

Executive

School Funding

EDUCD92 Jon Peterson Scholarship Funding Formula

R.C. 3310.56, 3310.51

Replaces the formula used to calculate deductions from school districts and payments for the Jon Peterson Special Needs Scholarship Program. Specifies the formula for each student as the sum of the per pupil amount of the opportunity grant for the resident district and the amount for the student's special education category.

Maintains current law that restricts the amount to the least of the fees charged by the provider, the amount calculated above, or \$20,000.

Fiscal effect: Under current law, each scholarship has a base amount of \$5,704 plus the additional special education weighted funds. The provision decreases the base amount to the per pupil opportunity grant, which differs for each school district, but is never more than \$5,000, and increases the additional amount depending on the student's special education category.

EDUCD85 Community School Funding Formula

R.C. 3314.08, 3313.88, 3314.029, 3314.03,
3314.083, 3314.084, 3314.087, 3314.088
(repealed), 3314.11, 3314.13 (repealed),
3314.26, 5727.84

Replaces the formula used to calculate deductions from school districts and transfers to community schools with a formula that is similar to the formula for traditional districts. Specifies the formula for each student as the sum of:

- (1) An opportunity grant of \$5,000 ($\$250,000 \times 0.02$);
- (2) The per-pupil amount of targeted assistance funds for the student's resident district, except does not provide this funding for e-schools;
- (3) The amount for the student's special education category, if the student has a disability, where the category amount is the same as that used for traditional school districts (see EDUCD83). Transfers 15% of this amount to the Special Education Exceptional Cost Fund (see EDUCD91).

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- (4) The per-pupil amount of early childhood access funds for the student's resident district, if the student is in kindergarten, except does not provide this funding for e-schools.
- (5) Economically disadvantaged funds equal to \$500 x the resident district's economically disadvantaged index.
- (6) The amount for the student's LEP category, if the student is LEP.
- (7) Gifted funds equal to \$50.

Fiscal effect: Alters the per pupil amount deducted from school district state funding allocations compared to current law, which is based on a formula amount of \$5,653 plus additional amounts based on FY 2009 levels for special education, career-technical education, poverty-based assistance, and parity aid. In FY 2012, transfers of state aid to community schools amounted to \$774.4 million. In addition to the transfers described here, community schools, other than e-schools, are provided \$100 per ADM for facilities costs (see EDUCD78).

EDUCD93 Capital and Maintenance Fund Set Aside

R.C. *3315.18*

Revises the capital and maintenance fund set aside requirement for school districts to specify they set aside 3% of their opportunity grant, rather than 3% of the formula amount as under current law.

Fiscal effect: All else being equal, decreases the amount required to be set aside in a district's capital and maintenance fund.

EDUCD96 Reporting Requirements Associated with Certain Tax Exempt Property

R.C. *3317.021*

Eliminates data reporting requirements of the Department of Taxation (TAX) and the Development Services Agency (DEV) concerning certain property values exempt from taxation (these values were used in prior funding models to reflect the revenue base of school districts from payments in lieu of taxes attributable to property exempted from taxation pursuant to tax incentive financing (TIF) arrangements).

Fiscal effect: Decrease in administrative burden for TAX and DEV.

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EDUCD89 Pupil Transportation Funding

R.C. 3317.0212, Section 263.170

Modifies the pupil transportation formula to use the state share index from the new formula (see EDUCD83) instead of the state share percentage. Requires ODE to prorate the calculated amount for each district to fit within the appropriation. Removes pupil transportation funding from the main funding formula, so that it is no longer part of the main formula's guarantee or cap.

Fiscal effect: Allocates \$375.8 million each year for this funding from GRF appropriation item 200502, Pupil Transportation.

EDUCD90 Preschool Special Education Funding

R.C. 3317.0213, 3323.13, 3317.03, 3317.05,
3317.19, 3323.08, 3323.09, 3323.091,
3323.13, 3323.14, 3323.141, 3323.142,
Repealed: 3317.051 - 3317.053, 3323.16

Replaces the unit funding formula for preschool special education funding for school districts and institutions. Specifies the formula as the sum of the following:

- (1) \$4,000 x the number of pre-school special education students; and
- (2) The sum of (the number of preschool students in each special education category x the amount specified for each special education category x state share index x 0.5), where the state share index for a state institution is the state share index of the student's resident district and the amount for each special education category is the same as that for K-12 students (see EDUCD83).

Multiplies the tuition paid from one school district to another for preschool special education students by 0.5.

Fiscal effect: Allocates \$103.0 million in FY 2014 and \$104.0 million in FY 2015 for preschool special education funding from GRF appropriation item 200540, Special Education Enhancements.

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EDUCD91 Special Education Exceptional Cost Fund

R.C. *3317.0214, 3317.0215, 3314.08, 3317.16,
3326.34*

Creates the Special Education Exceptional Cost Fund and requires the transfer of 15% of the additional special education aid for traditional school districts, joint vocational school districts (JVSDs), community schools, and STEM schools to the Fund.

Renames "catastrophic" cost to "exceptional" cost and replaces "state share percentage" in the formula to "state share index" to reflect the new funding formula.

Pays aid for exceptional costs from the new Fund (under current law these costs are paid through a GRF set aside).

Fiscal effect: Effectively pools a portion of additional special education aid to pay these costs. Appropriates \$111.6 million in FY 2014 and \$119.5 million in FY 2015 from GSF Fund 5MX0 appropriation 200670, Exceptional Cost Reimbursement, for these payments.

EDUCD83 Traditional School District Funding

R.C. *3317.022, 3317.0217, 3317.013, 3317.03,
3317.016, Section 263.240, other various
sections*

Counts kindergarten students as a true full-time equivalent (FTE) student in average daily membership (ADM), the student count used for the funding formula, instead of counting all kindergarten students as one FTE, regardless of the time spent in school (typically either full or half day).

Replaces the school funding formula in the Revised Code, which hasn't been used for city, local, and exempted village school districts since FY 2009, with a new formula that computes core foundation funding as the sum of the following:

(1) An opportunity grant of $\{\$250,000 - [\text{district's 3-year average valuation} / (\text{total ADM} + \text{preschool scholarship ADM})]\} \times 0.02 \times (\text{formula ADM} + \text{preschool scholarship ADM})$ (if the result is negative, then "0"); where formula ADM counts only 20% of the JVSD ADM and preschool scholarship ADM counts preschool children participating in the Autism Scholarship Program.

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(2) Targeted assistance funds for 490 districts with lowest wealth per pupil, equal to: $\{[\text{threshold district wealth per pupil} - \text{district wealth per pupil}] \times \text{target millage} \times \text{district wealth index} \times (\text{formula ADM} - \text{e-school ADM} - \text{EdChoice ADM})\}$, where wealth per pupil is the average of 3-year average valuation and 3-year average income (FAGI) per formula ADM, the threshold district has the 490th lowest wealth per pupil, target millage equals 0.006 in FY 2014 and 0.007 in FY 2015, and the district wealth index equals state wealth per pupil/local wealth per pupil.

(3) Special education additional aid equal to the sum of (the ADM in each special education category x an amount for each category) x state share index, where state share index equals $\{(\text{district valuation index} \times (\text{maximum district valuation index} - \text{minimum district valuation index})/0.9)\} \times 0.1$, with minimum of 0.05 and a maximum of 0.95, district valuation index equals state 3-year average valuation per total ADM/district 3-year average valuation per total ADM, and the amounts for categories 1-6 are: \$1,902; \$4,827, \$11,596, \$15,475, \$20,959, \$30,896. Transfers 15% of this amount to the Special Education Exceptional Cost Fund (See EDUCD91).

(4) Early childhood access funds for districts with an economically disadvantaged index greater than 1.0 and an early childhood access index greater than 0.5, equal to $2 \times \text{kindergarten ADM} \times \$600 \times \text{early childhood access index}$, where early childhood access index equals district kindergarten ADM per pre-school/state kindergarten ADM per pre-school and economically disadvantaged index equals district % of total ADM who are economically disadvantaged/state % of total ADM who are economically disadvantaged.

(5) Economically disadvantaged funds equal to economically disadvantaged ADM x \$500 x economically disadvantaged index.

(6) Limited English proficiency (LEP) funds equal to the sum of (ADM for each LEP category x an amount for each LEP category) x state share index, where the amounts for categories 1-4 are \$1,500, \$1,125, \$750, and \$375.

