

AN ACT

To amend sections 3313.484, 3313.642, 3317.021, 3317.029, 3317.0216, 3317.06, 3329.01, and 3329.03 to 3329.10 of the Revised Code to permit school districts to purchase electronic textbooks under the same conditions as textbooks are purchased, to permit school districts to furnish electronic textbooks to students in lieu of traditional textbooks provided the electronic textbooks are furnished free of charge, to permit secular electronic textbooks to be purchased and loaned to nonpublic school students with auxiliary services funds, to expand the types of secular textbooks and instructional materials that may be purchased and loaned to nonpublic school students, to make corrections to the computation of interest subsidies and gap revenue under the school funding law, and to declare an emergency.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 3313.484, 3313.642, 3317.021, 3317.029, 3317.0216, 3317.06, 3329.01, 3329.03, 3329.04, 3329.05, 3329.06, 3329.07, 3329.08, 3329.09, and 3329.10 of the Revised Code be amended to read as follows:

Sec. 3313.484. No loan shall be approved under sections 3313.483 to 3313.4811 of the Revised Code after March 1, 1998.

By the last day of June each year, the department of education shall calculate and pay a subsidy to every school district that during the ~~preceding calendar~~ current fiscal year paid and was obligated to pay interest on a loan under sections 3313.483 to 3313.4811 of the Revised Code in excess of two per cent simple interest. The amount of the subsidy shall equal the difference between the amount of interest the district paid and was obligated to pay during the year and the interest that the district would have been

obligated to pay if the interest rate on the loan had been two per cent per year.

Sec. 3313.642. (A) Except as provided in division (B) of this section and notwithstanding the provisions of sections 3313.48 and 3313.64 of the Revised Code, the board of education of a city, exempted village, or local school district shall not be required to furnish, free of charge, to the pupils attending the public schools any materials used in a course of instruction with the exception of the necessary textbooks or electronic textbooks required to be furnished without charge pursuant to section 3329.06 of the Revised Code. The board may, however, make provision by appropriations transferred from the general fund of the district or otherwise for furnishing free of charge any materials used in a course of instruction to such pupils as it determines are in serious financial need of such materials.

(B) No board of education of a school district that receives funds under section 3317.029 of the Revised Code shall charge a fee to a recipient of aid under Chapter 5107. or 5115. of the Revised Code for any materials needed to enable the recipient to participate fully in a course of instruction. The prohibition in this division against charging a fee does not apply to any fee charged for any materials needed to enable a recipient to participate fully in extracurricular activities or in any pupil enrichment program that is not a course of instruction.

(C) Boards of education may adopt rules and regulations prescribing a schedule of fees for materials used in a course of instruction and prescribing a schedule of charges which may be imposed upon pupils for the loss, damage, or destruction of school apparatus, equipment, musical instruments, library material, textbooks, or electronic textbooks required to be furnished without charge, and for damage to school buildings, and may enforce the payment of such fees and charges by withholding the grades and credits of the pupils concerned.

Sec. 3317.021. (A) On or before the first day of June of each year, the tax commissioner shall certify to the department of education the following information for each city, exempted village, and local school district and the information required by divisions (A)(1) and (2) of this section for each joint vocational school district, and it shall be used, along with the information certified under division (B) of this section, in making the computations for the district under section 3317.022 or 3317.16 of the Revised Code:

(1) The taxable value of real and public utility real property in the school district subject to taxation in the preceding tax year, by class and by county of location;

(2) The taxable value of tangible personal property, including public utility personal property, subject to taxation by the district for the preceding tax year;

(3)(a) The total property tax rate and total taxes charged and payable for the current expenses for the preceding tax year and the total property tax rate and the total taxes charged and payable to a joint vocational district for the preceding tax year that are limited to or to the extent apportioned to current expenses;

(b) The portion of the amount of taxes charged and payable reported for each city, local, and exempted village school district under division (A)(3)(a) of this section attributable to a joint vocational school district.

(4) The value of all real and public utility real property in the school district exempted from taxation minus both of the following:

(a) The value of real and public utility real property in the district owned by the United States government and used exclusively for a public purpose;

(b) The value of real and public utility real property in the district exempted from taxation under Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code.

(5) The total effective operating tax rate for the district in the tax year for which the most recent data are available.

(B) On or before the first day of May each year, the tax commissioner shall certify to the department of education the total taxable real property value of railroads and, separately, the total taxable tangible personal property value of all public utilities for the preceding tax year, by school district and by county of location.

