

As Introduced

**127th General Assembly
Regular Session
2007-2008**

H. B. No. 226

Representative Batchelder

**Cosponsors: Representatives Webster, Wachtmann, Williams, S., Jones,
Stebelton**

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A B I L L

To amend sections 3317.01, 3317.02, 3317.021, 1
3317.03, 3770.06, and 5747.03, to enact new 2
sections 3317.022, 3317.023, and 3317.16, and to 3
repeal sections 3317.012, 3317.013, 3317.022, 4
3317.023, 3317.0212, 3317.0213, 3317.0214, 5
3317.0215, 3317.0216, 3317.0217, 3317.05, 6
3317.051, 3317.052, 3317.053, and 3317.16 of the 7
Revised Code to earmark 88% of the personal income 8
tax for primary and secondary education 9
expenditures, in addition to all lottery profits, 10
and to create a new method for distributing state 11
aid among school districts. 12

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 3317.01, 3317.02, 3317.021, 3317.03, 13
3770.06, and 5747.03 be amended and new sections 3317.022, 14
3317.023, and 3317.16 of the Revised Code be enacted to read as 15
follows: 16

Sec. 3317.01. As used in this section and section 3317.011 of 17
the Revised Code, "school district," unless otherwise specified, 18

means any city, local, exempted village, joint vocational, or 19
cooperative education school district and any educational service 20
center. 21

This chapter shall be administered by the state board of 22
education. The superintendent of public instruction shall 23
calculate the amounts payable to each school district and shall 24
certify the amounts payable to each eligible district to the 25
treasurer of the district as provided by this chapter. ~~As soon as~~ 26
~~possible after such amounts are calculated, the superintendent~~ 27
~~shall certify to the treasurer of each school district the~~ 28
~~district's adjusted charge off increase, as defined in section~~ 29
~~5705.211 of the Revised Code.~~ No moneys shall be distributed 30
pursuant to this chapter without the approval of the controlling 31
board. 32

The state board of education shall, in accordance with 33
appropriations made by the general assembly, meet the financial 34
obligations of this chapter. 35

Annually, the department of education shall calculate and 36
report to each school district the district's total state and 37
local funds for providing an adequate basic education ~~to the~~ 38
~~district's nonhandicapped students, utilizing the determination in~~ 39
~~section 3317.012 of the Revised Code.~~ In addition, the department 40
shall calculate and report separately for each school district the 41
district's total state and local funds for providing an adequate 42
education for its handicapped students, utilizing the 43
determinations in both sections ~~3317.012 and 3317.013~~ of the 44
Revised Code. 45

Not later than the thirty-first day of August of each fiscal 46
year, the department of education shall provide to each school 47
district and county MR/DD board a preliminary estimate of the 48
amount of funding that the department calculates the district will 49
receive under ~~each of divisions (C)(1) and (4) of section 3317.022~~ 50

of the Revised Code. No later than the first day of December of 51
each fiscal year, the department shall update that preliminary 52
estimate. 53

Moneys distributed pursuant to this chapter shall be 54
calculated and paid on a fiscal year basis, beginning with the 55
first day of July and extending through the thirtieth day of June. 56
The moneys appropriated for each fiscal year shall be distributed 57
at least monthly to each school district unless otherwise provided 58
for. The state board shall submit a yearly distribution plan to 59
the controlling board at its first meeting in July. The state 60
board shall submit any proposed midyear revision of the plan to 61
the controlling board in January. Any year-end revision of the 62
plan shall be submitted to the controlling board in June. If 63
moneys appropriated for each fiscal year are distributed other 64
than monthly, such distribution shall be on the same basis for 65
each school district. 66

The total amounts paid each month shall constitute, as nearly 67
as possible, one-twelfth of the total amount payable for the 68
entire year. 69

~~Until fiscal year 2007, payments~~ Payments made during the 70
first six months of the fiscal year may be based on an estimate of 71
the amounts payable for the entire year. Payments made in the last 72
six months shall be based on the final calculation of the amounts 73
payable to each school district for that fiscal year. Payments 74
made in the last six months may be adjusted, if necessary, to 75
correct the amounts distributed in the first six months, and to 76
reflect enrollment increases when such are at least three per 77
cent. 78

~~Beginning in fiscal year 2007, payments shall be calculated 79
to reflect the biannual reporting of average daily membership. In 80
fiscal year 2007 and in each fiscal year thereafter, annualized 81
periodic payments for each school district shall be based on the 82~~

~~district's student counts certified pursuant to section 3317.03 of~~ 83
~~the Revised Code as follows:~~ 84

~~the sum of one half of the number of students reported~~ 85
~~for the first full week in October plus one half of the~~ 86
~~average of the numbers reported for the first full week~~ 87
~~in October and for the first full week in February~~ 88

Except as otherwise provided, payments under this chapter 89
shall be made only to those school districts in which: 90

(A) The school district, except for any educational service 91
center and any joint vocational or cooperative education school 92
district, levies for current operating expenses at least twenty 93
mills. Levies for joint vocational or cooperative education school 94
districts or county school financing districts, limited to or to 95
the extent apportioned to current expenses, shall be included in 96
this qualification requirement. School district income tax levies 97
under Chapter 5748. of the Revised Code, limited to or to the 98
extent apportioned to current operating expenses, shall be 99
included in this qualification requirement to the extent 100
determined by the tax commissioner under division (D) of section 101
3317.021 of the Revised Code. 102

(B) The school year next preceding the fiscal year for which 103
such payments are authorized meets the requirement of section 104
3313.48 or 3313.481 of the Revised Code, with regard to the 105
minimum number of days or hours school must be open for 106
instruction with pupils in attendance, for individualized 107
parent-teacher conference and reporting periods, and for 108
professional meetings of teachers. This requirement shall be 109
waived by the superintendent of public instruction if it had been 110
necessary for a school to be closed because of disease epidemic, 111
hazardous weather conditions, inoperability of school buses or 112
other equipment necessary to the school's operation, damage to a 113
school building, or other temporary circumstances due to utility 114

failure rendering the school building unfit for school use, 115
provided that for those school districts operating pursuant to 116
section 3313.48 of the Revised Code the number of days the school 117
was actually open for instruction with pupils in attendance and 118
for individualized parent-teacher conference and reporting periods 119
is not less than one hundred seventy-five, or for those school 120
districts operating on a trimester plan the number of days the 121
school was actually open for instruction with pupils in attendance 122
not less than seventy-nine days in any trimester, for those school 123
districts operating on a quarterly plan the number of days the 124
school was actually open for instruction with pupils in attendance 125
not less than fifty-nine days in any quarter, or for those school 126
districts operating on a pentamester plan the number of days the 127
school was actually open for instruction with pupils in attendance 128
not less than forty-four days in any pentamester. 129

A school district shall not be considered to have failed to 130
comply with this division or section 3313.481 of the Revised Code 131
because schools were open for instruction but either twelfth grade 132
students were excused from attendance for up to three days or only 133
a portion of the kindergarten students were in attendance for up 134
to three days in order to allow for the gradual orientation to 135
school of such students. 136

The superintendent of public instruction shall waive the 137
requirements of this section with reference to the minimum number 138
of days or hours school must be in session with pupils in 139
attendance for the school year succeeding the school year in which 140
a board of education initiates a plan of operation pursuant to 141
section 3313.481 of the Revised Code. The minimum requirements of 142
this section shall again be applicable to such a district 143
beginning with the school year commencing the second July 144
succeeding the initiation of one such plan, and for each school 145
year thereafter. 146

A school district shall not be considered to have failed to
comply with this division or section 3313.48 or 3313.481 of the
Revised Code because schools were open for instruction but the
length of the regularly scheduled school day, for any number of
days during the school year, was reduced by not more than two
hours due to hazardous weather conditions.