(7) Gifted funds equal to \$50 x formula ADM.

Makes the following adjustments to core foundation funding to calculate final core funding:

(1) Caps funding by limiting it to the minimum of calculated core foundation funding, base x 1.25, or base + (total resources x 0.1), where base for FY 2014 equals FY 2013 state aid - FY 2011 transportation funding - FY 2011 career-technical additional funding, base for FY 2015 equals FY 2014 final core funding, total resources for FY 2014 equals state aid and tax revenues for FY 2012, and total resources for FY 2015 equals state aid and tax revenues for FY 2013.

(2) Guarantees funding by calculating final core funding as the maximum of the base, the calculated opportunity grant, or the capped aid calculated above.

Modifies the special education categories by including developmentally delayed preschool special education students in category 2.

Establishes the LEP categories as follows:

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- (1) Enrolled in U.S. schools 180 school days or less and not previously exempted from spring English assessments;
- (2) Enrolled in U.S. schools for more than 180 school days or was previously exempted from spring English assessments;
- (3) Not in categories 1 or 2, but in a trial-mainstream period;
- (4) Not in categories 1-3, but main language spoken at home is not English.

Requires districts spend the portion of the opportunity grant calculated for the district's special education ADM plus the additional special education aid paid to the district for approved special education expenses.

Eliminates requirements that (a) each school district report data to ODE that allows for monitoring compliance with minimum special education spending requirements and that (b) ODE annually report to the Governor and the General Assembly the amount of money spent by school districts on special education and related services.

Fiscal effect: Appropriates \$6.24 billion in FY 2014 and \$6.44 billion in FY 2015 for final core funding for traditional school districts.

EDUCD84 Joint Vocational School District Funding
R.C. 3317.16, 3317.161, Section 263.250

Replaces the JVSD school funding formula in the Revised Code, which hasn't been used since FY 2009, with a new formula for core foundation funding that mirrors the formula for traditional school districts (see EDUCD83) with the following modifications:

- (1) Calculates the opportunity grant as: $[\$10 \text{ million} - (\text{JVSD's three-year average valuation} / \text{formula ADM})] \times 0.0005 \times \text{formula ADM}$ (if the result is negative, then "0");
- (2) Calculates targeted assistance funds for the 39 JVSDs with lowest wealth per pupil, as: $\{[\text{threshold JVSD wealth per pupil} - \text{JVSD wealth per pupil}] \times \text{target millage} \times \text{JVSD wealth index} \times \text{formula ADM}\}$, where the threshold JVSD has the 39th lowest wealth per pupil and target millage equals 0.00025.
- (3) Provides no early childhood access funds.
- (4) Calculates special education additional aid, economically disadvantaged funds, LEP funds, and gifted funds as they are calculated for traditional districts. As with traditional districts, transfers 15% of special education additional aid to the Special Education Exceptional Cost Fund (see EDUCD91).

Makes same adjustments to core foundation funding to calculate final core funding as are made for traditional districts except no cap is made based on total resources and the base for FY 2014 equals FY 2013 state aid - FY 2009 career-

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technical additional funding.

Requires JVSDs spend the portion of the opportunity grant calculated for the JVSD's special education ADM plus the additional special education aid paid to the JVSD for approved special education expenses.

Fiscal effect: Allocates an estimated \$209.6 million in FY 2014 and \$214.4 million in FY 2015 for formula aid to JVSDs.

EDUCD95 Funding for County Boards of Development Disabilities and State Institutions
R.C. 3317.20, 3317.201

Discontinues the practice of counting a portion of students enrolled in county DD board schools in resident district ADM and transferring funding for these students from the resident district to the county board.

Replaces the funding formula for K-12 students educated at county boards with a new formula that adds, for each child placed in a DD board's program:

- (1) (Opportunity per pupil amount of child's resident district + special education category amount) x state share index of child's resident district, and
- (2) Targeted assistance per pupil for the child's resident district.

Replaces the funding formula for K-12 students educated at institutions with a new formula that adds:

- (1) Sum of (ADM in each special education category x the amount specified for each category); and
- (2) Sum of (targeted assistance per pupil amounts for each student's resident district x the total number of each resident district's students enrolled at the institution).

Fiscal effect: Earmarks up to \$50 million per year from GRF appropriation item 200540, Special Education Enhancements, to make these payments to county boards and state institutions.

EDUCD56 Accountability for Subgroups
R.C. 3317.40

Specifies the General Assembly's intent that state operating funds provided to school districts be used to provide all students the opportunity to master a common knowledge base to graduate from high school prepared for a career or post-secondary education.

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Requires school districts and schools that fail to show "consistent progress," as determined by ODE, for a student subgroup for which funds are allocated (special education, economically disadvantaged, LEP, and gifted) to partner with, and pay these funds to, an organization that has a demonstrated ability to improve the educational outcome of students within that subgroup.

Requires ODE to publish a list of schools, districts, and providers that have a demonstrated ability to serve each subgroup of students.

Fiscal effect: Potential increase in administrative burden for ODE to determine the specific measures used to determine if sufficient progress is being made. May restrict the use of a portion of state aid for some districts and schools.

EDUCD55 Straight A Program**R.C. 3317.52**

Creates the Straight A Program to provide grants to school districts, JVSDs, ESCs, community schools, STEM schools, individual school buildings, education consortia, institutions of higher education, and private entities for projects that aim to achieve significant advancement in student achievement, spending reduction in the five year fiscal forecast, or utilization of a greater share of resources in the classroom.

Creates a nine-member governing board to award the grants. Requires ODE to provide administrative support to the board. Requires the board to select advisors with fiscal and education expertise to evaluate grant proposals. Requires the board to issue a report concerning the program.

Specifies the required components for each grant application and agreement as well as procedures and certain criteria to be used by the board in awarding the grants.

Establishes an advisory committee for the Straight A Fund consisting of up to 21 members to annually review the Straight A Program and provide strategic advice to the governing board and the Governor's Office of 21st Century Education.

Fiscal effect: The bill appropriates \$100 million in FY 2012 and \$200 million in FY 2013 from LPE Fund 7017 appropriation item 200648, Straight A Fund, for the grants. May increase ODE's administrative burden to provide support to the program's governing board.

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EDUCD88 Career-Technical Education Funding

R.C. 3317.162, 3317.014, 3317.023, 3317.05,
3317.163, 3314.085

Removes career-technical additional funding from the main funding formula, so that is it no longer part of the main formula's guarantee or cap. Pays this funding to career-technical planning districts (CTPDs) based on the ADM of their member districts and schools.

Replaces the existing two categories of career-technical education with five categories. Allocates funding to each CTPD equal to the ADM in each category x an amount for each category, where the amounts for categories 1-5 are: \$2,900, \$2,600, \$1,650, \$1,200, and \$900.

Requires the lead district of each CTPD to approve or disapprove the career-technical program of all member districts and schools. Requires ODE to review any program disapprovals and provides that, if ODE approves the program, ODE's decision is final. Requires ODE to transfer the funding calculated for its ADM to each approved district and school.

Pays state funds for career-technical associated services, at a rate of \$150 per career-technical ADM, directly to each lead district of a CTPD.

Fiscal effect: Allocates to CTPDs, from GRF appropriation item 200550, Foundation Funding, an estimated \$118.1 million per year in career-technical education funds and \$8.8 million per year in funding for associated services, for a total of \$126.9 million per year.

EDUCD86 STEM School Funding Formula

R.C. 3326.33, 3326.31, 3326.32, 3326.34 (*repealed and re-enacted*), 3326.38, 3326.39 (*repealed*)

Replaces the formula used to calculate deductions from school districts and transfers to STEM schools with a formula that is the same as that for community schools (see EDUCD85) except that it does not provide funds for early childhood access.

Fiscal effect: Alters the per pupil amount deducted from school district state funding allocations compared to current law, which is based on a formula amount of \$5,653 plus additional amounts based on FY 2009 levels for special education, career-technical education, poverty-based assistance, and parity aid. In FY 2012, transfers of state aid to STEM schools (specifically, Greater Dayton Regional STEM) amounted to \$2.2 million.

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EDUCD60 Educational Service Center Funding**Sections: 263.360, R.C. 3317.11 (Repealed)**

Repeals the requirement that ESCs provide supervisory services to client districts, the unit funding provided for those services, and the \$6.50 per pupil transfer to the ESC from the client district's state aid.