(C) If on the basis of the information certified under division (A) of this section, the department determines that any district fails in any year to meet the qualification requirement specified in division (A) of section 3317.01 of the Revised Code, the department shall immediately request the tax commissioner to determine the extent to which any school district income tax levied by the district under Chapter 5748. of the Revised Code shall be included in meeting that requirement. Within five days of receiving such a request from the department, the tax commissioner shall make the determination required by this division and report the quotient obtained under division (C)(3) of this section to the department. This quotient represents the number of mills that the department shall include in determining whether the district meets the qualification requirement of division (A) of section 3317.01 of the Revised Code.

The tax commissioner shall make the determination required by this

division as follows:

(1) Multiply one mill times the total taxable value of the district as determined in divisions (A)(1) and (2) of this section;

(2) Estimate the total amount of tax liability for the current tax year under taxes levied by Chapter 5748. of the Revised Code that are apportioned to current operating expenses of the district;

(3) Divide the amount estimated under division (C)(2) of this section by the product obtained under division (C)(1) of this section.

(D) As used in this section:

(1) "Class I taxes charged and payable for current expenses" means taxes charged and payable for current expenses on land and improvements classified as residential/agricultural real property under section 5713.041 of the Revised Code.

(2) "Class I taxable value" means the taxable value of land and improvements classified as residential/agricultural real property under section 5713.041 of the Revised Code.

(3) "Class I effective operating tax rate" of a school district means the quotient obtained by dividing the school district's Class I taxes charged and payable for current expenses by the district's Class I taxable value.

(4) "Income tax equivalent tax rate" of a school district means the quotient obtained by dividing the income tax revenue disbursed during the current fiscal year under any tax levied pursuant to Chapter 5748. of the Revised Code by total taxable value of the district to the extent the revenue from the tax is allocated or apportioned to current expenses.

(5) "Total effective operating tax rate" means the sum of the Class I effective operating tax rate and the income tax equivalent tax rate.

Sec. 3317.029. (A) As used in this section:

(1) "DPIA percentage" means the quotient obtained by dividing the five-year average number of children ages five to seventeen residing in the school district and living in a family receiving family assistance, as certified or adjusted under section 3317.10 of the Revised Code, by the district's three-year average formula ADM.

(2) "Family assistance" means assistance received under the Ohio works first program or, for the purpose of determining the five-year average number of recipients of family assistance in fiscal years 1999 through 2002, assistance received under an antecedent program known as TANF or ADC.

(3) "Statewide DPIA percentage" means the five-year average of the total number of children ages five to seventeen years residing in the state and receiving family assistance, divided by the sum of the three-year average formula ADMs for all school districts in the state.

(4) "DPIA index" means the quotient obtained by dividing the school district's DPIA percentage by the statewide DPIA percentage.

(5) "Kindergarten ADM" means the number of students reported under section 3317.03 of the Revised Code as enrolled in kindergarten.

(6) "Kindergarten through third grade ADM" means the amount calculated as follows:

(a) Multiply the kindergarten ADM by the sum of one plus the all-day kindergarten percentage;

(b) Add the number of students in grades one through three;

~~(d)~~(c) Subtract from the sum calculated under division (A)(6)~~(e)~~(b) of this section the number of special education students in grades kindergarten through three.

(7) "Statewide average teacher salary" means thirty-nine thousand ninety-two dollars, which includes an amount for the value of fringe benefits.

(8) "All-day kindergarten" means a kindergarten class that is in session five days per week for not less than the same number of clock hours each day as for pupils in grades one through six.

(9) "All-day kindergarten percentage" means the percentage of a district's actual total number of students enrolled in kindergarten who are enrolled in all-day kindergarten.

(10) "Buildings with the highest concentration of need" means the school buildings in a district with percentages of students receiving family assistance in grades kindergarten through three at least as high as the district-wide percentage of students receiving family assistance. If, however, the information provided by the department of human services under section 3317.10 of the Revised Code is insufficient to determine the family assistance percentage in each building, "buildings with the highest concentration of need" has the meaning given in rules that the department of education shall adopt. The rules shall base the definition of "buildings with the highest concentration of need" on family income of students in grades kindergarten through three in a manner that, to the extent possible with available data, approximates the intent of this division and division (G) of this section to designate buildings where the family assistance percentage in those grades equals or exceeds the district-wide family assistance percentage.

(B) In addition to the amounts required to be paid to a school district under section 3317.022 of the Revised Code, a school district shall receive the greater of the amount the district received in fiscal year 1998 pursuant to division (B) of section 3317.023 of the Revised Code as it existed at that

me or the sum of the computations made under divisions (C) to (E) of this section.

