

## Executive

School Funding

## EDUCD3            Community and STEM school funding formula

## R.C.            3314.08, 3326.33

Retains the overall structure of the formula used to calculate per pupil deductions from school districts and transfers to community and STEM schools, but (a) calculates the per pupil deductions for the opportunity grant, special education additional aid, economically disadvantaged funds, limited English proficiency funds, and career-technical education funds using the same dollar amounts as traditional school districts for FY 2016 and FY 2017 (see EDUCD1) and (b) calculates the per pupil deduction for K-3 literacy funds using dollar amounts of \$305 in FY 2016 and \$320 in FY 2017 (amounts that are equal to the sum of the dollar amounts used in calculating K-3 literacy funds for traditional districts).

**Fiscal effect: Alters the per pupil amount deducted from school district state funding allocations compared to current law. In FY 2014, transfers of state aid to community and STEM schools amounted to about \$909 million. In addition to the transfers described here, community schools, other than e-schools, are provided \$200 per ADM for facilities costs (see EDUCD47).**

## EDUCD2            Pupil transportation funding

## R.C.            3317.0212

Modifies the pupil transportation formula as follows:

(1) Uses "total ridership" rather than "qualifying ridership" in the calculation of the statewide transportation cost per rider, where "total ridership" means the average number of resident regular education students in grades K-12 transported by a district during the first full week of October, and "qualifying ridership" means the subset of such students who live more than one mile from the school they attend.

(2) Decreases the minimum state share applied to a district's calculated transportation cost from 60%, as under current law, to 50%.

(3) Removes language specifying, for FY 2014 and FY 2015 only, (a) the requirement to prorate transportation payments based on state appropriations and consequently, (b) the transportation supplement for low-wealth and low density school districts, which, under current law, is equal to the difference between the district's unrestricted pupil transportation formula

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amount and the prorated amount.

Removes the requirement that each city, local, and exempted village school district report the data used to calculate pupil transportation funding through the Education Management Information System.

**Fiscal effect: Allocates \$464.0 million in FY 2016 and \$464.5 million in FY 2017 for this funding from GRF appropriation item 200502, Pupil Transportation.**

EDUCD1            Traditional school district funding

R.C.            *3317.022, 3317.013, 3317.014, 3317.016,  
3317.017, 3317.018, 3317.02, 3317.0217,  
3317.051, Section 263.230, and other sections*

Modifies the school funding formula for traditional school districts as follows:

Makes the following changes with respect to the various per pupil amounts used in the formula:

- (1) Increases the dollar amount used for calculating the opportunity grant to \$5,900 in FY 2016 and \$6,000 in FY 2017 (from \$5,800 for FY 2015).
- (2) Increases the dollar amounts for special education categories 1-6 to \$1,547, \$3,926, \$9,433, \$12,589, \$17,049, and \$25,134 in FY 2016 and \$1,578, \$4,005, \$9,622, \$12,841, \$17,390, and \$25,637 in FY 2017 (from \$1,517, \$3,849, \$9,248, \$12,342, \$16,715, and \$24,641 for FY 2015).
- (3) Increases the dollar amounts for the K-3 literacy component to \$184 in FY 2016 and \$193 in FY 2017 for the portion multiplied by a district's state share percentage and \$121 in FY 2016 and \$127 in FY 2017 for the portion provided entirely by the state (from \$175 and \$115, respectively, for FY 2015).
- (4) Maintains the dollar amount for economically disadvantaged funds from FY 2015 (\$272) for both years of the biennium.
- (5) Maintains the dollar amounts for the three categories of limited English proficient students from FY 2015 for both years of the biennium (\$1,515, \$1,136, and \$758 for categories 1-3, respectively).
- (6) Maintains the dollar amounts for gifted identification funds (\$5.05) and for each gifted unit (\$37,370) from FY 2015 for both years of the biennium.
- (7) Increases the dollar amounts for career-technical education categories 1-5 to \$4,992, \$4,732, \$1,726, \$1,466, and \$1,258 in FY 2016 and \$5,192, \$4,921, \$1,795, \$1,525, and \$1,308 in FY 2017 (from \$4,800, \$4,550, \$1,660, \$1,410, and

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\$1,210 for FY 2015).

(8) Increases the dollar amount for career-technical education associated services to \$236 in FY 2016 and \$246 in FY 2017 (from \$227 for FY 2015).

Makes the following changes with respect to the state share index:

(1) Renames "state share index" to "state share percentage."

(2) Renames the "wealth index" factor of the computation to "capacity measure."

(3) Specifies that (a) three-year average valuation for FY 2016 equals the average of total taxable value for tax years 2013, 2014, and 2015, (b) three-year average valuation for FY 2017 equals the average of total taxable value for tax years 2014, 2015, and 2016, (c) total ADM for each fiscal year is that from the previous fiscal year, and (d) tax exempt value is that value for the most recent tax year for which data is available.

(4) For the purposes of the median income index, specifies that "median Ohio adjusted gross income" means the median Ohio adjusted gross income for tax year 2012 or 2013, whichever is the latest available data.

(5) Calculates a district's capacity measure by (a) requiring ODE to calculate the mean and standard deviation of all district median income indices, (b) specifying an "upper limit" and "lower limit" based on the mean plus or minus one-half the standard deviation, and (c) specifying that a district's capacity measure equals (i) the district's valuation index – (lower limit – the district's median income index), if the district's median income index is less than the lower limit, (ii) the district's valuation index + ((the district's median income index – upper limit) x (0.2 in FY 2016 or 0.4 in FY 2017)), if the district's median income index is greater than the upper limit, or (iii) the district's valuation index, if the district's median income index is equal to or between the lower and upper limits.

(6) Calculates a district's state share percentage by specifying that it equals 90% if the district's capacity measure is less than or equal to 0.2, a scaled amount from 5% to 90% if the district's capacity measure is between 0.2 and 2.0, and 5% if the district's capacity measure is greater than or equal to 2.0.

Makes the following changes with respect to the formula for calculating targeted assistance:

(1) Renames the "wealth index" factor of the computation as the "capacity measure."

(2) Bases "three-year average valuation" and "three-year average tax valuation" on the average of total taxable value for the same tax years as are used in the computation of the state share percentage.

Clarifies that the computation of the economically disadvantaged index for a traditional school district, which is used to calculate a district's economically disadvantaged funds, uses the percentage of students in the sum of the total ADM of all

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traditional districts who are identified as economically disadvantaged as part of the computation of the index.

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

(1) Guarantees funding in each fiscal year for school districts with total ADM greater than zero so that each district loses no more than 1% of state and local funding from, in general, the prior fiscal year by calculating a district's temporary transitional aid as equal to transitional aid guarantee base – (current year foundation funding + other state and local resources), where "transitional aid guarantee base" for FY 2016 equals 0.99 x the sum of (a) FY 2015 state aid, (b) FY 2015 TPP and deregulation direct reimbursements for operating levy losses, (c) FY 2015 TPP and deregulation fixed-sum levy losses other than levies for debt service, (d) TY 2014 property tax from operating levies, (e) FY 2015 school district income tax, (f) shared municipal income taxes for CY 2014 and (g) FY 2015 gross casino revenue distributions; "transitional aid guarantee base" for FY 2017 equals 0.99 x the sum of (a) FY 2016 state aid, (b) FY 2016 TPP and deregulation direct reimbursements for operating levy losses, (c) FY 2016 TPP and deregulation fixed-sum levy losses other than levies for debt service, (d) TY 2015 property tax from operating levies, (e) FY 2016 school district income tax, (f) shared municipal income taxes for CY 2015 and (g) FY 2016 gross casino revenue distributions; and "other state and local resources" equals the sum of items (b) to (g) above for each applicable fiscal year.

(2) Limits foundation funding in FY 2016 and FY 2017 to 1.10 times the district's state aid in the prior fiscal year, and requires ODE to proportionally reduce payments for all components except special education additional aid, career-technical education funding, and transportation funding to comply with the cap unless those amounts are insufficient, in which case those components are also to be proportionately reduced.

(3) Requires ODE to adjust, as necessary, the base of school districts that participate in the establishment of a JVSD that first begins receiving funding under the JVSD funding formula in FY 2016 or FY 2017 according to the amounts received by the districts in the prior fiscal year for career-technical education students who attend the newly established JVSD.

**Fiscal effect: Allocates \$7.41 billion in FY 2016 and \$7.73 billion in FY 2017 for final core funding for traditional school districts.**

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EDUCD4            Joint vocational school district funding

R.C.            3317.16, 3317.02, Section 263.240

Modifies the school funding formula for joint vocational school districts (JVSDs) as follows:

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(1) With respect to the calculation of the opportunity grant, specifies that (a) three-year average valuation for FY 2016 equals the average of total taxable value for tax years 2013, 2014, and 2015 and (b) three-year average valuation for FY 2017 equals the average of total taxable value for tax years 2014, 2015, and 2016.

(2) Calculates the opportunity grant, special education additional funds, economically disadvantaged funds, limited English proficiency funds, career-technical education funds, and career-technical associated services funds using the same per pupil amounts as traditional school districts for FY 2016 and FY 2017 (see EDUCD1).

(3) Clarifies that the computation of the economically disadvantaged index for a JVSD, which is used to calculate a district's economically disadvantaged funds, uses the percentage of students in the sum of the formula ADM of all JVSDs who are identified as economically disadvantaged.

Adjusts core foundation funding by guaranteeing and limiting foundation funding in substantially the same manner as traditional school districts (see EDUCD1).

Requires ODE to establish the base of a JVSD that first begins receiving funding under the JVSD funding formula in FY 2016 or FY 2017 as the absolute value of the sum of the associated adjustments of any local school district's base (see EDUCD1).