(C) The school district has on file, and is paying in
accordance with, a teachers' salary schedule which complies with
section 3317.13 of the Revised Code.

A board of education or governing board of an educational
service center which has not conformed with other law and the
rules pursuant thereto, shall not participate in the distribution
of funds authorized by sections 3317.022 to 3317.0211, 3317.11,
3317.16, 3317.17, and 3317.19 of the Revised Code, except for good
and sufficient reason established to the satisfaction of the state
board of education and the state controlling board.

All funds allocated to school districts under this chapter,
except those specifically allocated for other purposes, shall be
used to pay current operating expenses only.

Sec. 3317.02. As used in this chapter:

(A) Unless otherwise specified, "school district" means city,
local, and exempted village school districts.

~~(B) "Formula amount" means the base cost for the fiscal year
specified in division (B)(4) of section 3317.012 of the Revised
Code.~~

~~(C) "FTE basis" means a count of students based on full-time
equivalency, in accordance with rules adopted by the department of
education pursuant to section 3317.03 of the Revised Code. In
adopting its rules under this division, the department shall
provide for counting any student in category one, two, three,~~

~~four, five, or six special education ADM or in category one or two 177
vocational education ADM in the same proportion the student is 178
counted in formula ADM. 179~~

~~(D) "Formula "District ADM" means, for a city, local, or 180
exempted village school district, the number reported pursuant to 181
division (A) of section 3317.03 of the Revised Code, and for a 182
joint vocational school district, the number reported pursuant to 183
division ~~(D)~~(C) of section 3317.03 of the Revised Code. Beginning 184
in fiscal year 2007, for payments in which formula ADM is a 185
factor, the formula ADM for each school district for the fiscal 186
year is the sum of one half of the number reported for October of 187
that fiscal year plus one half of the average of the numbers 188
reported for October and February of that fiscal year. 189~~

~~(E) "Three year average formula ADM" means the average of 190
formula ADMs for the current and preceding two fiscal years. 191~~

~~(F)(1) "Category one special education ADM" means the average 192
daily membership of handicapped children receiving special 193
education services for the handicap specified in division (A) of 194
section 3317.013 of the Revised Code and reported under division 195
(B)(5) or (D)(2)(b) of section 3317.03 of the Revised Code. 196
Beginning in fiscal year 2007, the district's category one special 197
education ADM for a fiscal year is the sum of one half of the 198
number reported for October of that fiscal year plus one half of 199
the average of the numbers reported for October and February of 200
that fiscal year. 201~~

~~(2) "Category two special education ADM" means the average 202
daily membership of handicapped children receiving special 203
education services for those handicaps specified in division (B) 204
of section 3317.013 of the Revised Code and reported under 205
division (B)(6) or (D)(2)(c) of section 3317.03 of the Revised 206
Code. Beginning in fiscal year 2007, the district's category two 207
special education ADM for a fiscal year is the sum of one half of 208~~

~~the number reported for October of that fiscal year plus one half 209
of the average of the numbers reported for October and February of 210
that fiscal year. 211~~

~~(3) "Category three special education ADM" means the average 212
daily membership of students receiving special education services 213
for those handicaps specified in division (C) of section 3317.013 214
of the Revised Code, and reported under division (B)(7) or 215
(D)(2)(d) of section 3317.03 of the Revised Code. Beginning in 216
fiscal year 2007, the district's category three special education 217
ADM for a fiscal year is the sum of one half of the number 218
reported for October of that fiscal year plus one half of the 219
average of the numbers reported for October and February of that 220
fiscal year. 221~~

~~(4) "Category four special education ADM" means the average 222
daily membership of students receiving special education services 223
for those handicaps specified in division (D) of section 3317.013 224
of the Revised Code and reported under division (B)(8) or 225
(D)(2)(e) of section 3317.03 of the Revised Code. Beginning in 226
fiscal year 2007, the district's category four special education 227
ADM for a fiscal year is the sum of one half of the number 228
reported for October of that fiscal year plus one half of the 229
average of the numbers reported for October and February of that 230
fiscal year. 231~~

~~(5) "Category five special education ADM" means the average 232
daily membership of students receiving special education services 233
for the handicap specified in division (E) of section 3317.013 of 234
the Revised Code and reported under division (B)(9) or (D)(2)(f) 235
of section 3317.03 of the Revised Code. Beginning in fiscal year 236
2007, the district's category five special education ADM for a 237
fiscal year is the sum of one half of the number reported for 238
October of that fiscal year plus one half of the average of the 239
numbers reported for October and February of that fiscal year. 240~~

~~(6) "Category six special education ADM" means the average daily membership of students receiving special education services for the handicap specified in division (F) of section 3317.013 of the Revised Code and reported under division (B)(10) or (D)(2)(g) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category six special education ADM for a fiscal year is the sum of one half of the number reported for October of that fiscal year plus one half of the average of the numbers reported for October and February of that fiscal year.~~ 241-249

~~(7) "Category one vocational education ADM" means the average daily membership of students receiving vocational education services described in division (A) of section 3317.014 of the Revised Code and reported under division (B)(11) or (D)(2)(h) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category one vocational education ADM for a fiscal year is the sum of one half of the number reported for October of that fiscal year plus one half of the average of the numbers reported for October and February of that fiscal year.~~ 250-258

~~(8) "Category two vocational education ADM" means the average daily membership of students receiving vocational education services described in division (B) of section 3317.014 of the Revised Code and reported under division (B)(12) or (D)(2)(i) of section 3317.03 of the Revised Code. Beginning in fiscal year 2007, the district's category two vocational education ADM for a fiscal year is the sum of one half of the number reported for October of that fiscal year plus one half of the average of the numbers reported for October and February of that fiscal year.~~ 259-267

~~(G) "Handicapped preschool child" means a handicapped child, as defined in section 3323.01 of the Revised Code, who is at least age three but is not of compulsory school age, as defined in section 3321.01 of the Revised Code, and who is not currently enrolled in kindergarten.~~ 268-272

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| (H)(C) "County MR/DD board" means a county board of mental retardation and developmental disabilities. | 273 274 |
| (I) "Recognized valuation" means the amount calculated for a school district pursuant to section 3317.015 of the Revised Code. | 275 276 |
| (J) "Transportation ADM" means the number of children reported under division (B)(13) of section 3317.03 of the Revised Code. | 277 278 279 |
| (K) "Average efficient transportation use cost per student" means a statistical representation of transportation costs as calculated under division (D)(2) of section 3317.022 of the Revised Code. | 280 281 282 283 |
| (L)(D) "County ADM" means the sum of the district ADMs for all school districts having the principal administrative offices in the county. | 284 285 286 |
| <u>(E) "State ADM" means the sum of the district ADMs for all school districts in the state.</u> | 287 288 |
| <u>(F) "District valuation" means the sum of recognized valuation and the amount certified under division (A)(2) of section 3317.021 of the Revised Code for a school district.</u> | 289 290 291 |
| <u>(G) "County valuation" means the sum of recognized valuation and the amount certified under division (A)(2) of section 3317.021 of the Revised Code for each school district having its principal administrative office situated in the county.</u> | 292 293 294 295 |
| <u>(H) "District valuation per pupil" means the district valuation divided by the district ADM.</u> | 296 297 |
| <u>(I) "County valuation per pupil" means the county valuation divided by the county ADM.</u> | 298 299 |
| <u>(J) "Recognized valuation" means the amount computed for a school district for a fiscal year under section 3317.015 of the Revised Code.</u> | 300 301 302 |