(C) A supplemental payment that may be utilized for measures related to safety and security and for remediation or similar programs, calculated as follows:

(1) If the DPIA index of the school district is greater than or equal to thirty-five-hundredths, but less than one, an amount obtained by multiplying the five-year average number of pupils in a district receiving family assistance by two hundred thirty dollars;

(2) If the DPIA index of the school district is greater than or equal to one, an amount obtained by multiplying the DPIA index by two hundred thirty dollars and multiplying that product by the five-year average number of pupils in a district receiving family assistance.

(D) A payment for all-day kindergarten if the DPIA index of the school district is greater than or equal to one or if the district's three-year average formula ADM exceeded seventeen thousand five hundred, calculated by multiplying the all-day kindergarten percentage by the kindergarten ADM and multiplying that product by the formula amount.

(E) A class-size reduction payment based on calculating the number of new teachers necessary to achieve a lower student-teacher ratio, as follows:

(1) Determine or calculate a formula number of teachers per one thousand students based on the DPIA index of the school district as follows:

(a) If the DPIA index of the school district is less than six-tenths, the formula number of teachers is 43.478, which is the number of teachers per one thousand students at a student-teacher ratio of twenty-three to one;

(b) If the DPIA index of the school district is greater than or equal to six-tenths, but less than two and one-half, the formula number of teachers is calculated as follows:

$$43.478 + [(DPIA \text{ index} - 0.6) / 1.9] \times 23.188$$

Where 43.478 is the number of teachers per one thousand students at a student-teacher ratio of twenty-three to one; 1.9 is the interval from a DPIA index of six-tenths to a DPIA index of two and one-half; and 23.188 is the difference in the number of teachers per one thousand students at a student-teacher ratio of fifteen to one and the number of teachers per one thousand students at a student-teacher ratio of twenty-three to one.

(c) If the DPIA index of the school district is greater than or equal to two and one-half, the formula number of teachers is 66.667, which is the number of teachers per one thousand students at a student-teacher ratio of fifteen to one.

(2) Multiply the formula number of teachers determined or calculated in

division (E)(1) of this section by the kindergarten through third grade ADM for the district and divide that product by one thousand;

(3) Calculate the number of new teachers as follows:

(a) Multiply the kindergarten through third grade ADM by 43.478, which is the number of teachers per one thousand students at a student-teacher ratio of twenty-three to one, and divide that product by one thousand;

(b) Subtract the quotient obtained in division (E)(3)(a) of this section from the product in division (E)(2) of this section.

(4) Multiply the greater of the difference obtained under division (E)(3) of this section or zero by the statewide average teachers salary.

(F) This division applies only to school districts whose DPIA index is one or greater.

(1) Each school district subject to this division shall first utilize funds received under this section so that, when combined with other funds of the district, sufficient funds exist to provide all-day kindergarten to at least the number of children in the district's all-day kindergarten percentage.

(2) Up to an amount equal to the district's DPIA index multiplied by the five-year average number of pupils in a district receiving family assistance multiplied by two hundred thirty dollars of the money distributed under this section may be utilized for one or both of the following:

(a) Programs designed to ensure that schools are free of drugs and violence and have a disciplined environment conducive to learning;

(b) Remediation for students who have failed or are in danger of failing any of the proficiency tests administered pursuant to section 3301.0710 of the Revised Code.

(3) Except as otherwise required by division (G) of this section, all other funds distributed under this section to districts subject to this division shall be utilized for the purpose of the third grade guarantee. The third grade guarantee consists of increasing the amount of instructional attention received per pupil in kindergarten through third grade, either by reducing the ratio of students to instructional personnel or by increasing the amount of instruction and curriculum-related activities by extending the length of the school day or the school year.

School districts may implement a reduction of the ratio of students to instructional personnel through any or all of the following methods:

(a) Reducing the number of students in a classroom taught by a single teacher;

(b) Employing full-time educational aides or educational paraprofessionals issued a permit or license under section 3319.088 of the

Revised Code;

(c) Instituting a team-teaching method that will result in a lower student-teacher ratio in a classroom.

Districts may extend the school day either by increasing the amount of time allocated for each class, increasing the number of classes provided per day, offering optional academic-related after-school programs, providing curriculum-related extra curricular activities, or establishing tutoring or remedial services for students who have demonstrated an educational need. In accordance with section 3319.089 of the Revised Code, a district extending the school day pursuant to this division may utilize a participant of the work experience program who has a child enrolled in a public school in that district and who is fulfilling the work requirements of that program by volunteering or working in that public school. If the work experience program participant is compensated, the school district may use the funds distributed under this section for all or part of the compensation.