**Fiscal effect: Allocates an estimated \$271.9 million in FY 2016 and \$272.2 million in FY 2017 for final core funding to JVSDs.**

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EDUCD5                      Payment of excess costs for special education services provided by a JVSD

**R.C.            3317.16**

Specifies that the amount that a city, local, or exempted village school district or community school must pay to a joint vocational school district (JVSD) providing special education and related services to a student of the district or school for the costs that exceed the amount the JVSD receives under the funding formula for providing those services to the student must be calculated using a formula approved by the Department of Education. (Current law requires that this amount be calculated by subtracting the formula amount, the amount for the student's special education category, and any additional state aid attributable to the student's special education category from the actual cost to provide special education and related services to the student.

**Fiscal effect: May change the amount of special education excess costs that a student's resident district owes to the educating JVSD, depending on the formula adopted by the Department.**

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**EDUCD16**      **Educational service centers funding****Section: 263.390**

Sets the per-pupil state payment amount for ESCs to \$25 in FY 2016 and \$20 in FY 2017 and, if necessary, requires ODE to prorate the payment amounts to fit the earmark for state payment of ESCs (see EDUCD11).

Makes provision for modifying the payments if an ESC ceases operation or if two or more ESCs merge operations to create a single ESC.

**Fiscal effect: The bill earmarks \$37.7 million in FY 2016 and \$30.2 million in FY 2017 for state funding of ESCs.**

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**EDUCD19**      **Foundation and transitional aid funding reimbursement****Section: 263.450**

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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**EDUCD20**      **Families and Children First flexible funding pool****Sections: 263.470, 331.160**

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.**

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Scholarship Programs

## EDUCD84 Ed Choice scholarship eligibility

## R.C. 3310.03

Revises the eligibility provisions for Ed Choice scholarships by adding references to the new overall Early Literacy grade on a building's state report card to the provisions regarding K-3 literacy. For a student to be eligible based on the student's assigned building, for two of the three most recent school years, requires that it have the following:

(1) received a "D" or "F" for making progress in improving literacy in grades K-3 (as under current law) for the 2013-2014 school year or a "D" or "F" for the new overall Early Literacy component for the 2014-2015 school year and any school year thereafter;

(2) have received neither an "A" for making progress in improving literacy in grades K-3 (as under current law) for the 2013-2014 school year nor an "A" for the new overall Early Literacy component for the 2014-2015 school year and any school year thereafter.

Changes the basis for the Ed Choice scholarship eligibility based on performance index score ranking of a student's assigned district building, from a ranking based on the performance index scores of all public schools to a ranking based on the performance index scores of all buildings operated by city, local, and exempted village school districts.

**Fiscal effect: None**

## EDUCD62 Ed Choice scholarship amount

## R.C. 3310.09

Increases maximum amount of a scholarship that may be awarded to a high school student from \$5,000 to \$5,700.

**Fiscal effect: For the traditional program that is paid through a deduction from the resident school district's state aid allocation, will increase the deduction for high school students. In FY 2014, \$69.1 million was deducted for the traditional program.**

**For the income-based program that is paid directly by the state, will increase state expenditures. The bill appropriates \$23.5 million in FY 2016 and \$31.5 million in FY 2017 for income-based EdChoice scholarships.**

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Community Schools

EDUCD52      Community school sponsor - miscellaneous

R.C.      3314.011, 3314.026 (*Repealed*), 3314.029,  
3314.03, 3314.07, 3314.074, 3314.46,  
3327.01, 3327.02

Repeals a provision for an appeal procedure in cases in which the governing authority of a community school has notified the school's operator of its intent to terminate or not renew the operator's contract. (Under current law, an operator may appeal the decision to the school's sponsor, unless the sponsor has sponsored the school for less than 12 months, in which case the appeal must be made to the State Board of Education).

Expands the authority of the Office of Ohio School Sponsorship in the following ways:

- (1) Permits the office to promulgate the format, requirements, procedures, deadlines, and ratings for the submission and processing of applications submitted with the intent to establish a community school;
- (2) Permits the office to promulgate the format, requirements, procedures, deadlines, and ratings for contracts entered into between ODE and the governing authority of a community school;
- (3) Requires that each application submitted include, in addition to the requirements under continuing law, any other information the office requests after the office determines that information is necessary and appropriate;
- (4) Eliminates the current provision requiring ODE to approve each application to establish a community school unless within 30 days after receipt of the application, ODE determines the application does not satisfy the initial requirements of sponsorship;
- (5) Replaces that provision with a two-step approval or rejection process by first reviewing each application and assigning it a rating and next, permitting ODE to approve up to 20 applications for community schools to be established or to continue operation each school year (only 5 of the 20 may be establishing new schools) taking into consideration standards of quality authorizing, capacity, financial constraints, or other reasons;
- (6) Permits ODE, beginning with the 2015-2016 school year, to solicit applications for the establishment of up to five new community schools that meet certain prescribed criteria designed to further high quality standards and the provision of innovative educational delivery models, as determined by ODE.

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Requires each contract between a sponsor and governing authority to include a provision stating that if the governing authority contracts with an attorney, accountant, or auditing firm the attorney, accountant, or auditing firm must be independent from the operator.

Requires each contract between a sponsor and governing authority to include a provision requiring that all moneys an operator or management company loans to a school to be accounted for, documented, and based on fair market lender rates.

Prohibits a sponsor from selling any goods or services to any community school it sponsors.

Makes a sponsor's decision to terminate or not renew its contract with the governing authority of a community school for poor academic performance or poor fiscal management final by eliminating the current provision permitting that decision to be appealed to the State Board of Education.

Permits a sponsor to recover the costs of litigation, including attorney's fees, in the event that a sponsor wins a civil action or is found immune from liability for taking an action authorized under current law, in a civil action brought under the community school laws.

Requires that each designated fiscal officer of a community school be an employee of the governing authority, who is independent of any operator or management company with which the school contracts.

Expands the types of civil liability from which a sponsor or its officers, directors, or employees are exempt to include harm allegedly arising from failure of the community school to meet the obligations of any contract or other obligation entered into on behalf of the community school and another party. (Continuing law already affords this immunity for harm allegedly arising from: (a) failure of the community school to perform any statutory or common law duty or responsibility or any other legal obligation, and (b) an action or omission of the community school or any of its officers, directors, or employees that results in harm.)

Provides that a district board of education is not required to transport elementary or high school students to and from a nonpublic or community school on weekends, unless the district board and the nonpublic or community school have an agreement in place before July 1 of the school year in which that agreement takes effect. (Current law requires the agreement to be in place prior to July 1, 2014, and does not permit later agreements).

Clarifies that, in the event a community school enters into an agreement with a school district board of education that makes the community school responsible for providing or arranging for transportation of the district's native students to and from the community school, the community school may determine that it is impractical to transport any one pupil to and from school using the same procedure, requirements, and payment structure as a school district uses to determine that it

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is impractical to transport that pupil.

Exempts a community school that merged or consolidated into a single public benefit corporation from the requirement to distribute assets as if it were a permanently closed community school, provided that the following conditions are satisfied:

- (1) At least one of the community schools involved in the merger or consolidation is sponsored by an entity rated as "exemplary" by ODE;
- (2) The governing authority of the community school created by the merger or consolidation enters into a sponsor contract with an entity rated as "exemplary";
- (3) The merged or consolidated community schools are located in the same county or school district.

**Fiscal effect: None.**

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**EDUCD49            Community school sponsor reforms**

**R.C.            3314.015, 3314.016, 3314.02, 3314.021,  
3314.027**

Requires every entity to obtain approval and enter into a written agreement with ODE in order to sponsor community schools, including the following entities that are currently exempt from obtaining initial approval:

- (1) An entity that was already sponsoring community schools as of April 8, 2003 (as a part of the original community school pilot project area (Lucas County));
- (2) The successor of the University of Toledo Board of Trustees, or its designee (as a part of the original community school pilot project area);
- (3) An educational service center proposing the establishment of a conversion community school located in the same or contiguous county to the territory of the educational service center.

Decreases the length of the initial term of a sponsor's agreement with ODE from seven years to five years and modifies the way in which a sponsor's agreement is subject to renewal in the following ways:

- (1) Removes the continuous one-year extension of the sponsor contract for sponsors that are not in the lowest 20% of sponsors statewide and sponsors who are rated as "exemplary" or "effective;"
- (2) Establishes a new renewal process, for a term of up to 12 years, based upon the academic performance of students enrolled in each community school sponsored by the entity and the sponsor's adherence to quality practices.

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Removes the limit on the number of community schools an entity may sponsor and instead permits each entity to sponsor schools in a manner that is consistent with the written agreement with ODE. (Under current law, a community school may sponsor up to 100 schools.)

Requires ODE, when developing the sponsor evaluation system, to differentiate between sponsors based on factors such as the total number of schools to be sponsored, the geographic proximity of those schools to the sponsor, and the entity's organizational capacity.

Adds a rating of "poor" to the list of ratings ODE must use to rate all sponsors and removes the provision that permits a sponsor to be rated "emerging" for the first two years the entity exists.

Removes the requirement that ODE "annually" rate sponsors and the requirement that each component be rated equally and instead requires ODE to designate an overall rating of sponsors without a specified timeline.

Requires ODE to annually rate all sponsors based on compliance with applicable laws and administrative rules and academic performance of students enrolled in community schools sponsored by the same entity.

Requires ODE to rate every third year a sponsor's adherence to quality practices.

Requires ODE to establish an incentive and restriction system based upon the overall rating given to each sponsor that does the following:

(1) Permits entities with an overall rating of "exemplary" to take advantage of the following incentives:

(a) Renewal of the written agreement with ODE, not to exceed twelve years, provided that the entity consents to continued evaluation of adherence to quality practices;

(b) The ability to extend the term of the contract between the sponsor and the governing authority beyond the term described in the written agreement with ODE;

(c) An exemption from the preliminary agreement and contract adoption and execution deadline requirements;

(d) An exemption from the automatic contract expiration requirement, should a new community school fail to open by September 30 of the calendar year in which the community school contract is executed;

(e) No limit on the number of community schools the entity may sponsor;

(f) No territorial restrictions on sponsorship;

(g) Any other incentives determined necessary or appropriate by ODE.