(K) "District expenditure" means the total amount expended by a school district from all state, federal, and local funding sources for the preceding fiscal year. 303
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(L) "District per pupil expenditure" means the total district expenditure divided by the district ADM. 306
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(M) "State per pupil expenditure" means the sum of the district expenditures for all school districts in the state divided by the state ADM. 308
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(N) "State aid for fiscal year 2007" means all payments made to the district in fiscal year 2007 under the main operating appropriations act or under any supplemental appropriations act of the 126th or 127th general assembly. 311
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(O) "Taxes charged and payable" means the taxes charged and payable against real and public utility property after making the reduction required by section 319.301 of the Revised Code, plus the taxes levied against tangible personal property. 315
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~~(M) "Total taxable value" means the sum of the amounts certified for a city, local, exempted village, or joint vocational school district under divisions (A)(1) and (2) of section 3317.021 of the Revised Code.~~ 319
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~~(N) "Cost of doing business factor" means the amount indicated in division (N)(1) or (2) of this section for the county in which a city, local, exempted village, or joint vocational school district is located. If a city, local, or exempted village school district is located in more than one county, the factor is the amount indicated for the county to which the district is assigned by the state department of education. If a joint vocational school district is located in more than one county, the factor is the amount indicated for the county in which the joint vocational school with the greatest formula ADM operated by the district is located.~~ 323
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| (1) In fiscal year 2006, the cost of doing business factor | | 334 |
| for each county is: | | 335 |
| | COST OF DOING BUSINESS | 336 |
| | COUNTY | |
| | FACTOR AMOUNT | 337 |
| Adams | 1.00233 | 338 |
| Allen | 1.01373 | 339 |
| Ashland | 1.01980 | 340 |
| Ashtabula | 1.02647 | 341 |
| Athens | 1.00093 | 342 |
| Auglaize | 1.01647 | 343 |
| Belmont | 1.00427 | 344 |
| Brown | 1.01180 | 345 |
| Butler | 1.04307 | 346 |
| Carroll | 1.00913 | 347 |
| Champaign | 1.02973 | 348 |
| Clark | 1.02980 | 349 |
| Clermont | 1.03607 | 350 |
| Clinton | 1.02193 | 351 |
| Columbiana | 1.01427 | 352 |
| Coshocton | 1.01153 | 353 |
| Crawford | 1.01093 | 354 |
| Cuyahoga | 1.04173 | 355 |
| Darke | 1.02253 | 356 |
| Defiance | 1.00973 | 357 |
| Delaware | 1.03520 | 358 |
| Erie | 1.02587 | 359 |
| Fairfield | 1.02440 | 360 |
| Fayette | 1.02127 | 361 |
| Franklin | 1.04053 | 362 |
| Fulton | 1.0220 | 363 |
| Gallia | 1.00000 | 364 |
| Geauga | 1.03340 | 365 |
| Greene | 1.02960 | 366 |

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| Guernsey | 1.00440 | 367 |
| Hamilton | 1.05000 | 368 |
| Hancock | 1.01433 | 369 |
| Hardin | 1.02373 | 370 |
| Harrison | 1.00493 | 371 |
| Henry | 1.02120 | 372 |
| Highland | 1.00987 | 373 |
| Hocking | 1.01253 | 374 |
| Holmes | 1.01187 | 375 |
| Huron | 1.01953 | 376 |
| Jackson | 1.00920 | 377 |
| Jefferson | 1.00487 | 378 |
| Knox | 1.01860 | 379 |
| Lake | 1.03493 | 380 |
| Lawrence | 1.00540 | 381 |
| Licking | 1.02540 | 382 |
| Logan | 1.02567 | 383 |
| Lorain | 1.03433 | 384 |
| Lucas | 1.02600 | 385 |
| Madison | 1.03253 | 386 |
| Mahoning | 1.02307 | 387 |
| Marion | 1.02040 | 388 |
| Medina | 1.03573 | 389 |
| Meigs | 1.00173 | 390 |
| Mercer | 1.01353 | 391 |
| Miami | 1.02740 | 392 |
| Monroe | 1.00333 | 393 |
| Montgomery | 1.03020 | 394 |
| Morgan | 1.00593 | 395 |
| Morrow | 1.02007 | 396 |
| Muskingum | 1.00847 | 397 |
| Noble | 1.00487 | 398 |
| Ottawa | 1.03240 | 399 |

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| Paulding | 1.00767 | 400 |
| Perry | 1.01067 | 401 |
| Pickaway | 1.02607 | 402 |
| Pike | 1.00687 | 403 |
| Portage | 1.03147 | 404 |
| Preble | 1.02947 | 405 |
| Putnam | 1.01440 | 406 |
| Richland | 1.01327 | 407 |
| Ross | 1.01007 | 408 |
| Sandusky | 1.02140 | 409 |
| Scioto | 1.00080 | 410 |
| Seneca | 1.01487 | 411 |
| Shelby | 1.01853 | 412 |
| Stark | 1.01700 | 413 |
| Summit | 1.03613 | 414 |
| Trumbull | 1.02340 | 415 |
| Tuscarawas | 1.00593 | 416 |
| Union | 1.03333 | 417 |
| Van Wert | 1.00887 | 418 |
| Vinton | 1.00633 | 419 |
| Warren | 1.04387 | 420 |
| Washington | 1.00400 | 421 |
| Wayne | 1.02320 | 422 |
| Williams | 1.01520 | 423 |
| Wood | 1.02400 | 424 |
| Wyandot | 1.01140 | 425 |

~~(2) In fiscal year 2007, the cost of doing business factor
for each county is:~~

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|-----------------------------------|--------------------------|-----|
| COST OF DOING BUSINESS | | 428 |
| COUNTY | FACTOR AMOUNT | 429 |
| Adams | 1.00117 | 430 |
| Allen | 1.00687 | 431 |
| Ashland | 1.00990 | 432 |

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| Ashtabula | 1.01323 | 433 |
| Athens | 1.00047 | 434 |
| Auglaize | 1.00823 | 435 |
| Belmont | 1.00213 | 436 |
| Brown | 1.00590 | 437 |
| Butler | 1.02153 | 438 |
| Carroll | 1.00457 | 439 |
| Champaign | 1.01487 | 440 |
| Clark | 1.01490 | 441 |
| Clermont | 1.01803 | 442 |
| Clinton | 1.01097 | 443 |
| Columbiana | 1.00713 | 444 |
| Coshocton | 1.00577 | 445 |
| Crawford | 1.00547 | 446 |
| Cuyahoga | 1.02087 | 447 |
| Darke | 1.01127 | 448 |
| Defiance | 1.00487 | 449 |
| Delaware | 1.01760 | 450 |
| Erie | 1.01293 | 451 |
| Fairfield | 1.01220 | 452 |
| Fayette | 1.01063 | 453 |
| Franklin | 1.02027 | 454 |
| Fulton | 1.01100 | 455 |
| Gallia | 1.00000 | 456 |
| Geauga | 1.01670 | 457 |
| Greene | 1.01480 | 458 |
| Guernsey | 1.00220 | 459 |
| Hamilton | 1.02500 | 460 |
| Hancock | 1.00717 | 461 |
| Hardin | 1.01187 | 462 |
| Harrison | 1.00247 | 463 |
| Henry | 1.01060 | 464 |
| Highland | 1.00493 | 465 |