Repeals the per pupil state payment for ESC's of \$37.00 or \$40.52.

Specifies that state funding for ESCs in FY 2014 is 77.5% of the funding provided in FY 2013 and that funding in FY 2015 is 72.3% of the funding provided in FY 2014.

Fiscal effect: Limits funding of ESCs by school districts to contractual agreements entered into between ESC governing boards and client districts. The bill earmarks \$27.5 million in FY 2014 and \$20.0 million in FY 2015 for state funding of ESCs.

EDUCD40 Foundation and Transitional Aid Funding Reimbursement

Section: 263.410

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 a settlement agreement executed on or before June 1, 2009.

Fiscal effect: None.

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School Choice Programs

EDUCD64 EdChoice Eligibility (K-3 Literacy)

R.C. 3310.03, 3310.02

Beginning with the 2016-2017 school year, qualifies for the EdChoice scholarship students in kindergarten through third grade who are enrolled in a district-operated school that has received a grade of "D" or "F" in "making progress in improving K-3 literacy" in two of the three most recent state report cards and has not received an "A" in "making progress in improving K-3 literacy" in the most recent report card issued prior to the first day of July of the school year for which the scholarship is sought.

Fiscal effect: May qualify more students for EdChoice. If the expansion attracts incoming kindergarten students who would have attended nonpublic schools using private funds without the scholarship, statewide enrollment may increase, thereby increasing costs to the state. If more scholarships are awarded, deductions from school districts will increase to fund the scholarships. Districts may also experience a decrease in expenditures due to educating fewer students.

EDUCD65 EdChoice Expansion (Low-Income Students)

R.C. 3310.032, Section 263.320

Beginning with the 2013-2014 school year, expands the EdChoice scholarship program to qualify students with family incomes at or below 200% of the federal poverty guidelines, regardless of the academic rating of the school they otherwise would attend.

Specifies that scholarships for students from low-income families are to be funded through an appropriation made by the General Assembly, rather than through deductions from their resident school districts' state education aid.

Limits the number of scholarships awarded to students from low-income families to the amount appropriated for that purpose.

Phases in this Ed Choice expansion by qualifying only kindergartners for the scholarship in the 2013-2014 school year, with the next grade higher added in each subsequent year.

Prioritizes the awarding of scholarships if applications exceed the number of scholarships that can be funded by the appropriation, as follows:

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- (1) First, to students who received scholarships in the previous year;
- (2) Second, to students with family incomes at or below 100% of the federal poverty guidelines;
- (3) Third, to students with family incomes between 100% and 200% of the federal poverty guidelines.

Qualifies a scholarship recipient under the new income criteria for scholarships in subsequent school years, through grade 12, even if the student's family income exceeds 200% of the federal poverty guidelines.

Fiscal effect: The bill appropriates \$8.5 million in FY 2014 and \$17.0 million in FY 2015 in LPE Fund 7017, appropriation item 200666, EdChoice Expansion, to finance the scholarships. Assuming every student uses the maximum scholarship amount (\$4,250 for grades K-8; \$5,000 for grades 9-12), there will be 2,000 scholarships available in FY 2014 and 4,000 scholarships available in FY 2015. Districts may realize a decrease in expenditures due to educating fewer students.

EDUCD76 Dual Enrollment/Advanced Standing

R.C. 3313.6013, 3328.24

Renames "dual-enrollment program" as "advanced standing program."

Adds college-preparatory boarding schools to the public schools required to offer an advanced standing program.

Modifies programs that qualify as advanced standing to specifically include the International Baccalaureate Program, along with the College Credit Plus Program and Advanced Placement courses.

Fiscal effect: None.

EDUCD59 Oversight of Community School Sponsors

R.C. 3314.015

Permits ODE, if a community school sponsor is found not to be compliant with applicable laws and administrative rules, to require the sponsor to remedy the reasons why it was noncompliant and to place temporary limits on the breadth and scope of the sponsor's authority until the sponsor remedies its noncompliance, in lieu of revoking a sponsor's authority to sponsor.

Fiscal effect: If ODE revokes a sponsors authority, it takes over temporary sponsorship of the sponsor's schools, so this provision may decrease ODE's sponsorship duties if sponsors are able to come into compliance before having sponsorship authority revoked.

Executive**EDUCD81 Equipment Return****R.C. 3314.074**

Requires any closing community school that has received hardware or software from the former Ohio SchoolNet or eTech to turn over the equipment to ODE, rather than eTech.

Fiscal effect: None.

EDUCD38 Community School Operation from Residential Facilities**Section: 263.390**

Permits a community school that was open for operation as of May 1, 2005, to operate from certain homes, institutions, foster homes, group homes, or other residential facilities.

Fiscal effect: None.

EDUCD41 Unauditable Community Schools**Section: 263.420**

Prescribes procedures for the Auditor of State, community school sponsors, and ODE, with regard to community schools that are declared unauditable.

Fiscal effect: None. Continues current law.

EDUCD43 Jon Peterson Special Needs Scholarship Program Evaluation**Section: 263.440**

Requires ODE to conduct an evaluation of the Jon Peterson Special Needs Scholarship Program by December 31, 2014.

Fiscal effect: None, continues a requirement established under current law.

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Other Education Provisions

EDUCD71 Detention and Juvenile Facilities

R.C. *2151.362, 3313.64, 3317.30*

Prescribes that a county or joint-county juvenile or detention facility that cares for a child is responsible for coordinating the education of that child and provides that the facility, under certain circumstances, may provide the child with in-house education.

Permits a juvenile or detention facility to contract with an ESC or the school district in which the facility is located to provide education to a child in the facility's care.

Fiscal effect: Detention and juvenile facilities may incur costs for coordinating the education of a child. However, the bill retains law requiring that the child's school district, as determined by the court or ODE, pay the cost of educating the child.

EDUCD57 Financial Reporting Requirements for Schools

R.C. *3301.07, 3314.042, 3317.01, 3326.112,
3328.27*

Modifies a provision requiring the State Board of Education to develop standards for financial reporting by school districts and educational service centers to also include community schools, STEM schools, and college-preparatory boarding schools.

Requires that the State Board develop a format for financial reporting standards to include, both at the school district and at the school building level, revenue by source and expenditures separated by classroom and nonclassroom purposes, in the aggregate and for categories of students for which particular state and federal funds are paid. (The current provision requires that financial information be provided at either the school district or the school building level, but not both, and also requires that expenditures be separated into a greater number of more specific categories for reporting purposes.)

Requires public school and district governing bodies to report annually to ODE all financial information required by the standards for financial reporting. Requires ODE to post these financial reports in a prominent location on its web site and to notify each school when the reports are made available.

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Requires currently-required ODE certifications to school district treasurers of the various amounts payable to school districts under Chapter 3317. of the Revised Code to also include the amount payable to each school building, at a frequency determined by the Superintendent of Public Instruction, for certain categories of students receiving services, provided for by state funding, from the district or school.

Fiscal effect: Potential increase in administrative burden for the State Board and public schools and districts to comply with the new reporting requirements.

EDUCD62 School District and Building Operating Standards**R.C. 3301.07, Section 263.460**

Makes changes to the requirements for minimum operating standards for all elementary and secondary schools, including the (a) removal of language regarding assignment of personnel "according to training and qualifications," (b) removal of instructional materials standards, (c) removal of policy statements, (d) addition of standards for promotion and graduation based on mastery and competency-based learning models, (e) addition of staff assignment standards based on an "appropriate level of interaction to meet each student's personal learning goals."

Removes a requirement that instructional materials standards be aligned with academic content standards.

Removes descriptive language of permissive school standards for school districts and buildings.

Removes the required use of phonics as a technique for teaching reading in grades kindergarten through three and in in-service training.

Requires the State Board of Education to review and revise school operating standards by December 31, 2013 such that the standards are limited to the requirements to ensure the health and safety of students and to ensure each student has mastered a common knowledge base in order to graduate from high school. Requires, as much as possible, that the State Board provide schools with flexibility in meeting the revised operating standards.

Fiscal effect: Possible increase in ODE's administrative burden to evaluate and revise school district and building operating standards, which were last updated in January 2011. May provide school districts with additional flexibility to deliver instructional programs.