(2) Prohibits sponsors that receive an overall rating of "ineffective" from sponsoring any new or additional community schools and subjects them to a one-year quality improvement plan with timelines and benchmarks established by ODE.

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(3) Requires that sponsors that receive an overall rating of "poor" have all sponsorship authority revoked subject to a hearing by an officer appointed by the Superintendent of Public Instruction.

Permits ODE, in the event that a sponsor's authority is revoked pursuant to the bill's provisions, to assume sponsorship of any of the sponsor's schools until the earlier of the expiration of two school years or until a new sponsor is selected by the school's governing authority and permits the Office of School Sponsorship to extend the term of the contract as necessary to accommodate the term of ODE's authorization to sponsor that school.

Prescribes that any schools sponsored by ODE because a sponsor's authority to sponsor schools was revoked pursuant to the provisions of the bill do not apply to the limit on the number of directly authorized community schools.

**Fiscal effect: May increase administrative costs for sponsoring entities and ODE in order to comply with additional requirements.**

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EDUCD6            Transportation of students by community schools

**R.C.        3314.091**

Removes the requirement that a community school governing authority that enters into an agreement to transport students or accepts responsibility to transport students provide or arrange transportation free of charge for each of its enrolled students who would otherwise be transported by the students' school districts under those districts' transportation policies (but retains this requirement for the enrolled students who are required to be transported under current law).

Clarifies that payments made to a community school for transporting students be calculated "on a per rider basis."

**Fiscal effect: May alter the amount of the payments from school districts to community schools. In FY 2014, total payments to community schools, both under bilateral agreements and unilateral assumptions of responsibility for transportation, amounted to \$4.2 million.**

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**EDUCD85          Community schools closure for persistent low academic performance**
**R.C.          3314.35**

Revises the conditions for which a community school that does not serve a grade higher than third grade must permanently close in conformance with the changes made to various state report card measures (see EDUCD68). Adds a reference to the new overall Early Literacy grade on a building's state report card. Makes either of the following conditions, for two or the three most recent school years, a trigger for closure:

- (1) The school receives an "F" for making progress in improving literacy in grades K-3 (as under current law) for the 2013-2014 school year;
- (2) The school receives an "F" for the new overall Early Literacy component for the 2014-2015 school year and any school year thereafter.

**Fiscal effect: May increase the number of community schools required to permanently close.**

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**EDUCD80          Community school tax levies****R.C.          5705.21, 5705.212**

Expands the authority of school districts to levy property taxes for community schools to include any school district that contains a community school sponsored by an "exemplary" sponsor. (Under current law, only the Cleveland Metropolitan School District and the Columbus City School District have the authority to propose such a levy.)

Authorizes school districts other than the Cleveland Metropolitan School District to levy a property tax solely for and on behalf of one or more community schools located in the district that is sponsored by an "exemplary" sponsor. (Current law does not cap the percentage of levy revenue that may be allocated to community schools, but could imply that at least a portion must be levied for the school district's own expenses.)

Regarding the division of revenue from a tax levy among qualifying community schools, requires the following:

- (1) If revenue from a tax levy is to be divided among the school district levying the tax and qualifying community schools, requires that the revenue be divided in accordance with a ratio established in the resolution levying the tax;

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(2) If more than one community school qualifies for levy revenue, requires that the revenue be divided among the qualifying community schools on a per-pupil basis, with only pupils residing in the school district levying the tax counted. Retains the authority of the Cleveland Metropolitan School District to levy a property tax to be shared with certain community schools, but removes the criteria that was enacted specifically to enable the Columbus City School District to levy such a tax.

**Fiscal effect: May result in community schools receiving local levy revenue, if such levies are approved by voters.**

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EDUCD96            Community school operation from residential facilities

**Section: 263.430**

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.**

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EDUCD97            Unauditable community schools

**Section: 263.460**

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.**

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**Educator Provisions**

EDUCD67            Educator licenses and pupil-activity program permits

**R.C. 3319.22, 3319.303**

Requires the State Board, by July 1, 2016, to adopt rules that do all of the following:

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(1) Exempt consistently high-performing teachers from the requirement to complete any additional coursework for the renewal of an educator license.

(2) Exempt consistently high-performing teachers from any requirements prescribed by the district's or school's professional development committee in regard to such coursework.

(3) Defines the term "consistently high-performing teacher" for the purposes of (1) and (2) above.

Modifies the duration for which a pupil-activity program permit is valid (3 years under current law) for applicants holding a valid educator license issued by the State Board by specifying that the permit is instead valid for the same number of years as the individual's educator license.

**Fiscal effect: May minimally decrease administrative costs for districts with a large percentage of "high-performing" teachers.**

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EDUCD28      Teacher of the Year recognition program

**R.C.      3319.67**

Permits the State Board of Education to establish an annual Teacher of the Year recognition program for outstanding teachers.

Allows, under the Ethics Law, a teacher who is recognized as a Teacher of the Year to receive a gift or privilege as part of the recognition program.

Permits, under the Ethics Law, a person or entity to make a voluntary contribution to the recognition program.

**Fiscal effect: None.**

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## EDUCD64      Teacher evaluations

## R.C.      3319.111

Removes a provision requiring that, in order for a teacher who was rated as "accomplished" on the most recent teacher evaluation to be evaluated on a less frequent basis (at least once every three years under current law), that teacher must also receive, for the most recent year for which data is available, a student academic growth measure of "average" or higher.

Removes a provision requiring that for every year an "accomplished" teacher is not evaluated, a qualified teacher evaluator must conduct at least one observation of, and hold at least one conference with, that teacher.

Permits districts and schools, beginning with the 2015-2016 school year, to not conduct teacher evaluations for teachers participating in the Ohio Teacher Residency Program for the year during which those teachers take, for the first time, the majority of the performance-based assessment required for such resident educators.

Requires each district board or governing authority annually to report, for each teacher evaluation conducted, all of the following:

- (1) The student academic growth measure and the teacher observation rating, if the district did not use the alternative framework;
- (2) The student academic growth measure, the teacher performance measure, and any other measure assigned to that teacher for the purposes of the evaluation, if the district used the alternative framework;
- (3) The overall rating assigned to that teacher;
- (4) The data used to calculate each rating.

Requires ODE to establish guidelines for reporting the above information on ratings. These guidelines must prohibit the reporting of any teacher's name or personally identifiable information.

**Fiscal effect: Minimal administrative burden for ODE and school districts.**

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## EDUCD86      Teacher evaluations - attributing student growth

R.C.      *3319.111, 3319.112, 3319.114*

Beginning with teacher evaluations for the 2015-2016 school year, requires a teacher's student academic growth factor to be determined using a method of attributing student growth determined by ODE for teachers to whom value-added data from assessments (either state assessments or approved vendor assessments) is unavailable.

Allows the student academic growth factor to count for less than 50%, but not less than 25%, of a teacher's evaluation if the method determined by ODE applies.

Requires each school district board to update its standards-based teacher evaluation policy for use in the 2015-2016 school year and thereafter to include the changes made by the bill and excludes the updates from collective bargaining.

Requires the State Board, not later than October 31, 2015, to update its standards-based teacher evaluation framework for use in the 2015-2016 school year and thereafter to include the changes made by the bill and excludes the updates from collective bargaining.

Updates the percentages of measures used under the alternative framework for teacher evaluations to reflect the changes made by the bill as follows:

- (1) 42.5% to 75% for the teacher performance measure;
- (2) 25% to 50% for the student academic performance measure;
- (3) Not more than 15% for one of the following: student surveys, teacher self-evaluations, peer review evaluations, or student portfolios.

**Fiscal effect: Increase in administrative burden for ODE and school district boards.**

## EDUCD59      Student career counseling

R.C.      *3319.113, 3319.61, Section 263.210*

Requires the Educator Standards Board to develop standards for school counselors.

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**Executive**

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Requires the State Board of Education to develop a standards-based state framework for the evaluation of school counselors that aligns with the standards for school counselors adopted by the Educator Standards Board, requires annual evaluation of all school counselors except as otherwise appropriate for high-performing school counselors, assigns a rating in accordance with the bill's provisions, and satisfies other requirements.

Requires the State Board to develop specific standards and criteria that distinguish between accomplished, skilled, developing, and ineffective ratings for school counselor evaluations and to consult with experts, school counselors and principals employed in public schools, and representatives of stakeholder groups in developing those standards and criteria.

Requires each school district board of education to adopt, not later than September 30, 2016, a standards-based school counselor evaluation policy that conforms to the framework developed by the State Board.

Specifies that a district's policy becomes operative at the expiration of any collective bargaining agreement covering school counselors employed by the board that is in effect on the bill's effective date and that the policy be included in any renewal or extension of such an agreement.

Requires each district's policy to include procedures for the implementation of the framework beginning in the 2016-2017 school year and procedures for using the evaluation results beginning in the 2017-2018 school year for decisions regarding retention and promotion of school counselors and for removal of poorly performing school counselors.

Requires each district board to annually submit a report to ODE, in a form and manner prescribed by ODE, regarding its implementation of its standards-based school counselor evaluation policy, and specifies that ODE must not permit or require the name or personally identifiable information of any school counselor to be included in this report.

Specifies that the bill's requirements prevail over any conflicting provision of a collective bargaining agreement entered into on or after the bill's effective date.

**Fiscal effect: Earmarks \$1,000,000 in each fiscal year from GRF appropriation item 200545, Career-Technical Education Enhancements, to support statewide career counseling efforts.**

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## Executive

## EDUCD66 Ohio Teacher Residency Program

## R.C. 3319.223

Modifies a requirement that the Teacher Residency Program include mentoring by teachers who hold a lead professional educator license issued by the State Board by instead requiring that the program include mentoring by any teachers during only the first two years of the program.