Districts may extend the school year either through adding regular days of instruction to the school calendar or by providing summer programs.

(G) Each district subject to division (F) of this section shall not expend any funds received under division (E) of this section in any school buildings that are not buildings with the highest concentration of need, unless there is a ratio of instructional personnel to students of no more than fifteen to one in each kindergarten and first grade class in all buildings with the highest concentration of need. This division does not require that the funds used in buildings with the highest concentration of need be spent solely to reduce the ratio of instructional personnel to students in kindergarten and first grade. A school district may spend the funds in those buildings in any manner permitted by division (F)(3) of this section, but may not spend the money in other buildings unless the fifteen-to-one ratio required by this division is attained.

(H)(1) By the first day of August of each fiscal year, each school district wishing to receive any funds under division (D) of this section shall submit to the department of education an estimate of its all-day kindergarten percentage. Each district shall update its estimate throughout the fiscal year in the form and manner required by the department, and the department shall adjust payments under this section to reflect the updates.

(2) Annually by the end of December, the department of education, utilizing data from the information system established under section 3301.0714 of the Revised Code and after consultation with the legislative office of education oversight, shall determine for each school district subject to division (F) of this section whether in the preceding fiscal year the

district's ratio of instructional personnel to students; and its number of kindergarten students receiving all-day kindergarten appear reasonable, given the amounts of money the district received for that fiscal year pursuant to divisions (D) and (E) of this section. If the department is unable to verify from the data available that students are receiving reasonable amounts of instructional attention and all-day kindergarten, given the funds the district has received under this section and that class-size reduction funds are being used in school buildings with the highest concentration of need as required by division (G) of this section, the department shall conduct a more intensive investigation to ensure that funds have been expended as required by this section. The department shall file an annual report of its findings under this division with the chairpersons of the committees in each house of the general assembly dealing with finance and education.

(I) Any school district with a DPIA index less than one and a three-year average formula ADM exceeding seventeen thousand five hundred shall first utilize funds received under this section so that, when combined with other funds of the district, sufficient funds exist to provide all-day kindergarten to at least the number of children in the district's all-day kindergarten percentage. Such a district shall expend at least seventy per cent of the remaining funds received under this section, and any other district with a DPIA index less than one shall expend at least seventy per cent of all funds received under this section, for any of the following purposes:

- (1) The purchase of technology for instructional purposes;
- (2) All-day kindergarten;
- (3) Reduction of class sizes;
- (4) Summer school remediation;
- (5) Dropout prevention programs;
- (6) Guaranteeing that all third graders are ready to progress to more advanced work;
- (7) Summer education and work programs;
- (8) Adolescent pregnancy programs;
- (9) Head start or preschool programs;
- (10) Reading improvement programs described by the department of education;
- (11) Programs designed to ensure that schools are free of drugs and violence and have a disciplined environment conducive to learning;
- (12) Furnishing, free of charge, materials used in courses of instruction, except for the necessary textbooks or electronic textbooks required to be

furnished without charge pursuant to section 3329.06 of the Revised Code, to pupils living in families participating in Ohio works first in accordance with section 3313.642 of the Revised Code;

(13) School breakfasts provided pursuant to section 3313.813 of the Revised Code.

Each district shall submit to the department, in such format and at such time as the department shall specify, a report on the programs for which it expended funds under this division.

(J) If at any time the superintendent of public instruction determines that a school district receiving funds under division (D) of this section has enrolled less than the all-day kindergarten percentage reported for that fiscal year, the superintendent shall withhold from the funds otherwise due the district under this section a proportional amount as determined by the difference in the certified all-day kindergarten percentage and the percentage actually enrolled in all-day kindergarten.

The superintendent shall also withhold an appropriate amount of funds otherwise due a district for any other misuse of funds not in accordance with this section.

Sec. 3317.0216. (A) As used in this section:

(1) "Total taxes charged and payable for current expenses" means the sum of the taxes charged and payable as certified under division (A)(3)(a) of section 3317.021 of the Revised Code less any amounts reported under division (A)(3)(b) of that section, and the tax ~~liability~~ distribution for the preceding year under any school district income tax levied by the district pursuant to Chapter 5748. of the Revised Code to the extent the revenue from the income tax is allocated or apportioned to current expenses.

(2) "State equalization enhancement payments" means any payment made to a school district pursuant to section 3317.0215 of the Revised Code for the preceding fiscal year.