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| Hocking | 1.00627 | 466 |
| Holmes | 1.00593 | 467 |
| Huron | 1.00977 | 468 |
| Jackson | 1.00460 | 469 |
| Jefferson | 1.00243 | 470 |
| Knox | 1.00930 | 471 |
| Lake | 1.01747 | 472 |
| Lawrence | 1.00270 | 473 |
| Licking | 1.01270 | 474 |
| Logan | 1.01283 | 475 |
| Lorain | 1.01717 | 476 |
| Lucas | 1.01300 | 477 |
| Madison | 1.01627 | 478 |
| Mahoning | 1.01153 | 479 |
| Marion | 1.01020 | 480 |
| Medina | 1.01787 | 481 |
| Meigs | 1.00087 | 482 |
| Mercer | 1.00677 | 483 |
| Miami | 1.01370 | 484 |
| Monroe | 1.00167 | 485 |
| Montgomery | 1.01510 | 486 |
| Morgan | 1.00297 | 487 |
| Morrow | 1.01003 | 488 |
| Muskingum | 1.00423 | 489 |
| Noble | 1.00243 | 490 |
| Ottawa | 1.01620 | 491 |
| Paulding | 1.00383 | 492 |
| Perry | 1.00533 | 493 |
| Pickaway | 1.01303 | 494 |
| Pike | 1.00343 | 495 |
| Portage | 1.01573 | 496 |
| Preble | 1.01473 | 497 |
| Putnam | 1.00720 | 498 |

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| Richland | 1.00663 | 499 |
| Ross | 1.00503 | 500 |
| Sandusky | 1.01070 | 501 |
| Scioto | 1.00040 | 502 |
| Seneca | 1.00743 | 503 |
| Shelby | 1.00927 | 504 |
| Stark | 1.00850 | 505 |
| Summit | 1.01807 | 506 |
| Trumbull | 1.01170 | 507 |
| Tuscarawas | 1.00297 | 508 |
| Union | 1.01667 | 509 |
| Van Wert | 1.00443 | 510 |
| Vinton | 1.00317 | 511 |
| Warren | 1.02193 | 512 |
| Washington | 1.00200 | 513 |
| Wayne | 1.01160 | 514 |
| Williams | 1.00760 | 515 |
| Wood | 1.01200 | 516 |
| Wyandot | 1.00570 | 517 |

~~(O) "Tax exempt value" of a school district means the amount certified for a school district under division (A)(4) of section 3317.021 of the Revised Code.~~ 518
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~~(P) "Potential value" of a school district means the recognized valuation of a school district plus the tax exempt value of the district.~~ 521
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~~(Q) "District median income" means the median Ohio adjusted gross income certified for a school district. On or before the first day of July of each year, the tax commissioner shall certify to the department of education for each city, exempted village, and local school district the median Ohio adjusted gross income of the residents of the school district determined on the basis of tax returns filed for the second preceding tax year by the~~ 524
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~~residents of the district.~~ 531

~~(R) "Statewide median income" means the median district median income of all city, exempted village, and local school districts in the state.~~ 532
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~~(S) "Income factor" for a city, exempted village, or local school district means the quotient obtained by dividing that district's median income by the statewide median income.~~ 535
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~~(T) "Medically fragile child" means a child to whom all of the following apply:~~ 538
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~~(1) The child requires the services of a doctor of medicine or osteopathic medicine at least once a week due to the instability of the child's medical condition.~~ 540
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~~(2) The child requires the services of a registered nurse on a daily basis.~~ 543
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~~(3) The child is at risk of institutionalization in a hospital, skilled nursing facility, or intermediate care facility for the mentally retarded.~~ 545
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~~(U) A child may be identified as "other health handicapped major" if the child's condition meets the definition of "other health impaired" established in rules adopted by the state board of education prior to July 1, 2001, and if either of the following apply:~~ 548
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~~(1) The child is identified as having a medical condition that is among those listed by the superintendent of public instruction as conditions where a substantial majority of cases fall within the definition of "medically fragile child." The superintendent of public instruction shall issue an initial list no later than September 1, 2001.~~ 553
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~~(2) The child is determined by the superintendent of public instruction to be a medically fragile child. A school district~~ 559
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~~superintendent may petition the superintendent of public instruction for a determination that a child is a medically fragile child.~~ 561
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~~(V) A child may be identified as "other health handicapped minor" if the child's condition meets the definition of "other health impaired" established in rules adopted by the state board of education prior to July 1, 2001, but the child's condition does not meet either of the conditions specified in division (U)(1) or (2) of this section.~~ 564
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~~(W) "SF 3 payment" means the sum of the payments to a school district in a fiscal year under divisions (A), (C)(1), (C)(4), (D), (E), and (F) of section 3317.022, divisions (G), (L), and (N) of section 3317.024, and sections 3317.029, 3317.0216, 3317.0217, 3317.04, 3317.05, 3317.052, and 3317.053 of the Revised Code after making the adjustments required by sections 3313.981 and 3313.979 of the Revised Code, divisions (B), (C), (D), (E), (K), (L), (M), (N), and (O) of section 3317.023, and division (C) of section 3317.20 of the Revised Code.~~ 570
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~~(X) "Property exemption value" means zero in fiscal year 2006, and in fiscal year 2007 and each fiscal year thereafter, the amount certified for a school district under divisions (A)(6) and (7) of section 3317.021 of the Revised Code.~~ 579
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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 information described in ~~divisions (A)(1) to (8)~~ division (A) of this section for each city, exempted village, and local school district, and the information required by ~~divisions (A)(1) and (2)~~ division (A) 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 ~~sections 3317.022,~~ 583
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~~3317.0216, and 3317.0217 or section 3317.022 or 3317.16 of the~~ 592
~~Revised Code.~~ 593

(1) The taxable value of real and public utility real 594
property in the school district subject to taxation in the 595
preceding tax year, by class and by county of location. 596

(2) The taxable value of tangible personal property, 597
including public utility personal property, subject to taxation by 598
the district for the preceding tax year. 599

~~(3)(a) The total property tax rate and total taxes charged~~ 600
~~and payable for the current expenses for the preceding tax year~~ 601
~~and the total property tax rate and the total taxes charged and~~ 602
~~payable to a joint vocational district for the preceding tax year~~ 603
~~that are limited to or to the extent apportioned to current~~ 604
~~expenses.~~ 605

~~(b) The portion of the amount of taxes charged and payable~~ 606
~~reported for each city, local, and exempted village school~~ 607
~~district under division (A)(3)(a) of this section attributable to~~ 608
~~a joint vocational school district.~~ 609

~~(4) The value of all real and public utility real property in~~ 610
~~the school district exempted from taxation minus both of the~~ 611
~~following:~~ 612

~~(a) The value of real and public utility real property in the~~ 613
~~district owned by the United States government and used~~ 614
~~exclusively for a public purpose:~~ 615

~~(b) The value of real and public utility real property in the~~ 616
~~district exempted from taxation under Chapter 725. or 1728. or~~ 617
~~section 3735.67, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632,~~ 618
~~5709.73, or 5709.78 of the Revised Code.~~ 619

~~(5) The total federal adjusted gross income of the residents~~ 620
~~of the school district, based on tax returns filed by the~~ 621