Modifies the required counseling component of the program by specifying that the district or school must determine if counseling is necessary.

Specifies that one of the required measures of progression through the program must be the performance-based assessment required by the State Board for resident educators in the third year of the program.

**Fiscal effect: None**

Early Childhood

## EDUCD25 Community school preschool

R.C. 3301.52, 3301.53, 3301.541, 3301.55,  
3301.56, 3301.57, 3301.58, 3314.03, 3314.06,  
3314.08

Permits a community school sponsored by an entity that is rated "exemplary" by ODE to be licensed by ODE to operate a preschool program for general education preschool students.

Requires a community school that operates such a preschool program to comply with the requirements for preschool programs specified in the Revised Code and the minimum standards for preschool programs specified in rules adopted by the State Board of Education.

Requires the governing authority of such a community school to annually report the number of students enrolled in a preschool program who are not receiving special education and related services pursuant to an individualized education program (IEP).

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Specifies that a such community school may admit individuals who are general education preschool students (preschool students who are not receiving special education).

Specifies that a such community school may not receive state community school operating funding for students enrolled in that program. Permits funding through early childhood expansion funding.

**Fiscal effect: These community schools may be awarded state early childhood funding.**

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EDUCD31            Preschool special education - open enrollment

**R.C.        3313.981, 3317.0213, 3323.13**

Specifies that a city, local, or exempted village school district may enroll under its interdistrict open enrollment policy an adjacent or other district student who is a preschool child with a disability.

Requires ODE to pay to a district that enrolls under its open enrollment policy an adjacent or other district student who is a preschool child with a disability, and to deduct from the state education aid of the student's resident district, \$4,000 for that student.

Specifies that, if a preschool child with a disability who is a resident of one district receives special education from another district (not through open enrollment but under an agreement between the districts), the district providing the education may require the child's district of residence to pay the tuition of the district providing the education as calculated in accordance with existing law (rather than half of that amount).

**Fiscal effect: School districts enrolling preschool students with disabilities, either through open enrollment or another policy, may experience a change in revenue or expenses.**

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## Executive

## EDUCD23 Early childhood education

**Section: 263.20**

Continues the GRF-funded early childhood education program at school districts, JVSDs, ESCs, community schools sponsored by an exemplary sponsor, chartered nonpublic schools, and licensed childcare providers that meet at least the third highest tier of the tiered quality rating and improvement system for children who are at least three years old but not yet eligible for kindergarten, and whose families earn not more than 200% of the federal poverty guidelines. Revises eligibility in FY 2017 for children to be at least four years old. Allows community schools sponsored by a municipal district and using the Montessori program to be a new eligible provider.

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, (10) requires participation in a tiered quality rating and improvement system, (11) requires providers who are highly rated to comply with the requirements under the Step Up to Quality system, and (12) requires providers who are not highly rated to meet certain qualifications.

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

Requires that per-pupil funding 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.

## Executive

Requires ODE and the Department of Job and Family Services to align the application process, program eligibility, funding, attendance policies, and attendance tracking for early childhood programs in both agencies.

**Fiscal effect: The bill appropriates \$60.3 million in FY 2016 and \$70.3 million in FY 2017 to GRF appropriation item 200408 for the program, including an earmark of 2% for ODE's administrative costs.**

Other Education Provisions

EDUCD55            Fall administration of third-grade English language arts assessment

R.C.            *3301.0711, 3302.02*

Requires that school districts and schools administer the English language arts assessment to third graders at least once annually, instead of twice as under current law.

Allows districts and schools to administer the assessment in the summer to students who failed to attain the required score for promotion, but specifies that scores from that administration not be included in calculating performance measures for the state report cards.

**Fiscal effect: Decrease in administrative costs for districts and schools from not having to administer the fall exam.**

EDUCD53            Time limits on assessments

R.C.            *3301.0728, 3314.03, 3326.11, 3328.24*

Limits the cumulative duration for the administration of state achievement assessments, college and work ready assessments, and district-wide assessments administered to a majority of students in a grade or subject area, to 2% of the school year.

Limits the cumulative duration for time spent on preparation for state assessments to 1% of the school year.

Requires each school district board by September 15 each year to post on its web site information on the state assessments the district administers, including the duration of each assessment and the district's compliance with required time limits.

## Executive

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**Fiscal effect: If a district or school exceeds the limitations based on its current testing schedule, it may experience an increase in costs in order to come into compliance.**

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**EDUCD54          Diagnostic assessments**

**R.C.          3301.079, 3301.0714, 3301.0715, 3313.608**

Eliminates the current requirement that school districts and schools administer the diagnostic assessments for grades one through three.

Requires districts to use ODE-approved reading skills assessments in grades kindergarten through three for purposes of the third grade reading guarantee, of which the state's reading diagnostic assessments would fulfill the requirement.

Retains the requirement that school districts and schools administer the kindergarten readiness assessment adopted by the State Board of Education.

Retains the requirements for use and sharing of diagnostic assessment data under current law if a school district or school chooses to administer a diagnostic assessment.

**Fiscal effect: Districts or schools that elect not to administer previously required assessments may realize administrative cost savings.**

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**EDUCD70          Proficiency percentages for state report cards**

**R.C.          3302.02**

Requires the State Board of Education to adopt rules to establish proficiency percentages to meet each report card indicator that is based on a state assessment. (Under current law, adopting rules to establish such measures for the 2014-2015 school year and each school year thereafter is optional for the State Board.)

Sets deadlines by which the State Board must adopt proficiency percentages by school year, as follows:

- (1) Not later than January 15, 2016, for the 2014-2015 school year;
- (2) Not later than July 1, 2016, for the 2015-2016 school year;
- (3) Not later than July 1, 2017, for the 2016-2017 school year, and for each school year thereafter.

## Executive

**Fiscal effect: Minimal increase in the Board's administrative costs.****EDUCD68          Various state report card measures****R.C.          3302.03**

Clarifies that the previous year's average value be used for purposes of determining the grade of "C" for the K-3 literacy progress measure.

Stipulates that in order for a district or school to not be graded for the K-3 literacy progress measure, for having less than 5% of its students scoring below grade level on the kindergarten diagnostic assessment, 95% or more students from that district or school must score proficient or higher on the third grade English language arts assessment.

Adds a new graded measure for reports cards that indicates the percentage of third-grade students who are promoted to the fourth grade on time and are not exempt from the retention provisions of the Third Grade Reading Guarantee.

Renames the "Kindergarten Through Third Grade Literacy" overall report card grade component as "Early Literacy."

Adds the new graded measure for third-grade students promoted on time to the newly renamed Early Literacy component.

Removes measures from students in a five-year adjusted graduation cohort in the calculation of the "prepared for success" overall report card grade component. (Retains measures for students in a four-year adjusted graduation cohort.)

**Fiscal effect: None.****EDUCD72          State report cards - high school progress measure****R.C.          3302.03, Section 263.500**

Requires ODE, not later than July 1, 2015, to develop a method to determine student academic progress of high school students using the results of the end-of-course examinations in English language arts and mathematics for inclusion in the overall and disaggregated value-added progress dimension measures for the state report card.

Requires ODE to include the student academic progress data for high school students in the calculation of the overall and disaggregated value-added progress dimension measures, as determined by the method described above, starting with the report cards for the 2015-2016 school year. (Under current law, the student academic progress for high school

## Executive

students measure is a separate measure.)

Requires ODE to report the overall value-added progress dimension and disaggregated value-added progress dimension scores required for the state report card for the 2014-2015 school year calculated with the high school academic progress data as ungraded measures on ODE's web site not later than January 31, 2016.

**Fiscal effect: Potential increase in ODE's administrative costs, but these costs are not expected to exceed minimal.**

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EDUCD79            State Board requirements

R.C.            3302.034

Removes a requirement that the State Board adopt and specify a measure, for the purpose of reporting the measure on the district's or school's report card, for the amount of extracurricular services offered to students.

**Fiscal effect: None.**

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EDUCD50            Exemptions for high-performing school districts

R.C.            3302.05, (Repealed), 3302.16, 3313.608,  
3313.843, 3317.15, 3319.301

Repeals the current provision of law regarding exemptions for high-performing school districts and instead creates new definitions for high-performing school districts and exemptions for such school districts.

Defines a "high-performing school district" as a district that has for the two most recent school years received an "A" for the overall value-added progress dimension on the state report card, had at least 95% of its third grade students score proficient or higher on the third-grade English language arts state achievement assessment, and had a four-year adjusted cohort graduation rate of 93% or higher.

Requires ODE to develop performance criteria equivalent to those listed above for determining whether a joint vocational school district is considered a "high-performing school district."

Beginning with the 2017-2018 school year, also requires that at least 75% of students in a four-year adjusted cohort receive a remediation-free score, based on the district's average scores on the nationally standardized assessment to measure college readiness, in order to be considered "high-performing."

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Exempts high-performing school districts from the following requirements, if the high-performing school district passes a resolution stating such intent:

- (1) Teacher credential qualification requirements for third-grade students who require intensive remediation under the Third-Grade Reading Guarantee;
- (2) Minimum or maximum class size requirements;
- (3) Requirements to have a service agreement with an educational service center for schools with an average daily membership of 16,000 or less;
- (4) Requirement to consult with an educational service center to provide services to children with disabilities.

Permits high-performing school districts to hire nonlicensed individuals to teach classes for not more than 40 hours a week.

Permits the Superintendent of Public Instruction to waive additional requirements upon application from high-performing school districts.

**Fiscal effect: Qualifying high-performing school districts may realize cost savings due to reduced administrative burden.**

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**EDUCD26            Competency based education pilot**
**R.C.            3302.42**

Establishes the Competency-Based Education Pilot Program to provide grants to city, local, and exempted village school districts, including a municipal school district (Cleveland), joint vocational school districts, community schools, and STEM schools for designing and implementing competency-based models of education for their students during the 2016-2017, 2017-2018, and 2018-2019 school years.