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EDUCD51 Kindergarten Readiness Assessments

R.C. 3301.0715

Modifies the timeline for administering kindergarten readiness assessments, beginning July 1, 2014, to not earlier than the first day of the school year and not later than November 1 (except for the language and reading skills portions of the assessment, which still must be administered by September 30 pursuant to requirements associated with the third grade reading guarantee), from not earlier than four weeks prior to the first day of the school year and not later than October 1, as under current law.

Fiscal effect: May increase the administrative burden of school districts and community schools due to a shorter length of time to administer the language and reading skills portion of the assessments.

EDUCD58 Parent Triggered Reforms for Low Performing Schools

R.C. 3302.042

Modifies the parent triggered reform mechanism, established under the Columbus City School District Pilot Project, to become a permanent provision applicable to any school of a city, exempted village, or local school district in the state (the provision allows the parents of students enrolled in a school to petition for school reforms if that school has been ranked in the lowest 5% of all public schools by performance index score for three or more consecutive years).

Eliminates the requirement that ODE annually report its recommendations to the General Assembly on the expansion of the Columbus City School District Pilot Project to other school districts in the state or to apply the project as a statewide program (ODE is still required to annually evaluate the parent triggered reform mechanism and to annually report its recommendations on the continuation of this mechanism to the General Assembly).

Fiscal effect: Implementation of one of the reform plans specified under current law would likely increase administrative costs for the affected school district. No school would be eligible for the reform mechanism until after the 2013-2014 school year, as the mechanism requires at least three years of performance index score data.

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EDUCD50 Governor's Effective and Efficient Schools Recognition Program

R.C. 3302.22

Modifies the Governor's Effective and Efficient Schools Recognition Program to allow the standards for recognition to vary based on types of public schools.

Specifies that the standards established by ODE to determine the top schools must be made in consultation with the Governor's Office for 21st Century Education.

Fiscal effect: None.

EDUCD63 Performance Management Information

R.C. 3302.26

Requires ODE to create a performance management section on its website that includes academic and performance metrics for each school district, based on performance index score and the expenditure per equivalent pupils, and graphs with comparisons of the performance of like districts. Permits ODE to contract with an independent organization to develop and host the performance management section of its website.

Fiscal effect: Increase in ODE's costs to develop the website.

EDUCD61 Educational Service Center Definition and Governing Boards

R.C. 3311.05, 3311.051, 3311.053, 3311.0510,
3313.01, 3313.11, 3313.35, 3513.04,
3513.041, 3513.052, 3513.10, 3513.251,
3513.253, 3513.254, 3513.256, 3513.257,
3513.261, Repealed: 3311.054, 3311.056,
3311.057, 3513.255

Removes the current law definition of an educational service center (ESC) based on the territorial lines of the local school districts served by the ESC and, instead, defines an ESC as a regional public entity that provides services to public and nonpublic schools and local governments with whom they enter into an agreement for those services.

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Defines "client" as any local government; local, city, or exempted village school district; STEM school; community school; or chartered nonpublic school that receives services from an ESC.

Eliminates all future elections for governing board members of ESCs, but permits elected members serving unexpired terms on the bill's effective date to continue to serve until their terms expire.

Requires that the governing board of an ESC consist of one or more persons who are appointed by the governing authority of the clients that receive services from the ESC.

Prescribes that representation on an ESC board for every client that receives services from the ESC is not required.

Fiscal effect: Possible decrease in administrative costs related to elections.

EDUCD74 School Districts and Educational Service Centers

R.C. *3311.19, 3313.60, 3313.82, 3315.06, 3315.07,
3315.33, 3317.03, 3317.14, 3321.04, 3321.13-
3321.15, 3327.02, 3327.10*

Removes references to differentiated treatment by educational service centers (ESCs) to client districts and makes the following changes regarding the relationship between school districts and ESCs:

- (1) Requires each local school district board to prescribe a curriculum for all schools under its control, and removes this requirement for ESCs with respect to local districts.
- (2) Removes a requirement that each ESC annually certify the ADM of students receiving services from schools under the ESC superintendent's supervision.
- (3) Permits a local district superintendent to excuse a child that resides in the district from attendance for any part of the remainder of the current school year upon satisfying conditions specified in law and in accordance with district board and State Board rules, and removes this authority for an ESC superintendent acting on behalf of a local district.
- (4) Requires the superintendent of a local district in which a child withdraws from school to immediately receive notice of the withdrawal from the child's teacher, and removes this requirement as it applies to ESC superintendents acting on behalf of local districts.
- (5) Permits a city or exempted village district board to obtain services from an ESC attendance officer instead of employing its own attendance officer.

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- (6) Permits, rather than requires, every ESC governing board to employ an ESC attendance officer, and requires an ESC to make the decision regarding employment of an attendance officer based on consultation with the districts that have agreements with the ESC.
- (7) Removes a requirement that a local district board submit a copy of a resolution declaring the impracticality of transportation for certain students to an ESC for its concurrence.
- (8) Removes a requirement that each local district board file a copy of its salary schedule with the ESC superintendent for certification of the correct salary to be paid to each teacher.
- (9) Permits a local district to provide an instructional program for the employees of the district, in the same manner as currently authorized for city and exempted village districts.
- (10) Specifies that any school district board that has an agreement with an ESC to receive services may authorize the ESC to purchase or accept upon donation supplies and equipment for the district. (Current law specifies that a city or exempted village district may make this authorization, subject to approval by the ESC, and a local district may make this authorization without any approval from the ESC.)
- (11) Permits the superintendent of a local district to certify the qualifications of the school bus drivers employed or contracted by the district.
- (12) Requires a local district board to appoint a business advisory council unless the district and an ESC have an agreement providing that the ESC's business advisory council will represent the district's business.
- (13) Applies the above exception to the requirement to appoint a business advisory council to city and exempted village districts, which are already required to appoint a council under existing law.
- (14) With respect to an ESC that has members of its governing board serving on a JVSD board, does both of the following:
- (a) Provides that the ESC may request that one or more board members of city, exempted village, and local districts within the JVSD that have agreements with the ESC, rather than only members of local district boards within the JVSD that are also within the territory of the ESC's territory, serve in place of or in addition to its board members;
- (b) Provides that a majority of all of the district boards within the JVSD that have agreements with the ESC must approve revisions to a JVSD's plan regarding the JVSD's board membership, rather than a majority of the local districts within the JVSD that are within the territory of the ESC's service district.
- 15) Provides that each ESC governing board may call and pay the expenses of conducting a meeting of the members of all district boards served by the ESC, rather than only the members of all local district boards within the ESC's territory.
- (16) Permits ESCs to appoint a high school principal or classroom teacher from a local district to the committee for selecting and recommending high school graduates for the Ohio Scholarship Fund for Teacher Trainees. (Current law

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allows only principals and teachers from exempted village and city districts to serve on the committee.)

Fiscal effect: Possible increase in administrative costs for local district boards for prescribing curricula and appointing business advisory councils. May reduce ESCs' administrative burden. Potential increase in flexibility for ESCs and city and exempted village district boards in allocating resources.

EDUCD70 Salary Schedules for Teachers and Nonteaching School Employees

R.C. *3313.42, 3311.78, 3317.12, 3317.14,
3317.141, 5126.24, 5705.412, Repealed: R.C.
3317.13*

Eliminates from current law the provisions specifying minimum salary steps for teachers.

Eliminates current law specifying salary schedule filing deadlines and the conditions upon which the salary schedules for nonteaching school employees must be based, and instead generally requires a school district board annually to adopt salary schedules for teachers and nonteaching school employees.

Eliminates the requirement that each "local" school district board file a copy of all salary schedules with the superintendent of the educational service center serving the district.

Eliminates the requirement that teachers who have completed training resulting in eligibility for a higher salary under a district's schedule file evidence of the completion of that training with the district treasurer who then must place the teacher in the appropriate salary bracket.

Fiscal effect: The provision may provide school districts with some flexibility in determining teacher salaries from year to year. These changes do not affect separate provisions of current law governing teacher salaries in a municipal school district (i.e. Cleveland).

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EDUCD72 Minimum School Year

R.C. 3313.48, 3313.481, 3313.482, 3313.533,
3313.62, 3313.88, 3314.092, 3317.01,
3317.03, 3321.05, 3326.11, Sections 733.10,
803.50

Changes, beginning with school year 2014-2015, the minimum school year for school districts, STEM schools, and chartered nonpublic schools from 182 days to (a) 455 hours for half-day kindergarten; (b) 910 hours for all-day kindergarten and grades 1 to 6; and (c) 1,001 hours for grades 7 to 12.