~~residents of the district, for the most recent year for which this information is available.~~ 622
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~~(6) The sum of the school district compensation value as indicated on the list of exempted property for the preceding tax year under section 5713.08 of the Revised Code as if such property had been assessed for taxation that year and the other compensation value for the school district, minus the amounts described in divisions (A)(6)(e) to (i) of this section. The portion of school district compensation value or other compensation value attributable to an incentive district exemption may be subtracted only once even if that incentive district satisfies more than one of the criteria in divisions (A)(6)(e) to (i) of this section.~~ 624
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~~(a) "School district compensation value" means the aggregate value of real property in the school district exempted from taxation pursuant to an ordinance or resolution adopted under division (C) of section 5709.40, division (C) of section 5709.73, or division (B) of section 5709.78 of the Revised Code to the extent that the exempted value results in the charging of payments in lieu of taxes required to be paid to the school district under division (D)(1) or (2) of section 5709.40, division (D) of section 5709.73, or division (C) of section 5709.78 of the Revised Code.~~ 635
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~~(b) "Other compensation value" means the quotient that results from dividing (i) the dollar value of compensation received by the school district during the preceding tax year pursuant to division (B), (C), or (D) of section 5709.82 of the Revised Code and the amounts received pursuant to an agreement as specified in division (D)(2) of section 5709.40, division (D) of section 5709.73, or division (C) of section 5709.78 of the Revised Code to the extent those amounts were not previously reported or included in division (A)(6)(a) of this section, and so that any such amount is reported only once under division (A)(6)(b) of this~~ 644
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~~section, in relation to exemptions from taxation granted pursuant 654
to an ordinance or resolution adopted under division (C) of 655
section 5709.40, division (C) of section 5709.73, or division (B)
of section 5709.78 of the Revised Code, by (ii) the real property 656
tax rate in effect for the preceding tax year for 657
nonresidential/agricultural real property after making the 658
reductions required by section 319.301 of the Revised Code. 659
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~~(c) The portion of school district compensation value or 661
other compensation value that was exempted from taxation pursuant 662
to such an ordinance or resolution for the preceding tax year, if 663
the ordinance or resolution is adopted prior to January 1, 2006, 664
and the legislative authority or board of township trustees or 665
county commissioners, prior to January 1, 2006, executes a 666
contract or agreement with a developer, whether for profit or 667
not for profit, with respect to the development of a project 668
undertaken or to be undertaken and identified in the ordinance or 669
resolution, and upon which parcels such project is being, or will 670
be, undertaken; 671~~

~~(d) The portion of school district compensation value that 672
was exempted from taxation for the preceding tax year and for 673
which payments in lieu of taxes for the preceding tax year were 674
provided to the school district under division (D)(1) of section 675
5709.40 of the Revised Code. 676~~

~~(e) The portion of school district compensation value that 677
was exempted from taxation for the preceding tax year pursuant to 678
such an ordinance or resolution, if and to the extent that, on or 679
before April 1, 2006, the fiscal officer of the municipal 680
corporation that adopted the ordinance, or of the township or 681
county that adopted the resolution, certifies and provides 682
appropriate supporting documentation to the tax commissioner and 683
the director of development that, based on hold harmless 684
provisions in any agreement between the school district and the 685~~

~~legislative authority of the municipal corporation, board of township trustees, or board of county commissioners that was entered into on or before June 1, 2005, the ability or obligation of the municipal corporation, township, or county to repay bonds, notes, or other financial obligations issued or entered into prior to January 1, 2006, will be impaired, including obligations to or of any other body corporate and politic with whom the legislative authority of the municipal corporation or board of township trustees or county commissioners has entered into an agreement pertaining to the use of service payments derived from the improvements exempted;~~

~~(f) The portion of school district compensation value that was exempted from taxation for the preceding tax year pursuant to such an ordinance or resolution, if the ordinance or resolution is adopted prior to January 1, 2006, in a municipal corporation with a population that exceeds one hundred thousand, as shown by the most recent federal decennial census, that includes a major employment center and that is adjacent to historically distressed neighborhoods, if the legislative authority of the municipal corporation that exempted the property prepares an economic analysis that demonstrates that all taxes generated within the incentive district accruing to the state by reason of improvements constructed within the district during its existence exceed the amount the state pays the school district under section 3317.022 of the Revised Code attributable to such property exemption from the school district's recognized valuation. The analysis shall be submitted to and approved by the department of development prior to January 1, 2006, and the department shall not unreasonably withhold approval.~~

~~(g) The portion of school district compensation value that was exempted from taxation for the preceding tax year under such an ordinance or resolution, if the ordinance or resolution is~~

~~adopted prior to January 1, 2006, and if service payments have 718
been pledged to be used for mixed use riverfront entertainment 719
development in any county with a population that exceeds six 720
hundred thousand, as shown by the most recent federal decennial 721
census; 722~~

~~(h) The portion of school district compensation value that 723
was exempted from taxation for the preceding tax year under such 724
an ordinance or resolution, if, prior to January 1, 2006, the 725
legislative authority of a municipal corporation, board of 726
township trustees, or board of county commissioners has pledged 727
service payments for a designated transportation capacity project 728
approved by the transportation review advisory council under 729
Chapter 5512. of the Revised Code; 730~~

~~(i) The portion of school district compensation value that 731
was exempted from taxation for the preceding tax year under such 732
an ordinance or resolution if the legislative authority of a 733
municipal corporation, board of township trustees, or board of 734
county commissioners have, by January 1, 2006, pledged proceeds 735
for designated transportation improvement projects that involve 736
federal funds for which the proceeds are used to meet a local 737
share match requirement for such funding. 738~~

~~As used in division (A)(6) of this section, "project" has the 739
same meaning as in section 5709.40 of the Revised Code. 740~~

~~(7) The aggregate value of real property in the school 741
district for which an exemption from taxation is granted by an 742
ordinance or resolution adopted on or after January 1, 2006, under 743
Chapter 725. or 1728., sections 3735.65 to 3735.70, or section 744
5709.62, 5709.63, 5709.632, 5709.84, or 5709.88 of the Revised 745
Code, as indicated on the list of exempted property for the 746
preceding tax year under section 5713.08 of the Revised Code and 747
as if such property had been assessed for taxation that year, 748
minus the product determined by multiplying (a) the aggregate 749~~

~~value of the real property in the school district exempted from 750
taxation for the preceding tax year under any of the chapters or 751
sections specified in this division, by (b) a fraction, the 752
numerator of which is the difference between (i) the amount of 753
anticipated revenue such school district would have received for 754
the preceding tax year if the real property exempted from taxation 755
had not been exempted from taxation and (ii) the aggregate amount 756
of payments in lieu of taxes on the exempt real property for the 757
preceding tax year and other compensation received for the 758
preceding tax year by the school district pursuant to any 759
agreements entered into on or after January 1, 2006, under section 760
5709.82 of the Revised Code between the school district and the 761
legislative authority of a political subdivision that acted under 762
the authority of a chapter or statute specified in this division, 763
that were entered into in relation to such exemption, and the 764
denominator of which is the amount of anticipated revenue such 765
school district would have received in the preceding fiscal year 766
if the real property exempted from taxation had not been exempted. 767~~

~~(8) For each school district receiving payments under 768
division (B) or (C) of section 3317.0216 of the Revised Code 769
during the current fiscal year, as included on the most recent 770
list of such districts sent to the tax commissioner under division 771
(F) of that section, the following: 772~~

~~(a) The portion of the total amount of taxes charged and 773
payable for current expenses certified under division (A)(3)(a) of 774
this section that is attributable to each new levy approved and 775
charged in the preceding tax year and the respective tax rate of 776
each of those new levies: 777~~

~~(b) The portion of the total taxes collected for current 778
expenses under a school district income tax adopted pursuant to 779
section 5748.03 or 5748.08 of the Revised Code, as certified under 780
division (A)(2) of section 3317.08 of the Revised Code, that is 781~~

~~attributable to each new school district income tax first 782~~
~~effective in the current taxable year or in the preceding taxable 783~~
~~year. 784~~

(B) On or before the first day of May each year, the tax 785
commissioner shall certify to the department of education the 786
total taxable real property value of railroads and, separately, 787
the total taxable tangible personal property value of all public 788
utilities for the preceding tax year, by school district and by 789
county of location. 790

(C) If a public utility has properly and timely filed a 791
petition for reassessment under section 5727.47 of the Revised 792
Code with respect to an assessment issued under section 5727.23 of 793
the Revised Code affecting taxable property apportioned by the tax 794
commissioner to a school district, the taxable value of public 795
utility tangible personal property included in the certification 796
under divisions (A)(2) and (B) of this section for the school 797
district shall include only the amount of taxable value on the 798
basis of which the public utility paid tax for the preceding year 799
as provided in division (B)(1) or (2) of section 5727.47 of the 800
Revised Code. 801