(3) "Charge-off amount" means the product obtained by multiplying two and three-tenths per cent by adjusted total taxable value.

(4) "Total receipts available for current expenses" of a school district means the sum of total taxes charged and payable for current expenses and the district's state equalization enhancement payments.

(5) "Local share of special education and related services additional weighted costs" has the same meaning as in division (C)(3) of section 3317.022 of the Revised Code.

(B) Upon receiving the certifications under section 3317.021 of the Revised Code, the department of education shall determine for each city, local, and exempted village school district whether the district's charge-off

amount is greater than the district's total receipts available for current expenses, and if it is, shall pay the district the amount of the difference. A payment shall not be made to any school district for which the computation under division (A) of section 3317.022 of the Revised Code equals zero.

(C)(1) If a district's charge-off amount is equal to or greater than its total receipts available for current expenses, the department shall, in addition to the payment required under division (B) of this section, pay the district the amount of the local share of special education expenses.

(2) If a district's charge-off amount is less than its total receipts available for current expenses, the department shall pay the district any amount by which its local share of special education and related services additional weighted costs exceeds its total receipts available for current expenses minus its charge-off amount.

Sec. 3317.06. Moneys paid to school districts under division (L) of section 3317.024 of the Revised Code shall be used for the following independent and fully severable purposes:

(A) To purchase such secular textbooks or electronic textbooks as have been approved by the superintendent of public instruction for use in public schools in the state and to loan such textbooks or electronic textbooks to pupils attending nonpublic schools within the district or to their parents and to hire clerical personnel to administer such lending program. Such loans shall be based upon individual requests submitted by such nonpublic school pupils or parents. Such requests shall be submitted to the school district in which the nonpublic school is located. Such individual requests for the loan of textbooks or electronic textbooks shall, for administrative convenience, be submitted by the nonpublic school pupil or the pupil's parent to the nonpublic school, which shall prepare and submit collective summaries of the individual requests to the school district. As used in this section; ~~"textbook;~~

(1) "Textbook" means any book or book substitute ~~which~~ that a pupil uses as a consumable or nonconsumable text or text substitute, or text supplement in a particular class or program in the school the pupil regularly attends.

(2) "Electronic textbook" means computer software, interactive videodisc, magnetic media, CD-ROM, computer courseware, local and remote computer assisted instruction, on-line service, electronic medium, or other means of conveying information to the student or otherwise contributing to the learning process through electronic means.

(B) To provide speech and hearing diagnostic services to pupils attending nonpublic schools within the district. Such service shall be

provided in the nonpublic school attended by the pupil receiving the service.

(C) To provide physician, nursing, dental, and optometric services to pupils attending nonpublic schools within the district. Such services shall be provided in the school attended by the nonpublic school pupil receiving the service.

(D) To provide diagnostic psychological services to pupils attending nonpublic schools within the district. Such services shall be provided in the school attended by the pupil receiving the service.

(E) To provide therapeutic psychological and speech and hearing services to pupils attending nonpublic schools within the district. Such services shall be provided in the public school, in nonpublic schools, in public centers, or in mobile units located on or off of the nonpublic premises. If such services are provided in the public school or in public centers, transportation to and from such facilities shall be provided by the school district in which the nonpublic school is located.

(F) To provide guidance and counseling services to pupils attending nonpublic schools within the district. Such services shall be provided in the public school, in nonpublic schools, in public centers, or in mobile units located on or off of the nonpublic premises. If such services are provided in the public school or in public centers, transportation to and from such facilities shall be provided by the school district in which the nonpublic school is located.

(G) To provide remedial services to pupils attending nonpublic schools within the district. Such services shall be provided in the public school, in nonpublic schools, in public centers, or in mobile units located on or off of the nonpublic premises. If such services are provided in the public school or in public centers, transportation to and from such facilities shall be provided by the school district in which the nonpublic school is located.

(H) To supply for use by pupils attending nonpublic schools within the district such standardized tests and scoring services as are in use in the public schools of the state;

(I) To provide programs for children who attend nonpublic schools within the district and are handicapped children as defined in division (A) of section 3323.01 of the Revised Code or gifted children. Such programs shall be provided in the public school, in nonpublic schools, in public centers, or in mobile units located on or off of the nonpublic premises. If such programs are provided in the public school or in public centers, transportation to and from such facilities shall be provided by the school district in which the nonpublic school is located.