Requires a district, community school, or STEM school that wishes to participate in the pilot program to submit an application to ODE, not later than November 1, 2015.

Requires ODE to select not more than 10 applicants to participate in the pilot program not later than January 31, 2016.

Specifies that ODE must require a district or school to agree to an annual performance review conducted by ODE as a condition of participating in the program.

Requires the competency-based education offered by a district or school selected to participate in the pilot program to satisfy specified requirements.

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Specifies that a district or school selected to participate in the pilot program remains subject to all accountability requirements in state and federal law that are otherwise applicable to that district or school.

Specifies that a student enrolled in a district or school who is participating in competency-based education be considered to be a full-time equivalent student while participating in competency-based education for purposes of state funding for that district or school, as determined by ODE.

Requires ODE to post on its web site, not later than December 31, 2016, a preliminary report that examines the planning and implementation of competency-based education in the districts and schools selected to participate in the pilot program.

Requires ODE, not later than December 31, 2018, to post on its web site a report that includes (1) a review of the competency-based education offered by the districts and schools selected to participate in the pilot program, (2) an evaluation of the implementation of competency-based education by the districts and schools and student outcomes resulting from that competency-based education, and (3) a determination of the feasibility of a funding model that reflects student achievement outcomes as demonstrated through competency-based education.

**Fiscal effect: The bill appropriates \$2.5 million in each fiscal year to GRF appropriation item 200588, Competency-Based Education Pilot, a portion of which may be used by the Superintendent of Public Instruction to provide technical assistance and program administration. Specifies that programs may receive grants of up to \$250,000 in each fiscal year.**

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EDUCD48            Adult Diploma Pilot Program

R.C.            3313.092

Changes the name of the Adult Career Opportunity Pilot Program to the Adult Diploma Pilot Program.

Requires a community college, technical college, state community college, or technical center to obtain approval from the Superintendent of Public Instruction, rather than the State Board of Education (as under current law), in order to participate in the Program.

Requires the State Board to grant a high school diploma to each student who enrolls in an approved program of study at an institution that has been approved to participate in the Program and completes the requirements for obtaining a high school diploma that are specified in rules adopted by the Superintendent.

Requires ODE to calculate a payment amount for each student enrolled in an approved program of study at each institution that has been approved to participate in the Program using a formula specified in the bill that is based on the

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**Executive**

student's career pathway training program and work readiness training, as determined by ODE.

Requires ODE to pay 25% of the amount calculated for each student to the student's institution after the student successfully completes the first third of the program of study, 25% of the amount after the student successfully completes the second third of the program of study, and 50% of the amount after the student completes the final third of the program of study.

Permits each institution that has been approved to participate in the Program to use a specified portion of the amount paid under the bill's provisions for the associated services of the approved program of study, which include counseling, advising, assessment, and other services as determined or required by ODE.

Requires the State Superintendent, in consultation with the Director of the Department of Higher Education, to adopt rules regarding all of the following:

- (1) The requirements for obtaining a high school diploma through the Program, including the requirement to obtain a passing score on an assessment that is appropriate for the student's career pathway training program, and the date on which these requirements take effect;
- (2) The assessment or assessments that may be used to complete the assessment requirement for each career pathway training program and the score that must be obtained on each assessment in order to pass the assessment;
- (3) Guidelines regarding the funding of the Program, including a method of funding for students who transfer from one institution to another prior to completing an approved program of study;
- (4) Circumstances under which an eligible student may be charged for tuition, supplies, or associated fees while enrolled in an institution's approved program of study;
- (5) A requirement that an eligible student may not be charged for tuition, supplies, or associated fees while enrolled in an institution's approved program of study except in the circumstances described in the rules;
- (6) The payment of federal funds that are to be used by approved programs of study at institutions that have been approved to participate in the Program.

**Fiscal effect: The bill appropriates \$7.5 million in FY 2016 and \$10 million in FY 2017 from GRF appropriation item 200572, Adult Diploma, for the program.**

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## Executive

## EDUCD77 Competitive bidding threshold

R.C. 3313.46

Increases the competitive bidding threshold for school building, improvement, and repair contracts for all school districts from \$25,000 to \$50,000.

**Fiscal effect: May allow school districts to save on administrative costs for projects under the threshold.**

## EDUCD69 Health care services for students

R.C. 3313.68, 3313.72, 3313.721, 3314.03,  
3326.11, 3328.24

Permits the board of education or governing authority of a school district, educational service center, community school, STEM school, or college-preparatory boarding school to enter into a contract with a hospital or an appropriately licensed health care provider for the purpose of providing health care services (that are specifically authorized by the Revised Code) to students.

Specifies that, if a board or governing authority enters into such a contract, employees of the hospital or health care provider who are providing the services of a nurse under the contract:

- (1) Are not required to obtain a school nurse license or school nurse wellness coordinator license and are not subject to any rules adopted by the State Board related to such licensure.
- (2) Must, at a minimum, hold a credential that is equivalent to being licensed as a Registered Nurse or a Licensed Practical Nurse.

**Fiscal effect: None.**

## Executive

## EDUCD71 Site-based management councils

**R.C. 3313.473, (Repealed)**

Repeals a provision of current law requiring each school district with a total student count of 5,000 or more to designate one school building to be operated by a site-based management council, unless the district received a grade on the most recent report card of an "A" or "B" for the performance index score and value-added dimension or for the overall grade, depending on the school year.

Repeals current law requiring the State Board to adopt rules with regard to these councils.

Repeals current law permitting a district board, in lieu of complying with the State Board's rules for the aforementioned site-based management councils, to file with ODE an alternative structure for a district site-based management program in at least one of its school buildings.

**Fiscal effect: May decrease administrative costs for school districts with a school being operating by a site-based management council.**

## EDUCD58 Statewide plan on subject area competency

**R.C. 3313.603, 3314.03; Sections 263.530-263.540**

Requires the State Board of Education, not later than December 31, 2015, to update its statewide plan regarding methods for students to earn high school credit based on the demonstration of subject area competency to also include methods for students enrolled in 7th and 8th grade to meet curriculum requirements based on such competency.

Requires school districts and community schools, beginning with the 2016-2017 school year, to comply with the updated plan and to permit students enrolled in 7th and 8th grade to meet curriculum requirements accordingly.

Requires ODE to provide assistance to the State Board for purposes of updating the statewide plan and to, upon completion of the plan, inform students, parents, and schools of the updated plan.

Specifically permits the Superintendent of Public Instruction to form partnerships with Ohio's business community to implement initiatives that connect students with the business community to increase student engagement and job readiness. If the Superintendent forms such a partnership, requires that the initiatives do all of the following:

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- (1) Support the career connection learning strategies included in model curriculum developed by the State Board and workforce development entities;
  - (2) Provide an opportunity for students to earn high school credit or to meet curriculum requirements in accordance with the State Board's plan on subject area competency;
  - (3) Inform the development of student success plans for students who are at-risk of dropping out of school.

**Fiscal effect: Probable increase in administrative costs related to updating and disseminating information about the subject area competency plan, but these costs are not expected to exceed minimal.**

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**EDUCD51            Administration of reading diagnostic assessments**

**R.C.            3313.608, Section 263.550**

Requires the reading skills assessments administered annually under the Third Grade Reading Guarantee to be completed by September 30.

Removes a requirement that the reading skills assessments be either (1) the reading diagnostic assessments developed by the State Board of Education or (2) a comparable tool approved by ODE and, instead, requires only that the reading skills assessments be those that are approved by ODE.

Adds an immediately effective provision that specifically requires the reading skills assessments administered for the 2015-2016 school year to be completed by September 30, 2015.

**Fiscal effect: None.**

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## Executive

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**EDUCD61**      **Graduation pathways for students entering ninth grade prior to July 1, 2014****R.C.      3313.614**

Makes eligible for high school graduation an individual who entered ninth grade for the first time prior to July 1, 2014, if the person completes one of the three graduation pathways: (1) score at "remediation-free" levels in English, math, and reading on nationally standardized assessments, (2) attain a cumulative passing score on the end-of-course examinations, or (3) attain a passing score on a nationally recognized job skills assessment and obtain either an industry-recognized credential or a state agency or board-issued license for practice in a specific vocation. (Current law requires such students to pass all areas of the Ohio Graduation Tests in order to graduate from high school.)

Makes eligible for high school graduation an individual who entered the ninth grade for the first time prior to July 1, 2014, and who has not passed all areas of the Ohio Graduation Tests, if the person meets a combined graduation requirement established by rules adopted by the State Board of Education. Requires the State Board to adopt such rules by December 31, 2015.

**Fiscal effect: The adoption of rules will have a negligible effect on the Board's administrative burden.**

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**EDUCD22**      **School smoking prohibition****R.C.      3313.751**

Extends to all individuals (instead of just students as under current law) the prohibition from smoking, using tobacco, or possessing any substance that contains tobacco in any area under the control of a school district or educational service center (ESC) or at any school-supervised activity, and expands this prohibition to include outdoor facilities.

Prohibits pupils from using nicotine or possessing any substance containing nicotine in any area under the control of the school district or ESC, including any outdoor facilities, or at any school-supervised activity.

**Fiscal effect: Potential increase in school district and ESC burdens to enforce the prohibitions under the bill and discipline individuals for violations, depending on the policy adopted by each school board or ESC governing board.**

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## Executive

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**EDUCD76**      **Contracting for remediation and intervention services****R.C.**      **3313.6010**

Modifies a requirement that the State Board adopt rules permitting school districts to contract with public and private entities to provide academic remediation and intervention services to students in grades 1-6 outside of regular school hours by doing both of the following:

- (1) Removing the requirement that the State Board adopt rules related to this provision, and, instead, specifically permitting school districts to enter into such contracts.
- (2) Removing the requirement that the remediation and intervention services be for students only in grades 1-6, and, instead, expanding eligibility to students in any grade.