Eliminates excused calamity days for schools generally, as well as the requirement for a contingency plan to make up calamity days, but retains (a) a recently enacted allowance of calamity days for community schools and (b) a recently enacted option for districts and schools to make up some calamity days via online lessons or paper "blizzard bags."

Requires school districts, prior to changing the hours or days in which a school is open to: (1) consider the compatibility of the proposed change on the scheduling needs of JVSDs in which any of the school's students are enrolled and any community school to which the district must transport students; (2) provide a JVSD or community school with advance notice of the proposed change and enter into a written agreement prescribing reasonable accommodations to meet the JVSD or community school's scheduling needs; and, (3) consult with chartered nonpublic schools to which the district must transport students, and to consider the impact on the schedule for transportation of the chartered nonpublic school's students.

Removes the requirements that a school week consist of five days and a school month consist of four weeks. Specifies that a chartered nonpublic school may be open for instruction on any day of the week, including Saturday and Sunday.

Provides that the restructuring of the minimum school year does not apply to any collective bargaining agreement executed prior to July 1, 2014, but that any collective bargaining agreement or renewal executed after that date must comply with those changes.

Fiscal effect: This provision will likely provide more flexibility in scheduling for most schools and districts. The elimination of excused time for public calamities may result in schools just meeting the current minimum number of days and hours to incur additional operating costs to make up any time lost.

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EDUCD53 Elimination of Requirement to Offer Speech-language Pathology and School Psychologist Services**R.C. 3317.15**

Eliminates the requirement of current law for school districts to provide both speech-language pathology services at a ratio of one pathologist per 2,000 students and school psychological services at a ratio of one psychologist per 2,500 students.

Fiscal effect: Provides flexibility for school districts associated with the provision of speech language pathology and psychological services.

EDUCD54 Loans to School Districts**R.C. 3317.62, 3317.63, 3317.64, 3313.4811 (all repealed)**

Repeals provisions that authorize the Superintendent of Public Instruction to issue loans from the Lottery Profits Education Fund to qualifying school districts (subject to Controlling Board approval) and to administer those loans.

Fiscal effect: None. Currently, there are no outstanding loans under the program.

EDUCD68 Assignment of Business Manager Functions**R.C. 3319.031, Section 733.20**

Authorizes the board of education of a school district that elects not to appoint a licensed business manager to assign the statutory duties of a business manager to other employees or officers of the board, including the treasurer, and to give those employees any title that reflects the assignment of those duties.

Specifies that if a board assigns the duties of a business manager to the district treasurer, the district superintendent, and not the treasurer, has the authority to recommend the appointment or discharge of noneducational employees.

Specifies that the General Assembly's intent is to supersede the 2007 decision of the Eighth District Court of Appeals (Cuyahoga County) that current law prohibits the assignment of a business manager's duties to the district treasurer (OAPSE/AFSCME Local 4 v. Berdine, 174 Ohio App.3d 46).

Fiscal effect: May provide districts with more flexibility in determining who can provide business manager duties.

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EDUCD69 In-Service Training for Human Trafficking Prevention

R.C. 3319.073

Requires that human trafficking content be included in a school's in-service staff training program for school safety and violence prevention.

Fiscal effect: School districts may incur increased administrative costs to include human trafficking content in their in-service training. However, any costs are likely not to exceed minimal because the in-service training is already required for certain school district staff. Also, content regarding human trafficking may already be available for districts to use in the training. For example, ODE has information on human trafficking in its Safety and Violence Prevention Curriculum.

EDUCD73 Replacement of PSEO with College Credit Plus

R.C. 3365.01, 3345.42, 3365.01-3365.04,
3365.041, 3365.05-3365.08, *Repealed:*
3365.01, 3365.07, 3365.021, 3365.09-
3365.12, 3365.15, 3328.34, *Section 803.60*

Renames the Post-Secondary Enrollment Options (PSEO) Program as the College Credit Plus Program and makes the following changes to the program:

- (1) Requires all state institutions of higher education to participate in the program, except for the Northeastern Ohio Universities Medical College.
- (2) Requires that students be considered qualified to participate in the College Credit Plus Program based solely on the participating college's established admission standards.
- (3) Requires each institution of higher education that participates in the program to develop and apply its own student admission standards for the enrollment of secondary students in courses and to give priority to its current students regarding course enrollment.
- (4) Requires the Chancellor of the Board of Regents to develop a standard information packet on the College Credit Plus Program that secondary schools must distribute to each participating student and requires secondary schools to keep a record of dates that such packets are sent to students' homes.

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- (5) Changes notification of participation in the program from students informing the school (current law) to the colleges notifying students and schools.
- (6) Removes the requirement that a participating student or parent sign a form stating that they have received required counseling for the program.
- (7) Removes the requirement that a student may not enroll in any specific college course through the program if the student has taken high school courses in the same subject area and failed to attain at least a 3.0 cumulative grade point average in the course.
- (8) Replaces the current formula amount (\$5,704 per participant) with an amount based on the statewide average public in-state tuition per credit hour, as calculated by the Chancellor.
- (9) Prescribes the following methods to determine payments based on how students receive instruction:
 - (a) For students who receive instruction on the college campus, at another location operated by the college, or online, and taught by college faculty: 50% for students enrolled in public colleges and 75% for students enrolled in private colleges of the statewide average in-state tuition per credit hour for the type of college attended.
 - (b) For students who receive instruction at the student's school taught by a college faculty member: 25% for students enrolled in public colleges and 50% for students enrolled in private colleges of the statewide average in-state tuition per credit hour for the type of college attended.
 - (c) For students who receive instruction on the college campus, at another location operated by the college, or online but taught by a teacher employed by a secondary school, 25% for student enrolled in public colleges and 50% for students enrolled in private colleges of the statewide average in-state tuition per credit hour for the type of college attended.
 - (d) For students who receive instruction at the student's school taught by a teacher at that school accredited by the college: nothing for students enrolled in public colleges and 25% for students enrolled in private colleges of the statewide average in-state tuition per credit hour for the type of college attended.
- (10) Permits a public college to include a student enrolled under the College Credit Plus Program in its count for "State Share of Instruction" state higher education subsidy purposes.
- (11) Eliminates a provision allowing the Superintendent of Public Instruction and the Chancellor to adopt rules permitting a secondary school and an institution of higher education to enter into an agreement to use an alternative funding formula for payments to the institution.
- (12) Eliminates the option for an institution of higher education to receive reimbursement through an alternative funding agreement with a secondary school.
- (13) Qualifies students enrolled in a college-preparatory boarding school for the College Credit Plus Program.

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(14) Eliminates the requirement to bring an action for reimbursement from a student that receives a failing grade in a college course under the program.

(15) Permits an institution of higher education to charge a participating student for textbooks, materials, or other fees directly related to the student's course and to enter into an agreement with a student's public or nonpublic school to pay any amount of such charges or to outline any other terms for the student's use of textbooks or materials.

Specifies that nothing in the new College Credit Plus Program should be construed as altering any existing agreements between any state institution of higher education and a career-technical planning district. Requires ODE and the Board of Regents to study and make recommendations by July 1, 2014, for including career-technical programs in the College Credit Plus Program.

Fiscal effect: Deduction amounts from schools to make payments to institutions of higher education will likely change, but will depend on the statewide average in-state tuition per credit hour amount calculated by the Chancellor. Increase in the number of students counted in the State Share of Instruction (SSI) subsidy formula could result in a small decrease in the amount of subsidy funding per student. The bill earmarks about \$1.89 million in FY 2014 and \$1.94 million in FY 2015 in GRF appropriation item 200511, Auxiliary Services, to fund students enrolled in the program who attend nonpublic secondary schools. Possible increase in costs for institutions, school districts, and the Ohio Board of Regents due to additional administrative requirements.

EDUCD66 Due Date for Tangible Personal Property Tax Replacement Payments to School Districts

R.C. 5751.21

Postpones the due date for November tangible personal property tax replacement payments to school districts to the last day of the month (under current law, replacement payments for both fixed-rate and fixed-sum levies are due on May 31 and November 20).

Fiscal effect: Resolves a cash flow issue associated with the replacement payments.