(J) To hire clerical personnel to assist in the administration of programs

pursuant to divisions (B), (C), (D), (E), (F), (G), and (I) of this section and to hire supervisory personnel to supervise the providing of services and textbooks pursuant to this section.

(K) To purchase any secular, neutral, and nonideological computer software (including site-licensing), prerecorded video laserdiscs, digital video on demand (DVD), compact discs, and video cassette cartridges ~~and, wide area connectivity and related technology as it relates to internet access,~~ mathematics or science equipment and materials, instructional materials, and school library materials that are in general use in the public schools of the state and loan such ~~computer software, prerecorded video laserdiscs, compact discs, and video cassette cartridges, equipment, and materials~~ items to pupils attending nonpublic schools within the district or to their parents, and to hire clerical personnel to administer the lending program. Only ~~computer software, prerecorded video laserdiscs, compact discs, and video cassette cartridges, equipment, and materials~~ such items that are incapable of diversion to religious use and that are susceptible of loan to individual pupils and are furnished for the use of individual pupils shall be purchased and loaned under this division. As used in this section, "instructional materials" means prepared learning materials that are secular, neutral, and nonideological in character and are of benefit to the instruction of school children, and may include educational resources and services developed by the Ohio schoolnet commission.

(L) To purchase instructional equipment, including computer hardware, for use by pupils attending nonpublic schools within the district, if such usage only occurs when these pupils are being provided the secular remedial, diagnostic, or therapeutic services pursuant to division (B), (D), (E), (F), (G), or (I) of this section.

(M) To purchase mobile units to be used for the provision of services pursuant to divisions (E), (F), (G), and (I) of this section and to pay for necessary repairs and operating costs associated with these units.

Clerical and supervisory personnel hired pursuant to division (J) of this section shall perform their services in the public schools, in nonpublic schools, public centers, or mobile units where the services are provided to the nonpublic school pupil, except that such personnel may accompany pupils to and from the service sites when necessary to ensure the safety of the children receiving the services.

Health services provided pursuant to divisions (B), (C), (D), and (E) of this section may be provided under contract with the department of health, city or general health districts, or private agencies whose personnel are properly licensed by an appropriate state board or agency.

Transportation of pupils provided pursuant to divisions (E), (F), (G), and (I) of this section shall be provided by the school district from its general funds and not from moneys paid to it under division (L) of section 3317.024 of the Revised Code unless a special transportation request is submitted by the parent of the child receiving service pursuant to such divisions. If such an application is presented to the school district, it may pay for the transportation from moneys paid to it under division (L) of section 3317.024 of the Revised Code.

No school district shall provide health or remedial services to nonpublic school pupils as authorized by this section unless such services are available to pupils attending the public schools within the district.

Materials, equipment, computer software, textbooks, electronic textbooks, and health and remedial services provided for the benefit of nonpublic school pupils pursuant to this section and the admission of pupils to such nonpublic schools shall be provided without distinction as to race, creed, color, or national origin of such pupils or of their teachers.

No school district shall provide services for use in religious courses, devotional exercises, religious training, or any other religious activity.

As used in this section, "parent" includes a person standing in loco parentis to a child.

Notwithstanding section 3317.01 of the Revised Code, payments shall be made under this section to any city, local, or exempted village school district within which is located one or more nonpublic elementary or high schools.

The allocation of payments for materials, equipment, textbooks, electronic textbooks, health services, and remedial services to city, local, and exempted village school districts shall be on the basis of the state board of education's estimated annual average daily membership in nonpublic elementary and high schools located in the district.

Payments made to city, local, and exempted village school districts under this section shall be equal to specific appropriations made for the purpose. All interest earned by a school district on such payments shall be used by the district for the same purposes and in the same manner as the payments may be used.

The department of education shall adopt guidelines and procedures under which such programs and services shall be provided, under which districts shall be reimbursed for administrative costs incurred in providing such programs and services, and under which any unexpended balance of the amounts appropriated by the general assembly to implement this section may be transferred to the auxiliary services personnel unemployment

mpensation fund established pursuant to section 4141.47 of the Revised Code. The department shall also adopt guidelines and procedures limiting the purchase and loan of ~~computer software, equipment, and materials under the items described in~~ division (K) of this section to items that are in general use in the public schools of the state, that are incapable of diversion to religious use, and that are susceptible to individual use rather than classroom use. Within thirty days after the end of each biennium, each board of education shall remit to the department all moneys paid to it under division (L) of section 3317.024 of the Revised Code and any interest earned on those moneys that are not required to pay expenses incurred under this section during the biennium for which the money was appropriated and during which the interest was earned. If a board of education subsequently determines that the remittal of moneys leaves the board with insufficient money to pay all valid expenses incurred under this section during the biennium for which the remitted money was appropriated, the board may apply to the department of education for a refund of money, not to exceed the amount of the insufficiency. If the department determines the expenses were lawfully incurred and would have been lawful expenditures of the refunded money, it shall certify its determination and the amount of the refund to be made to the administrator of the bureau of employment services who shall make a refund as provided in section 4141.47 of the Revised Code.