(D) If on the basis of the information certified under 802
division (A) of this section, the department determines that any 803
district fails in any year to meet the qualification requirement 804
specified in division (A) of section 3317.01 of the Revised Code, 805
the department shall immediately request the tax commissioner to 806
determine the extent to which any school district income tax 807
levied by the district under Chapter 5748. of the Revised Code 808
shall be included in meeting that requirement. Within five days of 809
receiving such a request from the department, the tax commissioner 810
shall make the determination required by this division and report 811
the quotient obtained under division (D)(3) of this section to the 812
department. This quotient represents the number of mills that the 813

department shall include in determining whether the district meets 814
the qualification requirement of division (A) of section 3317.01 815
of the Revised Code. 816

The tax commissioner shall make the determination required by 817
this division as follows: 818

(1) Multiply one mill times the total taxable value of the 819
district as determined in divisions (A)(1) and (2) of this 820
section; 821

(2) Estimate the total amount of tax liability for the 822
current tax year under taxes levied by Chapter 5748. of the 823
Revised Code that are apportioned to current operating expenses of 824
the district; 825

(3) Divide the amount estimated under division (D)(2) of this 826
section by the product obtained under division (D)(1) of this 827
section. 828

~~(E)(1) On or before June 1, 2006, and the first day of April 829
of each year thereafter, the director of development shall report 830
to the department of education and the tax commissioner the total 831
amounts of payments received by each city, local, exempted 832
village, or joint vocational school district for the preceding tax 833
year pursuant to division (D) of section 5709.40, division (D) of 834
section 5709.73, division (C) of section 5709.78, or division 835
(B)(1), (B)(2), (C), or (D) of section 5709.82 of the Revised Code 836
in relation to exemptions from taxation granted pursuant to an 837
ordinance adopted by the legislative authority of a municipal 838
corporation under division (C) of section 5709.40 of the Revised 839
Code, or a resolution adopted by a board of township trustees or 840
board of county commissioners under division (C) of section 841
5709.73 or division (B) of section 5709.78 of the Revised Code, 842
respectively. On or before April 1, 2006, and the first day of 843
March of each year thereafter, the treasurer of each city, local, 844~~

~~exempted village, or joint vocational school district that has 845
entered into such an agreement shall report to the director of 846
development the total amounts of such payments the district 847
received for the preceding tax year as provided in this section. 848
The state board of education, in accordance with sections 3319.31 849
and 3319.311 of the Revised Code, may suspend or revoke the 850
license of a treasurer found to have willfully reported erroneous, 851
inaccurate, or incomplete data under this division. 852~~

~~(2) On or before April 1, 2007, and the first day of April of 853
each year thereafter, the director of development shall report to 854
the department of education and to the tax commissioner the total 855
amounts of payments received by each city, local, exempted 856
village, or joint vocational school district for the preceding tax 857
year pursuant to divisions (B), (C), and (D) of section 5709.82 of 858
the Revised Code in relation to exemptions from taxation granted 859
pursuant to ordinances or resolutions adopted on or after January 860
1, 2006, under Chapter 725. or 1728., sections 3735.65 to 3735.70, 861
or section 5709.62, 5709.63, 5709.632, 5709.84, or 5709.88 of the 862
Revised Code. On or before March 1, 2007, and the first day of 863
March of each year thereafter, the treasurer of each city, local, 864
exempted village, or joint vocational school district that has 865
entered into such an agreement shall report to the director of 866
development the total amounts of such payments the district 867
received for the preceding tax year as provided by this section. 868
The state board of education, in accordance with sections 3319.31 869
and 3319.311 of the Revised Code, may suspend or revoke the 870
license of a treasurer found to have willfully reported erroneous, 871
inaccurate, or incomplete data under this division. 872~~

Sec. 3317.022. There is hereby created in the county treasury 873
of each county in the state a county school trust fund. Moneys in 874
the fund shall consist of payments to the fund made under division 875
(A)(1) of section 5747.03 and section 3770.06 of the Revised Code. 876

The county school trust fund shall be used for making the 877
distribution payments required by this section. 878

(A) By the fifteenth day of each month, the county auditor 879
shall certify to the superintendent of public instruction the 880
balance in the county's school trust fund on the last day of the 881
preceding month. Each school district having its principal 882
administrative office situated in the county shall receive a 883
payment computed by the superintendent and certified to the 884
auditor as follows: 885

(1) Multiply the balance in the fund on the last day of the 886
preceding month by the district's ADM divided by the county ADM. 887

(2) Divide the district's valuation per pupil by the county 888
valuation per pupil and subtract the quotient from one. 889

(3) If the district's valuation per pupil is less than the 890
county valuation per pupil, pay the district: 891

(a) The amount computed under division (A)(1) of this 892
section, plus 893

(b) The product obtained by multiplying the amount computed 894
under division (A)(1) of this section by the amount computed under 895
division (A)(2) of this section. 896

(4) If the district's valuation per pupil is greater than the 897
county valuation per pupil, pay the district the following amount, 898
if the computation produces a positive number: 899

(a) The amount computed under division (A)(1) of this 900
section, minus 901

(b) The product obtained by multiplying the amount computed 902
under division (A)(1) of this section by the absolute value of the 903
amount computed under division (A)(2) of this section. 904

If the computation produces a negative amount, the district 905
shall not receive a payment under this division. 906

(5) If the district's valuation per pupil is the same as the 907
county valuation per pupil, pay the district the amount computed 908
under division (A)(1) of this section. 909

(B) If the balance in the county school trust fund on the 910
last day of the preceding month is greater than the sum of the 911
payments required by division (A) of this section, the county 912
auditor shall pay such excess into the state equalization and 913
special program fund established in section 3317.023 of the 914
Revised Code. If the amount required to make the payments under 915
division (A) of this section exceeds the balance in the trust fund 916
on the last day of the preceding month, the county auditor shall 917
certify the amount of such deficiency to the department of 918
education, which shall pay an amount equal to the deficiency to 919
the county's school trust fund from the state equalization and 920
special program fund. 921

(C) If the amount paid to a district under division (A) of 922
this section during a fiscal year from the county school trust 923
fund divided by the district ADM is less than the district's state 924
aid for fiscal year 2007 divided by the district ADM for that 925
fiscal year, the superintendent of public instruction shall pay 926
the district from the state equalization and special program fund 927
an additional amount equal to the difference multiplied by the 928
district ADM. 929

(D) Annually in December, from information that shall be 930
furnished by school districts upon request by the superintendent 931
of public instruction, the superintendent shall compute the state 932
per pupil expenditure and district per pupil expenditure for each 933
school district in the state. If the district per pupil 934
expenditure is less than eighty-five per cent of the state per 935
pupil expenditure, the superintendent shall pay to the district 936
from the fund established in section 3317.023 of the Revised Code 937
the district ADM multiplied by the following difference: 938

(1) Eighty-five per cent of the state per pupil expenditure, 939
minus 940

(2) The district's per pupil expenditure. 941

(E) Notwithstanding divisions (A) and (D) of this section, 942
the amount paid to a district during a fiscal year divided by the 943
district ADM shall not exceed one hundred eight per cent of the 944
amount paid under this section to the district during the previous 945
fiscal year divided by the district ADM for that previous year. 946

(F) The department of education shall adopt rules for the 947
efficient administration of this section, including the adjustment 948
of payments to or the requirement of a reimbursement from a 949
district during the first three months of a fiscal year to make 950
corrections for overpayments or underpayments under divisions (C), 951
(D), and (E) of this section during the preceding fiscal year. 952

Sec. 3317.023. There is hereby created in the state treasury 953
the state equalization and special program fund, consisting of 954
moneys paid to it under division (B) of section 3317.022 and 955
division (A)(2) of section 5747.03 of the Revised Code and any 956
other moneys credited to it by an act of the general assembly. The 957
fund shall be used to make the payments required by divisions (B), 958
(C), and (D) of section 3317.022, division (J) of section 3313.64, 959
and sections 3317.029, 3317.06, 3317.08, 3317.11, and 3317.16 of 960
the Revised Code and for special education programs of county 961
MR/DD boards and the state institutions mentioned in section 962
3323.091 of the Revised Code. The laws appropriating the moneys to 963
and from the fund may also specify the distribution of moneys for 964
desegregation costs, handicapped preschool programs, vocational 965
education, gifted and special education programs, purchasing of 966
school buses, for administrative costs of the superintendent of 967
public instruction, and paying debt service charges of obligations 968
issued for school district facilities. 969

Sec. 3317.03. Notwithstanding divisions (A)(1), and (B)(1), ~~and (C)~~ of this section, except as provided in division (A)(2)(h) of this section, any student enrolled in kindergarten more than half time shall be reported as one-half student under this section.