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EDUCD2

Early Childhood Education

Section: 263.20

Continues the GRF-funded early childhood education program at school districts, JVSDs, and ESCs for children at least three years old but not yet eligible for kindergarten, and whose families earn not more than 200% of the federal poverty guidelines.

Specifies the following for participating programs: (1) prohibits development and administration costs from exceeding 15% of the cost of each program, (2) requires maintenance of fiscal records, (3) requires implementation of a corrective action plan, when needed, (4) requires certain qualifications for teachers, (5) requires alignment of curriculum to the early learning content standards, (6) requires documentation and reporting of child progress, (7) requires adherence to early learning program standards, (8) requires certain child or program assessments, (9) requires charging a fee, based on a sliding scale, to families who earn more than the 200% of the federal poverty guidelines, and (10) requires participation in a tiered quality rating and improvement system.

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

Specifies that per-pupil funding must be sufficient to provide eligible children with services for a standard early childhood schedule, defined as a minimum of 12.5 hours per week, for the minimum school year.

Requires ODE to conduct an annual survey of each provider to determine whether the provider charges families tuition or fees, the amount the families are charged relative to family income levels, and the number of families and students charged.

Requires eligible expenditures to be claimed each fiscal year to help meet the state's TANF maintenance of effort requirement and requires the Superintendent of Public Instruction and the Director of Job and Family Services to enter into an interagency agreement to fulfill this requirement including developing reporting guidelines for these expenditures.

Fiscal effect: The bill appropriates \$23.3 million in FY 2014 and \$25.3 million in FY 2015 to GRF appropriation item 200408 for the program, including an earmark of 2% for ODE's administrative costs.

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EDUCD36 National Assessment of Education Progress**Section: 263.370**

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

EDUCD39 Use of Volunteers**Section: 263.400**

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: Potential cost savings for ODE if they can utilize volunteers for purposes which they would otherwise need to hire additional employees. This is a continuation of current law.

EDUCD42 Family and Children First Flexible Funding Pool**Sections: 263.430, 327.110**

Permits school districts, community schools, STEM schools, JVSDs, ESCs, and county DD boards that receive state aid to transfer portions of their allocations to a flexible funding pool created by a county family and children first council to support the provision of services to families and children.

Fiscal effect: None.

Executive**EDUCD44 Open Enrollment Task Force****Section: 263.450**

Establishes the Ohio Open Enrollment Task Force, consisting of representatives from school districts representing all sectors of Ohio's educational community, to review and make recommendations regarding open enrollment to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31, 2013. Requires the Task Force to cease to exist upon issuance of the report.

Fiscal effect: Minimal.

EDUCD75 Educational Technology Practice Office**Section: 263.470**

Creates the Educational Technology Practice Office as a cross-functional office comprised of employees of ODE and the Ohio Board of Regents, including former employees of the eTech Ohio Commission. Requires the Office to work with ESCs and information technology centers to develop digital learning, blended learning, and professional development materials using shared infrastructure. Requires the Office to evaluate new educational technology and methodologies of teaching and learning and to work with educators to increase awareness of the technologies and methodologies shown to be helpful to Ohio students.

Fiscal effect: Probable increase in administrative costs relating to the establishment and operations of the Office.

Appropriation Language**EDUCD1 Operating Expenses****Section: 263.20**

Specifies that a portion of GRF appropriation item 200321, Operating Expenses, be used by ODE to provide matching funds under 20 U.S.C. 2321, which pertains to federal career and technical education assistance to the states.

Executive**EDUCD97 Early Childhood Education****Section: 263.20**

Earmarks up to 2% in each fiscal year of GRF appropriation item 200408, Early Childhood Education, for ODE program support and technical assistance for the early childhood education program. (See EDUCD2)

Requires that the remainder be distributed to serve eligible children.

EDUCD3 Information Technology Development and Support**Section: 263.30**

Specifies that GRF appropriation item 200420, Information Technology Development and Support, 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.

EDUCD4 Alternative Education Programs**Section: 263.40**

Specifies that GRF appropriation item 200421, Alternative Education Programs, be used for the renewal of successful implementation grants and for competitive matching grants to school districts for alternative education programs for at-risk and delinquent youth.

Permits a portion of the appropriation to be used for program administration, monitoring, technical assistance, support, research, and evaluation.

Permits ODE to waive compliance with minimum education standards for schools receiving grants if the waiver enables the program to more effectively educate students.

Executive**EDUCD5 School Management Assistance****Section: 263.50**

Earmarks \$1,000,000 in each fiscal year of GRF appropriation item 200422, School Management Assistance, to be used by the Auditor of State, in consultation with ODE, for expenses incurred in the Auditor's role relating to fiscal caution, fiscal watch, and fiscal emergency activities (unless an amount less than \$1,000,000 is mutually agreed to by the Auditor of State and ODE). Authorizes these funds to also be used by the Auditor to conduct performance audits of districts in fiscal distress, including those that the Auditor, in consultation with ODE, determines are employing fiscal practices or experiencing budgetary conditions that could produce a state of fiscal watch or emergency.

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

EDUCD6 Policy Analysis**Section: 263.60**

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. Allows ODE to use funding from this appropriation item to purchase or contract for the development of software systems or contract for policy studies that will assist in the provision and analysis of policy-related information.

EDUCD7 Tech Prep Consortia Support**Section: 263.60**

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

Executive**EDUCD8 Ohio Educational Computer Network****Section: 263.70**

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 \$10,705,569 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 \$2,500,000 in each fiscal year for the Union Catalog and InfOhio Network.
- (3) Up to \$5,220,000 in each fiscal year to subsidize the activities of designated information technology centers.
- (4) Up to \$10,000,000 in FY 2014 for middle mile connections for information technology centers and select large urban districts to connect to the state broadband backbone and for other connectivity upgrades necessary for K-12 school buildings with severely restricted broadband connections. Requires ODE to develop an expenditure plan aligned with the capacity and timeline requirements of the PARCC assessments and other instructional technology/blended learning initiatives and subjects the plan to the review and approval of the State Chief Information Officer and the Education Technology Division of the Ohio Board of Regents.

Specifies that the remainder of the appropriation be used to support a network of uniform and compatible computer-based information and instructional systems and the teacher student linkage/roster verification process and the eTranscript/student records exchange initiatives.

EDUCD9 Academic Standards**Section: 263.80**

Specifies that GRF appropriation item 200427, Academic Standards, be used by ODE for the development and dissemination of academic content standards and curriculum models and for the development of professional development programs and other tools on the new content standards and model curriculum.

Executive**EDUCD10 Student Assessment****Sections: 263.90, 263.100**

Earmarks up to \$95,000 of GRF appropriation item 200437, Student Assessment, in each fiscal year for costs associated with the state's required diagnostic assessments.

Specifies that the remainder of the appropriation be used to develop, field test, print, distribute, score, and report results of assessments, including the English language arts, mathematics, and science assessments and the Ohio Graduation Test. Permits ODE to use the funds to update and develop certain diagnostic assessments for students in grades kindergarten through three.

Authorizes the transfer in each fiscal year of unexpended and unencumbered GRF appropriations within ODE to GRF appropriation item 200437, Student Assessment, if the Superintendent of Public Instruction and the Director of OBM determine that additional funds are needed to fully fund the assessments.

Authorizes, with Controlling Board approval, the transfer of up to \$9,000,000 cash from the Lottery Profits Education Reserve Fund (Fund 7018) to the GRF and appropriates the transferred funds for student assessments, if the transfer of unexpended and unencumbered GRF appropriations within ODE to GRF appropriation item 200437, Student Assessment, continues to be insufficient to fully fund the cost of the assessments.

Prohibits the administration of the elementary writing and social studies achievement assessments during the 2013-2014 school year, unless the Superintendent of Public Instruction determines that ODE has sufficient funds to pay the costs of furnishing and scoring the assessments.

EDUCD11 Accountability/Report Cards**Section: 263.110**

Permits a portion of GRF appropriation item 200439, Accountability/Report Cards, in each fiscal year to be used to train district and regional specialists and district educators in the use of the value-added progress dimension and data as it relates to improving student achievement. Allows a portion of this appropriation to be provided to a credible nonprofit organization with expertise in value-added progress dimensions.

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

EDUCD12 Child Care Licensing**Section: 263.110**

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.

EDUCD13 Education Management Information System**Section: 263.120**

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:

Up to \$729,000 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.