**Fiscal effect: None.**

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**EDUCD73**      **Eliminate high school diploma programs for those age 22 and older**

**R.C.**      **3317.01, Repealed: R.C. 3314.38, 3317.036,  
3317.23, 3317.231, 3317.24, 3345.86;  
Repealed: Section 733.20 of Am. Sub. H.B.  
483 of the 130th General Assembly**

Repeals provisions of current law that permit an individual age 22 and above who has not received a high school diploma or equivalence certificate to enroll for up to two cumulative school years in any of the following for the purpose of earning a high school diploma: (1) a city, local, or exempted village school district or a community school that operates a dropout prevention and recovery program, (2) a joint vocational school district that operates an adult education program, or (3) a community college, university branch, technical college, or state community college.

Repeals a requirement that ODE, by December 31, 2015, prepare and submit a report to the General Assembly regarding services provided to individuals ages 22 and above under the provisions described above.

**Fiscal effect: Potential administrative savings for districts, schools, and ODE.**

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## Executive

## EDUCD29 Innovative schools waiver extensions

## R.C. 3326.29, (Repealed), 3302.15

Authorizes community schools, in addition to school districts and STEM schools as under current law, to submit to the Superintendent of Public Instruction a request for a waiver for up to five school years from (1) administering the elementary and secondary achievement assessments, (2) teacher evaluations, and (3) reporting of student achievement data for the purpose of report card ratings.

Specifies that school districts, community schools, and STEM schools may submit a request for a waiver only during the 2015-2016 school year.

Limits, to 10, the total number of school districts, community schools, and STEM schools that may be granted a waiver, based on requests for a waiver received during the 2015-2016 school year.

Removes a provision requiring a school district to be a member of the Ohio Innovation Lab Network in order to be eligible to submit a request for a waiver.

Removes the current presumptive eligibility for a waiver for STEM schools.

Removes a provision specifying that a district's or school's waiver application that includes an overview of the district's or school's alternative assessment system must include "links to state-accepted and nationally accepted metrics, assessments, and evaluations."

Revises timing of the decision by the state Superintendent whether to approve or deny a waiver or to request additional information from "not later than thirty days after receiving a request for a waiver" to "upon receipt of a waiver."

Defines "innovative educational program or strategy," for purposes of the waiver, as a program or strategy that uses a new idea or method aimed at increasing student engagement and preparing students to be college or career ready.

**Fiscal effect: Current law allows a total of ten districts to receive a waiver. The inclusion of community schools, in addition to removing STEM schools from presumptive eligibility may effect the number of school districts receiving waivers.**

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**Executive****EDUCD75          Pupil transportation****R.C.          3327.02**

Removes a provision requiring a district board to submit a resolution declaring impracticality of transportation to the educational service center (ESC) that contains the district's territory.

Removes a provision specifying that, upon the ESC receiving the resolution declaring impracticality:

- (1) If the ESC disagrees with the board and considers the transportation practical, the ESC must inform the board and the board must provide the transportation.
- (2) If the ESC agrees with the board and considers the transportation impractical, the board may offer the ESC payment in lieu of transportation.

**Fiscal effect: None.**

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**EDUCD74          Straight A Program****Section:    263.350**

Creates the Straight A Program to provide grants to school districts, JVSDs, ESCs, community schools, STEM schools, college preparatory boarding schools, individual school buildings, education consortia, institutions of higher education, and private or governmental entities partnering with one or more of those educational entities for projects that aim to achieve significant advancement in the following:

- (1) increased student achievement, (2) spending reduction in the five year fiscal forecast, (3) utilization of a greater share of classroom resources, and (4) use of shared service delivery models.

Establishes 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 an annual 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.

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**Fiscal effect: The bill appropriates \$100 million in each fiscal year from SLF Fund 7017 appropriation item 200648, Straight A Fund, for the grants.**

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EDUCD78            National Advancement of Education Progress

**Section: 263.400**

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.**

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EDUCD18            Use of volunteers

**Section: 263.440**

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.**

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EDUCD21            Private treatment facility project

**Section: 263.480**

Establishes procedures by which Ohio youth who have been assigned to a participating residential treatment center are enrolled in an approved educational program in or near the facility.

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Lists the participating residential treatment centers as (1) private residential treatment facilities that have contracted with the Department of Youth Services to provide services and which are paid through appropriation item 470401, RECLAIM Ohio, (2) Abraxas, in Shelby, (3) Paint Creek, in Bainbridge, and (4) F.I.R.S.T., in Mansfield.

Requires that the school district responsible for tuition for a residential child pay the tuition to the provider of the educational programs. Prohibits a district from including the youth in the district's average daily membership (ADM). Requires that ODE track the utilization of funds and monitor the program for educational accountability.

**Fiscal effect: In addition to the tuition payment, the bill earmarks \$700,000 in each fiscal year from GRF appropriation item 200550, Foundation Funding, for the Private Treatment Facility Project.**

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EDUCD65      Ranking of school districts and schools

**Section: 263.490**

Temporarily, for the 2014-2015 school year only, prohibits ODE from ranking school districts, community schools, and STEM schools according to academic performance measures.

Extends until January 31, 2016, the deadline for ODE to rank districts, community schools, and STEM schools according to expenditures for the 2014-2015 school year.

**Fiscal effect: None.**

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EDUCD63      Deadlines related to report cards

**Sections: 263.510, 263.520**

Extends the deadline for the 2014-2015 state report card from September 15, 2015, to January 15, 2016.

Extends until January 31, 2016, the deadline for the Department of Education's reports regarding students with disabilities for the 2014-2015 school year.

**Fiscal effect: None.**

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**Appropriation Language****EDUCD7      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.

**EDUCD98      Early Childhood Education****Section: 263.20**

Earmarks up to 2% of GRF appropriation item 200408, Early Childhood Education, to be used by ODE for program support and technical assistance.

Requires ODE to distribute the remainder to pay the costs of early childhood programs that serve eligible children. (See EDUCD23).

**EDUCD8      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.

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**EDUCD32          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.

Earmarks \$350,000 in each fiscal year to support an information clearinghouse for the identification of and intervention for at-risk students.

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

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

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**EDUCD33          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.

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**EDUCD34      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.

Permits 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.

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**EDUCD88      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.

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**EDUCD35      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 \$10,000,000 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 \$5,000,000 in each fiscal year to subsidize the activities of designated information technology centers.
  - (3) Specifies that the remainder of the appropriation be used to support a network of uniform and compatible computer-based information and instructional systems, the teacher student linkage/roster verification process, and the eTranscript/student records exchange initiative.
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**EDUCD36          Academic standards****Section: 263.80**

Specifies that GRF appropriation item 200427, Academic Standards, be used to develop and communicate to school districts academic content standards and curriculum models and to develop professional development programs and other tools on the new content standards and model curriculum.

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**EDUCD37          Student assessment****Section: 263.90**

Earmarks up to \$1,206,000 in FY 2016 and up to \$2,760,000 in FY 2017 of GRF appropriation item 200437, Student Assessment, 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, science, and social studies 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.

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**EDUCD38          Accountability/report cards****Section: 263.100**

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.

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, the development and maintenance of teacher value-added reports, the teacher student linkage/roster verification process, and the performance management section of ODE's website.

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**EDUCD24          Child care licensing****Section: 263.100**

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.

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**EDUCD39          Emergency Management Information System****Section: 263.110**

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

(1) Up to \$725,000 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.

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(2) 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, including the ongoing development and maintenance of the data dictionary and data warehouse.

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.

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**EDUCD99          GED testing****Section: 263.120**

Requires that GRF appropriation item 200447, GED Testing, be used to provide General Education Development (GED) testing and support to GED testing sites.

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**EDUCD93          Educator preparation****Section: 263.130**

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) Earmarks up to \$100,000 in each fiscal year to be used by ODE to support the Educator Standards Board and various school reforms.

(3) Permits the remainder of the appropriation in 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.

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**EDUCD9            Community schools and choice programs****Section: 263.140**

Permits GRF appropriation item 200455, Community Schools and Choice Programs, to be used 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.

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**EDUCD40            Education technology resources****Section: 263.150**

Makes the following earmarks to GRF appropriation item 200465, Education Technology Resources:

- (1) Up to \$2,500,000 in each fiscal year for the Union Catalog and InfOhio Network.
  - (2) Up to \$1,778,879 in each fiscal year to contract with educational television stations and education technology centers to provide 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 developed in consultation with educational television stations and educational technology centers.
  - (3) Specifies that the remainder of the appropriation be used to support the training, technical support, and guidance to school districts and public libraries in applying for federal E-Rate funds; for oversight and guidance of school district technology plans; and for support to district technology personnel. Permits the funds to be used for the eTranscript/student records exchange initiative and for internet safety training for students, teachers, and administrators.
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**EDUCD10          Pupil transportation****Section: 263.160**

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 \$2,500,000 in each fiscal year to reimburse school districts for payments to parents in lieu of providing school bus service. Requires a school district, if a parent, guardian, or other person in charge of a pupil accepts the offer of payment in lieu of providing transportation, to pay that parent, guardian, or other person at least \$250 and not more than the amount determined by ODE as the average cost of pupil transportation for the previous school year. Permits the payment to be prorated if the time period involved is only a part of the school year.
- (4) Specifies that the remainder of the appropriation be used for the pupil transportation aid formula.

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**EDUCD41          School lunch match****Section: 263.170**

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

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

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**EDUCD90      Auxiliary services****Section: 263.180**

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 \$2,600,000 in each fiscal year for nonpublic school student participation in the College Credit Plus Program.

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**EDUCD91      Nonpublic administrative cost reimbursement****Section: 263.190**

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

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**EDUCD87      Special education enhancements****Section: 263.200**

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.