Sec. 3329.01. Any publisher of ~~schoolbooks~~ textbooks or electronic textbooks in the United States desiring to offer ~~schoolbooks~~ such textbooks or electronic textbooks for use by pupils in the public schools of Ohio, before such ~~books~~ textbooks or electronic textbooks may be adopted and purchased by any school board, must, on or before the first day of January of each year, file in the office of the superintendent of public instruction, a statement that the list wholesale price to school districts in Ohio will be no more than the lowest list wholesale price available to school districts in any other state. ~~No~~

No publisher of a textbook shall file a statement under this section unless the publisher complies with both of the following:

(A) At the same time as filing the statement, the publisher also files the wholesale price of a computer diskette that contains the text of the ~~schoolbook~~ textbook in the American standard code for information interchange or in another computer language approved by the superintendent of public instruction for translating the text of the ~~schoolbook~~ textbook into braille.

(B) The list wholesale price filed for any specified number of computer

diskettes for the ~~schoolbook~~ textbook does not exceed the list wholesale price for the same number of the printed version of that ~~schoolbook~~ textbook.

As used in this section and in sections 3329.03 to 3329.10 of the Revised Code, "electronic textbook" means computer software, interactive videodisc, magnetic media, CD-ROM, computer courseware, on-line service, electronic medium, or other means of conveying information to the student or otherwise contributing to the learning process through electronic means.

Sec. 3329.03. If a publisher who ~~agreed in writing to furnish books as provided in~~ files a statement under section ~~3329.02~~ 3329.01 of the Revised Code, fails or refuses to furnish such ~~books~~ textbooks or electronic textbooks adopted as provided in sections 3329.01 to 3329.10, ~~inclusive~~, of the Revised Code to any board of education upon the terms provided in such sections, such board at once must notify the state board of education of such failure or refusal, and the state board of education at once shall cause an investigation of such charge to be made. If it is found to be true, the state board of education at once shall notify such publisher and each board in the state that such ~~book~~ textbooks or electronic textbooks shall not thereafter be adopted and purchased by boards of education. Such publisher shall pay to the state five hundred dollars for each failure, to be recovered in the name of the state, in an action to be brought by the attorney general, in the court of common pleas of Franklin county, or in any other proper court or in any other place where service can be made. The amount, when collected, must be paid into the state treasury to the credit of the state general revenue fund.

Sec. 3329.04. A board of education shall not adopt or cause to be used in the public schools any ~~book~~ textbook or electronic textbook whose publisher has not complied with sections 3329.01 to 3329.10, ~~inclusive~~, of the Revised Code as to such ~~book~~ textbook or electronic textbook.

Sec. 3329.05. Sections 3329.01 to 3329.04, ~~inclusive~~, and section 3329.08 of the Revised Code do not apply to the purchase of supplementary reading books, library books, reference books, or any other books except textbooks and electronic textbooks used in lieu of textbooks, required by the board of education. All of such books, except textbooks and electronic textbooks required by the board, shall be ordered, received, examined, and paid for in the same manner and by the same persons as other supplies and equipment.

Sec. 3329.06. The board of education of each city, exempted village, and local school district shall furnish, free of charge, the necessary textbooks to the pupils attending the public schools. In lieu of textbooks,

district boards may furnish electronic textbooks to pupils attending the public schools, provided the electronic textbooks are furnished free of charge. A district board that chooses to furnish electronic textbooks to pupils attending school in the district shall provide reasonable access to the electronic textbooks and other necessary computer equipment to pupils in the district who are required to complete homework assignments, and teachers providing homework assignments, utilizing electronic textbooks furnished by the district board. Pupils wholly or in part supplied with necessary textbooks or electronic textbooks shall be supplied only as other or new ~~books~~ textbooks or electronic textbooks are needed. A board may limit its purchase and ownership of ~~books~~ textbooks or electronic textbooks needed for its schools to six subjects per year, the cost of which shall not exceed twenty-five per cent of the entire cost of adoption. All textbooks or electronic textbooks furnished as provided in this section shall be the property of the district, and loaned to the pupils on such terms as each such board prescribes. In order to carry out sections 3329.01 to 3329.10; ~~inclusive~~, of the Revised Code, each board, in the preparation of its annual budget, shall include as a separate item the amount which the board finds necessary to administer such sections and such amount shall not be subject to transfer to any other fund.