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 Management Information System Advisory Board. Specifies that any provider of software meeting the standards approved by the Board be designated as an approved vendor and be permitted to enter into contracts with educational entities for the purpose of collecting and managing data required under Ohio's EMIS law. Prohibits school districts, STEM schools, 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**EDUCD14 GED Testing****Section: 263.130**

Specifies that GRF appropriation item 200447, GED Testing, be used to provide General Educational Development (GED) testing under rules adopted by the State Board of Education.

EDUCD15 Educator Preparation**Section: 263.140**

Specifies the following for GRF appropriation item 200448, Educator Preparation:

- (1) Earmarks up to \$500,000 in each fiscal year for ODE to monitor and support Ohio's State System of Support under federal law.
 - (2) Permits a portion of the appropriation to be used by ODE to support the Educator Standards Board and various school reforms.
 - (3) Permits the remainder of the appropriation in FY 2015 to be used for implementation of teacher and principal evaluation systems, including incorporation of student growth as a metric in those systems, and teacher value-added reports.
-

EDUCD16 Community Schools and Choice Programs**Section: 263.150**

Permits GRF appropriation item 200455, Community Schools and Choice Programs, to be used by ODE to support the Office of Community Schools and to operate school choice programs.

Permits a portion of the appropriation in each fiscal year to be used by ODE for developing and conducting training sessions for sponsors and prospective sponsors of community schools and other schools participating in school choice programs.

Executive**EDUCD46 Technology Integration and Professional Development****Section: 263.160**

Specifies that GRF appropriation item 200465, Technology Integration and Professional Development, be used by ODE to contract with educational television stations and education technology centers to provide Ohio public schools with instructional resources and services. Specifies that priority be given to resources and services aligned with state academic content standards. Specifies that such resources and services be based upon the advice and approval of ODE, based on a formula used by eTech unless a substitute formula is developed in consultation with the Ohio Board of Regents.

EDUCD17 Pupil Transportation**Section: 263.170**

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 DD boards.
- (3) Up to \$5,000,000 in each fiscal year to reimburse school districts for payments to parents in lieu of providing school bus service.
- (4) Specifies that the remainder of the appropriation be used for the pupil transportation aid formula. Requires ODE to pay each school district a pro rata portion of the amounts calculated pursuant to the formula so that the aggregate amount appropriated is not exceeded.

EDUCD18 School Lunch Match**Section: 263.180**

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

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

EDUCD19 Auxiliary Services**Section: 263.190**

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

Earmarks up to \$1,888,106 in FY 2014 and up to \$1,944,949 in FY 2015 for nonpublic school student participation in the College Credit Plus Program. Permits ODE, in FY 2014, to spend above the set aside to pay for outstanding obligations for the Post-Secondary Enrollment Options Program for FY 2013.

EDUCD20 Nonpublic Administrative Cost Reimbursement**Section: 263.200**

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.

EDUCD21 Special Education Enhancements**Section: 263.210**

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

- (1) Up to \$50,000,000 in each fiscal year to fund special education and related services at county DD boards and state institutions.
- (2) Up to \$1,333,468 in each fiscal year for parent mentoring programs.
- (3) Up to \$2,537,824 in each fiscal year for school psychology interns.

Specifies that the remainder of the appropriation be used to distribute preschool special education funding for school districts and state institutions. Requires funded entities to adhere to Ohio's early learning program standards, to participate

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in the tiered quality rating and improvement system, to document child progress using research-based indicators, and to report results annually.

EDUCD22 Career-Technical Education Enhancements**Section: 263.220**

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

- (1) Up to \$2,563,568 in each fiscal year to fund secondary career-technical education at institutions. Notwithstanding the unit funding formula and specifies the funding be distributed using a grant-based methodology.
- (2) Up to \$2,838,281 in each fiscal year to fund competitive expansion grants to tech prep consortia.
- (3) Up to \$3,100,850 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.
- (4) Up to \$300,000 in each fiscal year to fund the Agriculture 5th Quarter Project.

EDUCD23 Foundation Funding**Section: 263.230**

Makes the following earmarks to GRF appropriation item 200550, Foundation Funding:

- (1) Up to \$675,000 in FY 2014 to support the distance learning clearinghouse work of the College of Education and Human Ecology at the Ohio State University.
- (2) Up to \$2,000,000 in each fiscal year for Youth Services tuition payments.
- (3) Up to \$27,500,000 in FY 2014 and up to \$20,000,000 in FY 2015 to fund the state reimbursement of ESCs.
- (4) Up to \$3,500,000 in each fiscal year to be distributed to ESCs for School Improvement Initiatives and for the provision of technical assistance as required by federal law.
- (5) Up to \$20,000,000 in each fiscal year for payments to school districts resulting from property tax refunds and certain recomputations of state foundation aid due to changes in property tax valuation. Requires that ODE prorate the payments to not exceed the set aside.

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(6) Up to \$2,000,000 in each fiscal year to pay career-technical planning districts (CTPDs) for reimbursements provided to first-time GED on-line test-takers for application/test fees in excess of \$40. Requires each CTPD to designate a site or sites where individuals may register and take GED exams and to offer career counseling services for each individual that registers for the GED.

(7) Up to \$410,000 in each fiscal year to pay CTPDs \$500 for each student that receives a journeyman certification, as recognized by the U.S. Department of Labor.

(9) Up to \$18,713,327 in each fiscal year to support school choice programs.

(10) Earmarks up to \$11,901,887 in each fiscal year of the foundation program funds credited to the Cleveland Municipal School District for the Cleveland school choice program. Earmarks of that amount, up to \$1,000,000 in each fiscal year for the district to provide tutorial assistance.

(11) An amount to fund joint vocational school districts (JVSDs).

(12) An amount to fund CTPDs.

Specifies that the remainder of this appropriation be used to distribute to city, local, and exempted village school districts the amounts calculated for formula aid and temporary transitional aid.

Specifies that GRF appropriation items 200502, Pupil Transportation, 200540, Special Education Enhancements, and 200550, Foundation Funding, 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.

Authorizes the payment of school operating funds in amounts substantially equal to those made in the prior year until the new school funding formulas take effect.

EDUCD24 Property Tax Allocation-Education**Section: 263.260**

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.

Specifies that GRF appropriation item 200901, Property Tax Allocation - Education, be used to pay for the state's costs incurred for school districts and JVSDs because of the homestead exemption, the property tax rollback, and reimbursements associated with conversion levies. Appropriates any additional amount needed to fully fund these costs.

Executive**EDUCD25 Teacher Certification and Licensure****Section: 263.270**

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.

EDUCD26 School District Solvency Assistance**Section: 263.270**

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 \$20,000,000 in each fiscal year for the School District Shared Resource Account to make advances to districts that must be repaid.

Earmarks \$5,000,000 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 cash transfers into the School District Solvency Assistance Fund (Fund 5H30) in each fiscal year from the GRF or any funds used by ODE to maintain sufficient cash balances in the fund. Appropriates any funds so transferred. Requires the Director to notify the Controlling Board of any such transfers.

Permits, if the cash balance of Fund 5H30 is insufficient to pay solvency assistance, and with approval of the Controlling Board, the transfer of cash from the Lottery Profits Education Reserve Fund (Fund 7018) to Fund 5H30 to provide assistance and grants. Appropriates any funds so transferred to Fund 5H30 appropriation item 200670, School District Solvency Assistance - Lottery.

Executive**EDUCD79 Exceptional Cost Reimbursement****Section: 263.270**

Specifies that GSF Fund 5MX0 appropriation item 200670, Exceptional Cost Reimbursement, be used in each fiscal year to provide additional state aid to school districts, joint vocational school districts, community schools, and STEM schools for special education students in categories two through six if a district or school's costs for such a student exceed the threshold exceptional cost for serving the student.

EDUCD27 Schools Medicaid Administrative Claims**Section: 263.280**

Authorizes the Director of OBM, at the request of the Superintendent of Public Instruction, to transfer up to \$750,000 in each fiscal year from the GRF to the Schools Medicaid Administrative Claims Fund (Fund 3AF0) used by ODE. Specifies that these funds be used to pay expenses incurred in administering the Medicaid School Component of the Medicaid program.

Requires the Director of OBM on June 1 of each fiscal year, or as soon as possible thereafter, to transfer cash from Fund 3AF0 back to the GRF in an amount equal to that transferred to Fund 3AF0 in that fiscal year.