(4) \$2,500,000 in each fiscal year to be transferred to the Opportunities for Ohioans with Disabilities Agency via an intrastate transfer voucher. Requires the transferred funds to be used as state matching funds to draw down available federal funding for vocational rehabilitation services. Specifies that funding be used to hire vocational rehabilitation counselors to provide transition services for students with disabilities. Requires the agencies to enter into an interagency

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agreement to specify the responsibilities of each agency under the program.

(5) Up to \$2,500,000 in each fiscal year to be used to build capacity to deliver a regional system of training, support, coordination, and direct service for secondary transition services for students with disabilities beginning at age 14.

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

Permits ODE to reimburse for instructional assistant, physical therapy, and occupational therapy services, including services provided by physical therapy or occupational therapy assistants.

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**EDUCD89****Career-Technical education enhancements****Section: 263.210**

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

(1) \$1,000,000 in each fiscal year to support statewide career counseling efforts. Requires ODE to identify and highlight best practices through regional outreach or webinars. Requires that any professional development and outreach for school counselors funded with this earmark include how to effectively use training and informational resources on the OhioMeansJobs K-12 web site and be done in consultation with the Director of Higher Education.

(2) Up to \$2,563,568 in each fiscal year to fund secondary career-technical education at institutions, OSD, and OSB. Notwithstanding the unit funding formula and specifies the funding be distributed using a grant-based methodology.

(3) Up to \$3,587,800 in each fiscal year to fund competitive expansion grants to tech prep consortia.

(4) 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.

(5) Up to \$600,000 in each fiscal year to fund the Agriculture 5th Quarter Project.

(6) Up to \$162,000 in each fiscal year for distribution to Cleveland and Cincinnati school districts to be used for a VoAg Program in one at-risk nonvocational school in each district. Specifies that the amount distributed to each district is equal to \$83,600 minus the amount allocated to the district for additional career-technical education formula funding for the students participating in the program.

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(7) Up to \$525,000 in FY 2016 and \$550,000 in FY 2017 to support career planning and reporting through the OhioMeansJobs web site.

(8) Up to \$1,000,000 in each fiscal year to support payments to public schools whose students earn an industry-recognized credential or receive a journeyman certification. Requires ODE, the Department of Higher Education, and the Governor's Office of Workforce Transformation to develop a reimbursement schedule. Requires the educating entity to pay for the cost of the credential for economically disadvantaged students. Specifies that the educating entity may claim reimbursement up to six months after the student has graduated from high school. Requires ODE to prorate amounts so that the aggregate amount appropriated is not exceeded if the amount appropriated is insufficient.

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**EDUCD11            Foundation funding****Section: 263.220**

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

(1) Up to \$40,000,000 in each fiscal year for additional state aid to school districts, joint vocational school districts, STEM, and community schools for special education students exceeding certain specified catastrophic cost thresholds.

(2) Up to \$3,800,000 in each fiscal year to fund gifted education units at ESCs. Specifies that the distribution of gifted education funds to ESCs is based on a unit methodology used prior to FY 2010.

(3) Up to \$37,700,000 in FY 2016 and up to \$30,200,000 in FY 2017 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.

(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. Requires any remaining funds in each fiscal year to be reimbursed to the Department of Youth Services and the Department of Rehabilitation and Correction for individuals in these facilities who have taken the GED for

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the first time. Prohibits the amounts reimbursed for these individuals from exceeding the per-individual amounts reimbursed to other individuals for each section of the GED.

(7) Up to \$29,900,000 in FY 2016 and up to \$38,000,000 in FY 2017 to support school choice programs.

(8) Up to \$11,901,887 in each fiscal year of the foundation program funds allocated 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.

(9) Up to \$250,000 in each fiscal year for home-instructed students to participate in the College Credit Plus Program.

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

(11) Up to \$700,000 in each fiscal year for the private treatment facility project.

(12) An amount to pay college-preparatory boarding schools the per pupil boarding amount.

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 approval from the Director of OBM 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.

## EDUCD42

## Literacy improvement

## Section: 263.250

Earmarks up to \$2,500,000 in each fiscal year of GRF appropriation item, 200566, Literacy Improvement, for ODE to award grants to elementary school buildings for summer literacy camps that assist K-3 students in meeting the third grade reading guarantee. Requires ODE to give priority to schools with a high percentage of economically disadvantaged students, schools with low student achievement, and schools making progress in improving students' literacy skills.

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Specifies that that remainder of the appropriation be used to establish regional professional development teams in literacy to provide communication, outreach, and professional development opportunities targeted to K-3 language and literacy supports.

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**EDUCD43      Adult diploma****Section: 263.260**

Makes the following earmarks to GRF appropriation item 200572, Adult Diploma:

- (1) Up to \$5,000,000 in FY 2016 and \$10,000,000 in FY 2017 to make payments to institutions participating in the Adult Diploma Pilot Program. Permits a portion of this amount to be used for technical assistance and administration.
  - (2) Up to \$2,500,000 in FY 2016 for planning grants to institutions eligible to participate in the Adult Diploma Pilot Program. Permits ODE to award planning grants of up to \$500,000 to up to five eligible institutions. Specifies that the grants be used to build capacity to implement the program beginning in FY 2017. Permits remaining funds to be used to provide technical assistance to participating institutions.
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**EDUCD12      EdChoice expansion****Section: 263.270**

Requires that GRF appropriation item 200573, 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. Prohibits the number of scholarships awarded under the expansion from exceeding the number that can be funded with the amount appropriated for this purpose.

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**EDUCD13          Half-mill maintenance equalization****Section: 263.270**

Specifies that GRF appropriation item 200574, 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.

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**EDUCD44          Competency-based education pilot****Section: 263.280**

Specifies that GRF appropriation item 200588, Competency-Based Education Pilot, be used to fund competency-based education pilot programs in up to ten districts or schools.

Specifies that each program participant be awarded up to \$250,000 for each fiscal year.

Specifies that grants be used in FY 2016 and FY 2017 to plan for implementation in FY 2017, FY 2018, and FY 2019.

Permits a portion of the funds to be used for technical assistance and administration.

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**EDUCD94          Teacher certification and licensure****Section: 263.290**

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

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**EDUCD100      Auxiliary services reimbursement****Section: 263.300**

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

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**EDUCD45      School district solvency assistance****Section: 263.310**

Specifies that funds in DPF 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 \$5,000,000 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 OBM Director 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.

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**EDUCD92          Early childhood education****Section: 263.320**

Earmarks up to \$20,000,000 in each fiscal year from DPF appropriation item 200673, Early Childhood Education, to advance programs and systems supporting high quality early childhood opportunities for children from economically disadvantaged families.

Requires ODE, in consultation with the Governor's Early Childhood Education and Development Office and JFS, to establish guidelines that include benchmark performance criteria, evaluation design and implementation, and steps for the future advancement of Ohio's Early Childhood System based on results. Requires completion of guidelines by January 1, 2016.

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**EDUCD14          Lottery Profits Education Fund****Section: 263.330**

Specifies that SLF 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.

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**EDUCD46          Community Connectors Program****Section: 263.330**

Specifies that SLF appropriation item 200629, Community Connectors, be used to create the Community Connectors Grant Program. Requires that the program award competitive matching grants to provide funding for local networks of volunteers and organizations to sponsor career advising and mentoring for students in eligible school districts.

Requires each grant award to match up to three times the funds allocated to the project by the local network.

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Specifies that eligible school districts are those with a high percentage of students in poverty, a high number of students not graduating on time, and other criteria as determined by ODE.

Requires eligible school districts to partner with members of the business community, civic organizations, or the faith-based community to provide sustainable career advising and mentoring services.

Permits any unexpended and unencumbered funds at the end of FY 2016 to be reappropriated for the same purpose in FY 2017, with the approval of the OBM Director.

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**EDUCD30          Straight A Fund****Section: 263.340**

Earmarks up to \$10,000,000 in fiscal year 2016 and up to \$3,500,000 in fiscal year 2017 from SLF Fund 7017 appropriation item 200648, Straight A Fund, for ODE, in consultation with the Department of Higher Education, to support graduate coursework for high school teachers in order to receive credentialing to teach college credit plus courses.

Requires ODE, in consultation with the Department of Higher Education to develop criteria, issue a Request for Proposals, and ensure that priority is given to educational consortia that include economically disadvantaged high schools.

Earmarks up to \$5,000,000 in FY 2017 from SLF Fund 7017 appropriation item 200648, Straight A Fund, for ODE to make payments to school districts, community schools, and STEM schools that increase successful participation in advanced placement or college credit plus programs. Requires that ODE make payments based on the following criteria:

- (1) \$750,000 to the school district with the highest successful completion rate (the per cent of the school district's students in grades 11 and 12 who either received a score of three or better on an Advanced Placement examination or earned at least three college credits through the College Credit Plus Program;
- (2) \$650,000 to the school district with the second highest successful completion rate;
- (3) \$600,000 to the school district with the third highest successful completion rate;
- (4) \$500,000 to each school district that has the highest successful completion rate within each typology category (urban, suburban, small town, and rural);
- (5) \$250,000 to each school district with the second highest successful completion rate within each typology category.

Requires ODE to include school districts with the third, fourth, or fifth highest successful completion rates as needed so that no district receives more than one award.

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Limits awards to school districts with a successful completion rate of at least 25%.

Requires that the remainder of the appropriation be used to make competitive grants under the Straight A Program (See EDUCD74).

**EDUCD47      Community school facilities****Section: 263.340**

Earmarks up to \$550,000 in FY 2016 and up to \$1,100,000 in FY 2017 of SLF appropriation item 200684, Community School Facilities, to be used as matching funds for Ohio's federal State Charter School Facilities Incentive Grant application. Specifies that if these funds are not required that they be used with the remainder of the appropriation.