Sec. 3329.07. The board of education of each city, exempted village, and local school district shall cause it to be ascertained and at a regular meeting determine which, and the number of each of the textbooks or electronic textbooks the schools under its charge require. The treasurer at once shall order the ~~books~~ textbooks or electronic textbooks agreed upon from the publisher, who on the receipt of such order must ship ~~them~~ the textbooks or electronic textbooks to the treasurer without delay. ~~He~~ The treasurer forthwith shall examine the ~~books~~ textbooks or electronic textbooks, and, if found right and in accordance with the order, remit the amount to the publisher. The board must pay for the ~~books~~ textbooks or electronic textbooks so purchased and in addition all charges for the transportation of the ~~books~~ textbooks or electronic textbooks out of the general fund of said district or out of such other funds as it may have available for such purchase of textbooks or electronic textbooks. If such board at any time can secure from the publishers ~~books~~ textbooks or electronic textbooks at less than such maximum price, they shall do so, and without unnecessary delay may make effort to secure such lower price before adopting any particular textbooks or electronic textbooks.

Sec. 3329.08. At any regular meeting, the board of education of each local school district, from lists adopted by the educational service center

governing board, and the board of education of each city and exempted village school district shall determine by a majority vote of all members elected or appointed under division (B) or (F) of section 3311.71 of the Revised Code which of such textbooks or electronic textbooks so filed shall be used in the schools under its control. ~~No~~ Except for periodic and normal updating of electronic textbooks, no textbooks or electronic textbooks shall be changed, nor any part thereof altered or revised, nor any other textbook or electronic textbook substituted therefor, within four years after the date of selection and adoption thereof, as shown by the official records of such boards, except by the consent, at a regular meeting, of four-fifths of all members elected thereto. ~~Books~~ Textbooks or electronic textbooks so substituted shall be adopted for the full term of four years.

Sec. 3329.09. Each city, exempted village, and local board of education shall make all necessary provisions and arrangements to place the ~~books~~ textbooks or electronic textbooks purchased within easy reach of and accessible to all the pupils in their district. In city and exempted village school districts the superintendent of schools and in local school districts the treasurer of the board of education shall be the custodian of all ~~schoolbooks~~ textbooks or electronic textbooks purchased for the use of and furnished free to all the pupils attending public schools of such district. They shall distribute such ~~books~~ textbooks or electronic textbooks, keep such records, maintain such accounts, and make such reports as the board requires. The board may employ such additional help as is necessary to properly administer this section.

This section does not prohibit any pupil, or the parent of any pupil, from purchasing textbooks or electronic textbooks for their own use, or the use of their children or wards in the schools of the district in which such purchaser resides. The board in each school district upon the request of a pupil, or the parent of any pupil, shall sell to such individual making the request textbooks or electronic textbooks of the kind requested at a price not to exceed the cost paid therefor plus ten per cent. The proceeds of such sales shall be credited to the fund from which payments are made by the board for the purchase of textbooks or electronic textbooks. As used in this paragraph, the word "pupil" includes any school-aged child who resides in the district.

Sec. 3329.10. A superintendent, supervisor, principal, or teacher employed by any board of education shall not act as sales agent, either directly or indirectly, for any person, firm, or corporation ~~whose~~ that files school textbooks ~~are filed~~ or electronic textbooks with the superintendent of public instruction, or ~~for~~ that sells school apparatus or equipment of any kind for use in the public schools. A violation of this section shall work a

forfeiture of their licenses to teach in the public schools.

SECTION 2. That existing sections 3313.484, 3313.642, 3317.021, 3317.029, 3317.0216, 3317.06, 3329.01, 3329.03, 3329.04, 3329.05, 3329.06, 3329.07, 3329.08, 3329.09, and 3329.10 of the Revised Code are hereby repealed.

SECTION 3. Notwithstanding section 3313.484 of the Revised Code as it existed prior to the effective date of this act, subsidies specified in section 3313.484 of the Revised Code shall first be paid in June 1999 for the fiscal year that ends in that month.

SECTION 4. This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for this necessity is that its immediate enactment will correct a deficiency in the school appropriations act of last year to enable a proper calculation of funds to be made and paid to school districts before the end of the fiscal year. Therefore, this act shall go into immediate effect.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____