Appropriates the cash deposited into Fund 3AF0.

EDUCD28 Half-Mill Maintenance Equalization**Section: 263.290**

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.

Executive**EDUCD47 Gates Foundation Grants****Section: 263.300**

Specifies that SSR Fund 5T30 appropriation item 200668, Gates Foundation Grants, be used by ODE to provide professional development to school district principals, superintendents, and other administrative staff on the use of education technology.

EDUCD29 Auxiliary Services Reimbursement**Section: 263.310**

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 the Auxiliary Services Reimbursement Fund (Fund 5980) used by ODE.

EDUCD30 Lottery Profits Education Fund**Section: 263.320**

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.

Requires ODE, with the approval of the Director of Budget and Management, to determine the monthly distribution schedules of items 200550 and 200612.

EDUCD77 Straight A Fund**Section: 263.320**

Requires LPE Fund 7017 appropriation item 200648, Straight A Fund, to be used to make competitive grants for the Straight A Program (see EDUCD55).

Executive**EDUCD98 EdChoice Expansion****Section: 263.320**

Requires that LPE Fund 7017 appropriation item 200666, EdChoice Expansion, be used to pay for EdChoice scholarships for students from families with incomes below 200% of the federal poverty level regardless of the performance of the school the student would otherwise attend (see EDUCD65).

EDUCD78 Community School Facilities**Section: 263.320**

Requires LPE Fund 7017 appropriation item 200684, Community School Facilities, to be used to pay each community school that is not an internet- or computer-based community school an amount equal to \$100 for each full-time equivalent pupil for assistance with the cost associated with facilities. Requires ODE, if the amount appropriated is not sufficient, to prorate the payment amounts so that the aggregate amount appropriated is not exceeded.

EDUCD31 Lottery Profits Education Reserve Fund**Section: 263.330**

Creates the Lottery Profits Education Reserve Fund (Fund 7018) in the State Treasury. Authorizes the Director of OBM to transfer cash from Fund 7018 to the Lottery Profits Education Fund (Fund 7017) in each fiscal year.

Requires that the Director of the Ohio Lottery Commission, on July 15 or as soon as possible thereafter in each fiscal year, certify the amount by which the lottery profit transfers received by Fund 7017 for FY 2013 exceed \$680,500,000 and for FY 2014 exceed \$841,000,000. Allows the OBM Director to transfer cash in excess of the amounts necessary to support appropriations in Fund 7017 from that fund to Fund 7018.

Executive**EDUCD32 School District Property Tax Replacement - Business****Sections: 263.340, 263.350**

Permits the Director of OBM 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.

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 funds determined to be necessary by the Director of OBM.

EDUCD33 School District Property Tax Replacement - Utility**Section: 263.350**

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 OBM.

EDUCD34 Distribution Formulas**Section: 263.350**

Requires that ODE report to the Director of OBM 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.

Executive**EDUCD37 Earmark Accountability****Section: 263.380**

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

Executive

DASCD8 Requirements that Apply to Health Care Plans Offered to Public Employees

R.C. 9.901, 9.833, 9.90, 1545.071

- (1) Provides DAS ongoing authority to prescribe best practices for public employers' health care plans, and requires state institutions of higher education (in addition to political subdivisions and school districts under current law) to offer health care plans that contain best practices established by DAS or the former School Employees Health Care Board.
- (2) Retains the current policy allowing a political subdivision to adopt a delivery system of benefits that is not in accordance with DAS's adopted best practices if it is considered to be most financially advantageous to the political subdivision, but adds that a consultation with DAS is required and that DAS must consider the plan to be most financially advantageous.
- (3) Requires DAS to do all of the following: (A) Identify strategies to manage health care costs; (B) Study the potential benefits of state or regional consortiums of public employers' health care plans; (C) Publish information regarding the health care plans offered by political subdivisions, school districts, state institutions, and existing consortiums; (D) Assist in the design of health care plans for political subdivisions, school districts, and state institutions of higher education separate from the plans for state agencies; (E) Adopt and release a set of standards that are to be considered the best practices for health care plans offered to employees of political subdivisions, school districts, and state institutions; (F) Promote cooperation among all organizations affected by this provision in identifying the elements for its successful implementation; and (G) Promote cost containment measures aligned with patient, plan, and provider management strategies in developing and managing health care plans.
- (4) Abbreviates the name of the Political Subdivisions and Public Employees Health Care Fund to the Public Employees Health Care Fund.
- (5) Permits the Director of DAS to convene a Public Health Care Advisory Committee, instead of establishing the Committee in statute under current law. Requires Committee members to serve without compensation. Removes the requirement that the Committee include representatives from state and local government employers, state and local government employees, insurance agents, health insurance companies, and joint purchasing arrangements currently in existence.
- (6) Allows DAS to "work with," instead of "contract with" under current law, other state agencies to obtain services as DAS deems necessary for the implementation and operation of this provision.
- (7) Eliminates various provisions of current law that requires DAS to design health care plans for use by public employers that are separate from plans for state agencies.

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Fiscal effect: Presumably, health care plans that contain best practices would produce savings. The administrative costs for DAS to carry out those responsibilities are paid from GRF appropriation item 100403, Public Employees Health Care Program.

Executive**BORCD81 eTech Abolishment**

Sections: *363.570, 263.470, R.C. 3319.235, 3333.90, 3317.50, 3317.51, 3301.41, Repealed or renumbered: Chapter 3353*

Abolishes the eTech Ohio Commission, effective July 1, 2013.

Transfers to the Chancellor eTech's duties for educational telecommunications activities and teacher professional development.

Transfers to the Chancellor and the Department of Education (ODE) eTech's employees. Requires the Chancellor, the Superintendent of Public Instruction, and the Director of Budget and Management to jointly determine which employees transfer to the Chancellor and which to ODE.

Transfers to the Chancellor the responsibility for eTech's outstanding capital appropriations.

Cancels outstanding encumbrances against eTech line items as of July 1, 2013, and reestablishes them against the appropriate new line items created by the bill.

Eliminates, effective July 1, 2013, the eTech Ohio Telecommunity Education Fund (Fund 4W90) and transfers the cash balance to the Distance Learning Fund (Fund 4X10), used by the Chancellor.

Creates the Telecommunity Education Fund to be used by the Chancellor to finance technology grants.

Eliminates eTech's Interactive Distance Learning Pilot Project.

Eliminates the requirement that eTech develop a state educational technology plan.

Creates the Ohio Broadcasting and Public Radio Advisory Board within BOR. Specifies that the Chancellor select the four members of the Board. Transfers services provided by eTech's North Star facility to the Chancellor. Requires the Chancellor to appoint an Executive Director of the Board to oversee the operations and staff of the North Star facility.

Requires that the annual eTech Ohio Conference be overseen by a Conference Operation Office comprised of employees of the Chancellor and ODE.

Executive

Property Taxes and Transfer Fees

TAXCD13 Property Tax Valuation of Gas and Condensate Reserves

R.C. *5713.051, 5713.05, Section 812.20*

Adjusts, for the purpose of property tax valuation, the calculation of the true value of gas reserves by valuing gas reserves according to its heat energy capacity as measured by BTU. Establishes, for the purpose of property tax valuation, a calculation of the true value of condensate reserves.

Fiscal effect: Increases property tax revenues for applicable taxing jurisdictions; the increase is predicated upon the incidence of the newly defined gas reserves and condensate.

TAXCD10 Equalizing and Regionalizing County Appraisal Cycles

R.C. *5715.33, 4503.06, 5713.01, 5715.24*

(1) Authorizes the Tax Commissioner to shorten or extend the sexennial reappraisal or triennial reassessment cycle for real property in a county for the purpose of equalizing and regionalizing real property assessment cycles. Specifies that the Commissioner may not reschedule any reappraisal or reassessment required by law after tax year 2023 for this purpose.

(2) Specifies that mobile and manufactured homes taxed like real property are part of the same appraisal and assessment cycle as real property in the same county for the purpose of determining true value for the manufactured and mobile home tax.

Fiscal effect: Delaying or expediting the reappraisal and/or reassessment from its current schedule will delay or expedite the increase (presumably) of property valuations used for property tax purposes, which would delay or expedite the local revenue growth derived from unvoted (inside) millage and other levies that are not subject to tax reduction factors.