(A) The superintendent of each city and exempted village school district and of each educational service center shall, for the schools under the superintendent's supervision, certify to the state board of education on or before the fifteenth day of October in each year for the first full school week in October ~~the formula ADM. Beginning in fiscal year 2007, each superintendent also shall certify to the state board, for the schools under the superintendent's supervision, the formula ADM for the first full week in February. If a school under the superintendent's supervision is closed for one or more days during that week due to hazardous weather conditions or other circumstances described in the first paragraph of division (B) of section 3317.01 of the Revised Code, the superintendent may apply to the superintendent of public instruction for a waiver, under which the superintendent of public instruction may exempt the district superintendent from certifying the formula ADM for that school for that week and specify an alternate week for certifying the formula ADM of that school.~~

~~The formula ADM shall consist of the average daily membership during such week of the sum of the following:~~

(1) ~~On an FTE basis, the~~ The number of students in grades kindergarten through twelve receiving any educational services from the district, except that the following categories of students shall not be included in the determination:

(a) Students enrolled in adult education classes;

(b) Adjacent or other district students enrolled in the

district under an open enrollment policy pursuant to section 1001
3313.98 of the Revised Code; 1002

(c) Students receiving services in the district pursuant to a 1003
compact, cooperative education agreement, or a contract, but who 1004
are entitled to attend school in another district pursuant to 1005
section 3313.64 or 3313.65 of the Revised Code; 1006

(d) Students for whom tuition is payable pursuant to sections 1007
3317.081 and 3323.141 of the Revised Code; 1008

(e) Students receiving services in the district through a 1009
scholarship awarded under section 3310.41 of the Revised Code. 1010

(2) ~~On an FTE basis, except~~ Except as provided in division 1011
(A)(2)(h) of this section, the number of students entitled to 1012
attend school in the district pursuant to section 3313.64 or 1013
3313.65 of the Revised Code, but receiving educational services in 1014
grades kindergarten through twelve from one or more of the 1015
following entities: 1016

(a) A community school pursuant to Chapter 3314. of the 1017
Revised Code, including any participation in a college pursuant to 1018
Chapter 3365. of the Revised Code while enrolled in such community 1019
school; 1020

(b) An alternative school pursuant to sections 3313.974 to 1021
3313.979 of the Revised Code as described in division ~~(I)~~(H)(2)(a) 1022
or (b) of this section; 1023

(c) A college pursuant to Chapter 3365. of the Revised Code, 1024
except when the student is enrolled in the college while also 1025
enrolled in a community school pursuant to Chapter 3314. of the 1026
Revised Code; 1027

(d) An adjacent or other school district under an open 1028
enrollment policy adopted pursuant to section 3313.98 of the 1029
Revised Code; 1030

| | |
|---|--|
| (e) An educational service center or cooperative education district; | 1031 1032 |
| (f) Another school district under a cooperative education agreement, compact, or contract; | 1033 1034 |
| (g) A chartered nonpublic school with a scholarship paid under section 3310.08 of the Revised Code; | 1035 1036 |
| (h) An alternative public provider or a registered private provider with a scholarship awarded under section 3310.41 of the Revised Code. Each such scholarship student who is enrolled in kindergarten shall be counted as one full-time-equivalent student. | 1037 1038 1039 1040 |
| As used in this section, "alternative public provider" and "registered private provider" have the same meanings as in section 3310.41 of the Revised Code. | 1041 1042 1043 |
| (3) Twenty per cent of the number of students enrolled in a joint vocational school district or under a vocational education compact, excluding any students entitled to attend school in the district under section 3313.64 or 3313.65 of the Revised Code who are enrolled in another school district through an open enrollment policy as reported under division (A)(2)(d) of this section and then enroll in a joint vocational school district or under a vocational education compact; | 1044 1045 1046 1047 1048 1049 1050 1051 |
| (4) The number of handicapped children, other than handicapped preschool children, entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code who are placed by the district with a county MR/DD board, minus the number of such children placed with a county MR/DD board in fiscal year 1998. If this calculation produces a negative number, the number reported under division (A)(4) of this section shall be zero. | 1052 1053 1054 1055 1056 1057 1058 1059 |
| (5) Beginning in fiscal year 2007, in the case of the report submitted for the first full week in February, or the alternative | 1060 1061 |

~~week if specified by the superintendent of public instruction, the~~ 1062
~~number of students reported under division (A)(1) or (2) of this~~ 1063
~~section for the first full week of the preceding October but who~~ 1064
~~since that week have received high school diplomas.~~ 1065

(B) To enable the department of education to obtain the data 1066
needed to complete the calculation of payments pursuant to this 1067
chapter, in addition to the ~~formula ADM~~ amounts certified under 1068
division (A) of this section, each superintendent shall report 1069
separately the following student counts ~~for the same week for~~ 1070
~~which formula ADM is certified:~~ 1071

(1) The total average daily membership in regular day classes 1072
included in the report under division (A)(1) or (2) of this 1073
section for kindergarten, and each of grades one through twelve in 1074
schools under the superintendent's supervision; 1075

(2) The number of all handicapped preschool children enrolled 1076
as of the first day of December in classes in the district that 1077
are eligible for approval under division (B) of section 3317.05 of 1078
the Revised Code and the number of those classes, which shall be 1079
reported not later than the fifteenth day of December, in 1080
accordance with rules adopted under that section; 1081

(3) The number of children entitled to attend school in the 1082
district pursuant to section 3313.64 or 3313.65 of the Revised 1083
Code who are: 1084

(a) Participating in a pilot project scholarship program 1085
established under sections 3313.974 to 3313.979 of the Revised 1086
Code as described in division ~~(F)~~(H)(2)(a) or (b) of this section; 1087

(b) Enrolled in a college under Chapter 3365. of the Revised 1088
Code, except when the student is enrolled in the college while 1089
also enrolled in a community school pursuant to Chapter 3314. of 1090
the Revised Code; 1091

(c) Enrolled in an adjacent or other school district under 1092

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| section 3313.98 of the Revised Code; | 1093 |
| (d) Enrolled in a community school established under Chapter 3314. of the Revised Code that is not an internet- or computer-based community school as defined in section 3314.02 of the Revised Code, including any participation in a college pursuant to Chapter 3365. of the Revised Code while enrolled in such community school; | 1094 1095 1096 1097 1098 1099 |
| (e) Enrolled in an internet- or computer-based community school, as defined in section 3314.02 of the Revised Code, including any participation in a college pursuant to Chapter 3365. of the Revised Code while enrolled in the school; | 1100 1101 1102 1103 |
| (f) Enrolled in a chartered nonpublic school with a scholarship paid under section 3310.08 of the Revised Code; | 1104 1105 |
| (g) Enrolled in kindergarten through grade twelve in an alternative public provider or a registered private provider with a scholarship awarded under section 3310.41 of the Revised Code; | 1106 1107 1108 |
| (h) Enrolled as a handicapped preschool child in an alternative public provider or a registered private provider with a scholarship awarded under section 3310.41 of the Revised Code; | 1109 1110 1111 |
| (i) Participating in a program operated by a county MR/DD board or a state institution. | 1112 1113 |
| (4) The number of pupils enrolled in joint vocational schools; | 1114 1115 |
| (5) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section receiving special education services for the category one handicap described in division (A) of section 3317.013 of the Revised Code; | 1116 1117 1118 1119 |
| (6) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section receiving special education services for category two handicaps described in | 1120 1121 1122 |

