 96 Start-Up Funds**Section: 265.40.30**

Specifies that funds appropriated for the purpose of providing start-up grants to Title IV-A Head Start and Title IV-A Head Start Plus agencies in FY 2004 and FY 2005 for services to children eligible for Title IV-A services be reimbursed to the GRF as follows:

- (1) Requires an entity that was a Title IV-A Head Start or Title IV-A Head Start Plus agency but will not be an early learning agency or provider in FY 2010 or FY 2011 to repay the entire amount of the start-up grant it received in FY 2004 and FY 2005 no later than June 30, 2019.
 - (2) Permits an entity that was a Title IV-A Head Start or Title IV-A Head Start Plus agency and will be an early learning agency or provider in FY 2010 and FY 2011 to retain any amount of the start-up grant it received.
 - (3) Requires that any start-up grants that are retained by early learning agencies or providers be reimbursed to the GRF when the early learning program ceases or is no longer funded from Title IV-A or if the provider's participation in the early learning program ceases or is terminated.
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Executive

129 EDU - 97 Auxiliary Services Reimbursement**Section: 265.40.40**

Requires that the Treasurer of State transfer, if the unobligated cash balance is sufficient, \$1,500,000 in each fiscal year from the Auxiliary Services Personnel Unemployment Compensation Fund to SSR Fund 5980, Auxiliary Services Reimbursement Fund.

130 EDU - 98 Lottery Profits Education Fund**Section: 265.40.50**

Specifies that LPE Fund 7017 appropriation item 200612, Foundation Funding, be used in conjunction with GRF appropriation item 200550, Foundation Funding, to provide formula aid payments to school districts.

131 EDU - 99 Lottery Profits Education Reserve Fund**Section: 265.40.60**

Creates the Lottery Profits Education Reserve Fund (Fund 7018) in the State Treasury. Stipulates that at no time shall the amount to the credit of the fund exceed \$75,000,000 and that investment earnings of the fund be credited to the fund. Appropriates in each fiscal year an amount necessary to make adjustments in state aid to school districts with certain amounts of uncollected local taxes. Requires these adjustments to be paid back to ODE if the taxes are eventually collected.

Requires that the Director of Budget and Management, on or before July 15 following the respective fiscal year, determine the amount by which the lottery profit transfers received by the Lottery Profits Education Fund for FY 2009 exceed \$667,900,000 and for FY 2010 exceed \$705,000,000.

132 EDU - 100 School District Property Tax Replacement - Business**Sections: 265.40.70, 265.40.80**

Specifies that RDF Fund 7047 appropriation item 200909, School District Property Tax Replacement - Business, be used to make direct reimbursement payments to school districts and joint vocational school districts for losses due to the phase-out of tangible personal property taxes. Appropriates any additional appropriations determined to be necessary by the Director of Budget and Management.

Executive

Permits the Director of Budget and Management to make temporary transfers between the GRF and the School District Property Tax Replacement - Business Fund (Fund 7047) used by ODE to ensure sufficient balances in Fund 7047 and to replenish the GRF for such transfers.

133 EDU - 101 School District Property Tax Replacement - Utility

Section: 265.40.80

Specifies that RDF Fund 7053 appropriation item 200900, School District Property Tax Replacement - Utility, be used to make direct reimbursements to school districts and joint vocational school districts for losses incurred due to the reduction of assessment rates on public utility tangible personal property. Appropriates any additional appropriations determined to be necessary by the Director of Budget and Management.

134 EDU - 102 Distribution Formulas

Section: 265.40.80

Requires that ODE report to the Director of Budget and Management and the Legislative Service Commission the following changes: (a) changes in formulas for distributing state appropriations; (b) discretionary changes in formulas for distributing federal appropriations; and (c) federally mandated changes in formulas for distributing federal appropriations. Requires these changes be reported two weeks prior to their effective date.

135 EDU - 103 Earmark Accountability

Section: 265.50.70

Authorizes the Superintendent of Public Instruction to request accountability reports from any entity that receives a budget earmark under ODE's budget.

Fiscal effect: None.

Executive

136 GOV - 1 Service Coordination Workgroup

Section: 751.20

Creates the Service Coordination Workgroup to develop procedures for coordinating services that any of the following provide to individuals under age 21 and their families: the Office of the Governor, the Departments of Alcohol and Drug Addiction Services, Education, Health, Job and Family Services, Mental Health, Mental Retardation and Developmental Disabilities, and Youth Services; the Office of Budget and Management; and the Family and Children First Cabinet Council.

Requires the Workgroup, not later than July 31, 2009, to submit a report to the Governor with recommendations for implementing the procedures.

Permits the Director of Budget and Management to seek Controlling Board approval to transfer cash and appropriations as necessary to implement the Workgroup's recommendations.

Fiscal effect: Since the representative of the Governor's Office is to serve as the chairperson of the Council, this provision may cause a minimal increase in the Governor's Office's costs to produce the workgroup's report.

Executive

Child Care

137 JFS - 47 Help Me Grow Advisory Council

R.C. *3701.611*

Codifies the existing Help Me Grow Advisory Council mirroring the requirements set forth in federal law. The provision also specifies the duties of the Council. Members can be reimbursed for actual and necessary expenses.

Fiscal effect: If the Council currently exists and receives reimbursements for actual and necessary expenses, there should be no fiscal effect.

Executive

Property Taxes and Transfer Fees

138 TAX - 19 School District Conversion Levy for 20-mill Growth

R.C. *5705.219, 5705.214, 5705.2110, 5705.29,
5751.20, 5751.21, Section 265.30.80*

Authorizes school districts levying current expense taxes with an aggregate effective tax rate exceeding 20 mills on residential/agricultural real property to convert that excess millage, with voter approval, to a single levy for a specified amount of money and for a term of up to 10 years or continuously. (The levy conversion would have the effect of suspending future application of the "H.B. 920" tax reduction on the remaining 20 mills for so long as the district does not impose additional current expense millage for other than a fixed amount of money -- i.e., new millage other than an "emergency" levy or a renewal of the conversion levy.)

Requires the state to reimburse a school district levying a conversion tax for the amount of tax revenue lost from nonresidential/agricultural real property and public utility personal property due to the conversion. Phases out the reimbursement over 13 years in increments equal to 50% of the annual inflationary revenue growth from residential/agricultural property resulting from the suspension of the H.B. 920 reduction.

Specifies that reimbursement ends when the computation results in a reimbursement of zero or after 2026, whichever occurs first; for purposes of tangible personal property tax reimbursement, specifies that the converted millage be reimbursed until it expires (instead of reimbursement being phased out by 2018) and that reimbursement be paid from GRF appropriation item 200901, Property Tax Allocation - Education.

Fiscal effect: Reimbursement cost for converted millage cannot be determined because it is subject to voter behavior.

Other Taxation Provisions

139 TAX - 21 School District Income Tax

R.C. *5748.02, 3317.021, 3317.0216, 3317.08,
5748.03*

Specifically excludes, from the determination of a school district's tuition rate or whether the district has met its obligation to levy at least the equivalent of 20 mills for operation of the district, income tax revenues allocated for the project cost, debt service, or maintenance set-aside associated with a state-assisted school facilities project.

Authorizes a school district to combine two or more simultaneously expiring income tax levies into a single renewal levy.

Fiscal effect: Minimal.