Specifies that the remainder of the appropriation be used to pay brick-and-mortar community schools an amount of \$200 per equivalent pupil for facilities-related costs. Requires ODE to prorate payments if the amount appropriated is insufficient.

**EDUCD101      Lottery Profits Education Reserve Fund****Section: 263.360**

Creates the Lottery Profits Education Reserve Fund (Fund 7018). Permits the OBM Director to transfer cash from Fund 7018 to the Lottery Profits Education Fund (Fund 7017) in both fiscal years. Requires the Lottery Commission Director to certify on July 15, 2015, the amount by which lottery profits exceeded \$974,500,000 in FY 2015 and on July 15, 2016, the amount by which lottery profits exceeded \$984,000,000 in FY 2016, to the OBM Director. Permits the OBM Director to transfer cash in excess of the amounts necessary to support appropriations in Fund 7017 to Fund 7018.

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**EDUCD15          Distribution formulas****Section: 263.370**

Requires that ODE report to the Director of OBM and the Legislative Service Commission the following: (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.

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**EDUCD102          Schools Medicaid administrative claims****Section: 263.380**

Permits the OBM Director, at the request of the State Superintendent, to transfer up to \$750,000 cash in each fiscal year from the GRF to the School Medicaid Administrative Claims Fund (Fund 3AF0). Requires the transferred cash to be used to pay ODE's expenses in administering the Medicaid School Component of the Medicaid program. Requires the OBM Director to transfer the cash back to the GRF on June 1 of each fiscal year.

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**EDUCD95          Community school SBH subsidy****Section: 263.410**

Continues the subsidy payment in current law for certain community schools that serve students with severe behavioral handicaps (SBH). Specifies that the amount of the subsidy is not deducted from the students' resident school district.

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**Executive****EDUCD17      Earmark accountability****Section: 263.420**

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

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**DASCD5            Changes to the scope of the Public Employees Health Care Program****R.C.            9.901, 9.833, 9.90**

Permits instead of requires political subdivisions, school districts, or state institutions of higher education to offer health care plans that consider (rather than contain) best practices identified (rather than established) by the Department of Administrative Services (DAS) or established by the former School Employees Health Care Board.

Removes a provision that permits a political subdivision, upon consulting with DAS, to adopt a delivery system of benefits that is not in accordance with the best practices if DAS considers it to be most financially advantageous to the political subdivision.

Eliminates the Public Employees Health Care Fund used by DAS to administer the Public Employees Health Care Program.

Modifies DAS's duties related to public employee health care plans by: (A) Requiring DAS to study instead of publish information regarding the health care plans offered by political subdivisions, public school districts, state institutions, and existing consortiums; (B) Requiring DAS to provide representative cost estimates of options for health care plans instead of assisting in the design of the plans; (C) Requiring DAS to study and release standards that may be considered best practices for health care plans offered to employees of political subdivisions, public school districts, and state institutions instead of adopting and releasing a set of standards that must be considered best practices for those plans; (D) Removing a requirement that DAS prepare and release an annual report on the status of health plan sponsors' effectiveness in complying with best practices and in making progress to reduce insurance premium increases and employee out-of-pocket expenses, as well as progress in improving the health status of employees and their families; and (E) Removing the authority of DAS to adopt rules for the enforcement of health plan sponsors' compliance with the best practice standards.

Provides DAS ongoing authority to convene a public Health Care Advisory Committee to assist in studying relevant issues, but removes the following related to the Committee: (A) That the Committee make recommendations to DAS on the development and adoption of best practices; (B) That the Committee consist of 15 members appointed by the Speaker of the House, the Senate President, and the Governor and include certain representatives; and (C) That the members must serve without compensation.

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**Executive**

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**Fiscal effect:** There may be a slight reduction in administrative costs for DAS to carry out these responsibilities. For FY 2014-FY 2015, these costs were paid from GRF appropriation item 100403, Public Employees Health Care Program. There is no such appropriation under H.B. 64.

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Executive

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## MCDCD26 Medicaid School Program

R.C. 5162.365, 5162.01, 5162.36, 5162.361,  
5162.363

Makes a qualified Medicaid school provider solely responsible for timely repaying any overpayment that the provider receives under the Medicaid School Program and that is discovered by a federal or state audit.

Prohibits ODM, with regard to an overpayment, from paying the federal government to meet or delay the provider's repayment obligation and assuming or forgiving the provider's repayment obligation.

Requires each qualified Medicaid school provider to indemnify and hold harmless ODM for any cost or penalty resulting from a federal or state audit.

**Fiscal effect: None, this provision clarifies that the Medicaid school provider will be responsible for repayments.**

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**Executive**

**BORCD58**      **Quality assurance measures in biennial CCP report**

**R.C.**      **3365.15**

Requires the DHE Director and the Superintendent of Public Instruction, as part of the required biennial report on the status of the CCP program, also to include an analysis of "quality assurance measures" related to the program.

**Fiscal effect: Minimal.**

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Executive

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### Commercial Activity Tax

TAXCD4            CAT revenue allocation changes

R.C.            *5751.02, 5751.20*

Increases the share of commercial activity tax (CAT) revenue credited to the GRF from 50% to 75%, reduces from 35% to 20% the share credited to the School District Tangible Property Tax Replacement Fund (Fund 7047), and decreases from 15% to 5% the share credited to the Local Government Tangible Property Tax Replacement Fund (Fund 7081), beginning July 1, 2015.

**Fiscal effect: None. While the proposed allocation change increases the amount of CAT receipts directly credited to the GRF it reduces "excess" CAT receipts that are transferred back to the GRF. Under current law, CAT receipts deposited into Fund 7081 and Fund 7047 are used to make reimbursement payments to school districts and other local taxing units, respectively, for the phase-out of property taxes on general business tangible personal property. Any "excess" receipts that are not needed for making such payments are transferred back to the GRF. The executive budget resumes the phase-out of these reimbursement payments (see comparison document entries TAXCD14 and TAXCD15).**

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### Kilowatt-hour and Natural Gas Consumption Taxes

TAXCD3            Kilowatt-hour excise tax: all revenue to GRF

R.C.            *5727.81, 5727.811, and 5727.84*

Requires that 100% of revenue from the kilowatt-hour excise tax be deposited into the GRF beginning July 1, 2015, instead of 88% to the GRF, 9% to the School District Property Tax Replacement Fund (Fund 7053) and 3% to the Local Government Property Tax Replacement Fund (Fund 7054) as under current law.

## Executive

**Fiscal effect: None.** Under current law, kilowatt-hour excise tax receipts deposited into Fund 7053 and Fund 7054 are used to make reimbursement payments to school districts and other local taxing units, respectively, to partially reimburse them for previously legislated reductions in property tax assessments on tangible personal property of electric and natural gas utilities as part of the deregulation of some aspects of such utilities. Any "excess" receipts that are not needed for making such payments are transferred back to the GRF. The executive budget resumes the phase-out of these reimbursement payments (see comparison document entries TAXCD14 and TAXCD15). Reimbursement payments that are needed for FY 2016 and thereafter will be funded by CAT receipts deposited into Funds 7081 and 7047.

Property Taxes and Transfer Fees

TAXCD15            Tangible personal property tax replacement payments - schools

R.C.            *5709.92, 5727.84, 5727.85, 5751.20, and  
5751.21*

Beginning in FY2016, resumes the phase-out of the state's payments to school districts that partly reimburse districts for the loss of general business and public utility tangible personal property (TPP) tax revenue based on a district's combined general business and utility property tax replacement payments in FY 2015.

Prescribes different phase-out schedules for different classes of tax levies as follows:

(1) Current expense levies: Specifies that replacement payments for such levies be phased out according to the ratio of a district's FY 2015 payment amount to its total operating revenue from state and local sources ("total sources") and according to a district's tax capacity, a measure that considers both a district's property wealth and income wealth. Groups school districts into five quintiles by tax capacity. For a 5th quintile (highest capacity) district, specifies that the replacement payment will only be made in FY 2016 if the district's FY 2015 payment represents more than 2% of its total resources; increases the percentage threshold to 4% in FY 2017 and by 2 percentage points each year thereafter. Prescribes the initial percentage and annual increment for a 4th quintile district at 1.75%, a 3rd quintile district at 1.5%, a 2nd quintile district at 1.25%, and a 1st quintile (lowest capacity) district at 1%. For all joint vocational school districts (JVSDs), specifies that the initial percentage and annual increment be 2%. (Under current law, school districts and JVSDs receive annual payments equal to the amount by which a district's FY 2011 payment exceeds 4% of its total resources or the amount the district received in FY 2013.)

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**Executive**

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(2) Non-current-expense, nondebt levies: Specifies that replacement payments be made in FY 2016 at the level of 50% of a district's FY 2015 payment. Eliminates replacement payments for these levies beginning in FY 2017. (Current law provides for annual payments equal to 50% of the payment the district received in FY 2011.)

(3) Emergency and other fixed-sum levies: Phases out replacement payments for such levies in one-fifth increments over five years beginning in 2017 for utility TPP payments and in 2018 for business TPP payments. (Current law ends such payments in 2017 for utility TPP and in 2018 for business TPP).

(4) Debt levies: (Retains current law for debt levy reimbursement payments. Replacement payments for voter-approved fixed-sum debt levies will be made at the 2014 payment levels until the levy is no longer imposed. Payments for "inside-mill" debt levies that qualify for reimbursement in FY 2015 will be reimbursed through FY 2016 for utility TPP and through FY 2018 for business TPP.)

**Fiscal effect: Reduces TPP reimbursement payments for school districts and JVSDs. The executive budget appropriates from the Property Tax Replacement Phase Out - Education (Fund 7047) \$360.9 million for FY 2016 and \$249.8 million in FY 2017 for TPP reimbursement payments for school districts and JVSDs. In FY 2015, TPP reimbursements to school districts and JVSDs total \$510 million.**

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