~~division (B) of section 3317.013 of the Revised Code; 1123~~

~~(7) The average daily membership of handicapped children 1124~~
~~reported under division (A)(1) or (2) of this section receiving 1125~~
~~special education services for category three handicaps described 1126~~
~~in division (C) of section 3317.013 of the Revised Code; 1127~~

~~(8) The average daily membership of handicapped children 1128~~
~~reported under division (A)(1) or (2) of this section receiving 1129~~
~~special education services for category four handicaps described 1130~~
~~in division (D) of section 3317.013 of the Revised Code; 1131~~

~~(9) The average daily membership of handicapped children 1132~~
~~reported under division (A)(1) or (2) of this section receiving 1133~~
~~special education services for the category five handicap 1134~~
~~described in division (E) of section 3317.013 of the Revised Code; 1135~~

~~(10) The combined average daily membership of handicapped 1136~~
~~children reported under division (A)(1) or (2) and under division 1137~~
~~(B)(3)(h) of this section receiving special education services for 1138~~
~~category six handicaps described in division (F) of section 1139~~
~~3317.013 of the Revised Code, including children attending a 1140~~
~~special education program operated by an alternative public 1141~~
~~provider or a registered private provider with a scholarship 1142~~
~~awarded under section 3310.41 of the Revised Code; 1143~~

~~(11) The average daily membership of pupils reported under 1144~~
~~division (A)(1) or (2) of this section enrolled in category one 1145~~
~~vocational education programs or classes, described in division 1146~~
~~(A) of section 3317.014 of the Revised Code, operated by the 1147~~
~~school district or by another district, other than a joint 1148~~
~~vocational school district, or by an educational service center, 1149~~
~~excluding any student reported under division (B)(3)(e) of this 1150~~
~~section as enrolled in an internet or computer based community 1151~~
~~school, notwithstanding division (C) of section 3317.02 of the 1152~~
~~Revised Code and division (C)(3) of this section; 1153~~

~~(12) The average daily membership of pupils reported under
division (A)(1) or (2) of this section enrolled in category two
vocational education programs or services, described in division
(B) of section 3317.014 of the Revised Code, operated by the
school district or another school district, other than a joint
vocational school district, or by an educational service center,
excluding any student reported under division (B)(3)(c) of this
section as enrolled in an internet or computer based community
school, notwithstanding division (C) of section 3317.02 of the
Revised Code and division (C)(3) of this section;~~ 1154
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~~(13) The average number of children transported by the school
district on board owned or contractor owned and operated buses,
reported in accordance with rules adopted by the department of
education;~~ 1164
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~~(14)(6)(a) The number of children, other than handicapped
preschool children, the district placed with a county MR/DD board
in fiscal year 1998;~~ 1168
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~~(b) The number of handicapped children, other than
handicapped preschool children, placed with a county MR/DD board
in the current fiscal year to receive special education services
for the category one handicap described in division (A) of section
3317.013 of the Revised Code;~~ 1171
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~~(c) The number of handicapped children, other than
handicapped preschool children, placed with a county MR/DD board
in the current fiscal year to receive special education services
for category two handicaps described in division (B) of section
3317.013 of the Revised Code;~~ 1176
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~~(d) The number of handicapped children, other than
handicapped preschool children, placed with a county MR/DD board
in the current fiscal year to receive special education services
for category three handicaps described in division (C) of section~~ 1181
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| 3317.013 of the Revised Code; | 1185 |
| (e) The number of handicapped children, other than | 1186 |
| handicapped preschool children, placed with a county MR/DD board | 1187 |
| in the current fiscal year to receive special education services | 1188 |
| for category four handicaps described in division (D) of section | 1189 |
| 3317.013 of the Revised Code; | 1190 |
| (f) The number of handicapped children, other than | 1191 |
| handicapped preschool children, placed with a county MR/DD board | 1192 |
| in the current fiscal year to receive special education services | 1193 |
| for the category five handicap described in division (E) of | 1194 |
| section 3317.013 of the Revised Code; | 1195 |
| (g) The number of handicapped children, other than | 1196 |
| handicapped preschool children, placed with a county MR/DD board | 1197 |
| in the current fiscal year to receive special education services | 1198 |
| for category six handicaps described in division (F) of section | 1199 |
| 3317.013 of the Revised Code. | 1200 |
| (C)(1) Except as otherwise provided in this section for | 1201 |
| kindergarten students, the average daily membership in divisions | 1202 |
| (B)(1) to (12) of this section shall be based upon the number of | 1203 |
| full time equivalent students. The state board of education shall | 1204 |
| adopt rules defining full time equivalent students and for | 1205 |
| determining the average daily membership therefrom for the | 1206 |
| purposes of divisions (A), (B), and (D) of this section. | 1207 |
| (2) A student enrolled in a community school established | 1208 |
| under Chapter 3314. of the Revised Code shall be counted in the | 1209 |
| formula ADM and, if applicable, the category one, two, three, | 1210 |
| four, five, or six special education ADM of the school district in | 1211 |
| which the student is entitled to attend school under section | 1212 |
| 3313.64 or 3313.65 of the Revised Code for the same proportion of | 1213 |
| the school year that the student is counted in the enrollment of | 1214 |
| the community school for purposes of section 3314.08 of the | 1215 |

~~Revised Code.~~ 1216

~~(3) No child shall be counted as more than a total of one child in the sum of the average daily memberships of a school district under division (A), divisions (B)(1) to (12), or division (D) of this section, except as follows:~~ 1217
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~~(a) A child with a handicap described in section 3317.013 of the Revised Code may be counted both in formula ADM and in category one, two, three, four, five, or six special education ADM and, if applicable, in category one or two vocational education ADM. As provided in division (C) of section 3317.02 of the Revised Code, such a child shall be counted in category one, two, three, four, five, or six special education ADM in the same proportion that the child is counted in formula ADM.~~ 1221
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~~(b) A child enrolled in vocational education programs or classes described in section 3317.014 of the Revised Code may be counted both in formula ADM and category one or two vocational education ADM and, if applicable, in category one, two, three, four, five, or six special education ADM. Such a child shall be counted in category one or two vocational education ADM in the same proportion as the percentage of time that the child spends in the vocational education programs or classes.~~ 1229
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~~(4) Based on the information reported under this section, the department of education shall determine the total student count, as defined in section 3301.011 of the Revised Code, for each school district.~~ 1237
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~~(D)(C)(1) The superintendent of each joint vocational school district shall certify to the superintendent of public instruction on or before the fifteenth day of October in each year for the first full school week in October the formula ADM. Beginning in fiscal year 2007, each superintendent also shall certify to the state superintendent the formula ADM for the first full week in~~ 1241
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~~February. If a school operated by the joint vocational school district is closed for one or more days during that week due to hazardous weather conditions or other circumstances described in the first paragraph of division (B) of section 3317.01 of the Revised Code, the superintendent may apply to the superintendent of public instruction for a waiver, under which the superintendent of public instruction may exempt the district superintendent from certifying the formula ADM for that school for that week and specify an alternate week for certifying the formula ADM of that school.~~

~~The formula ADM, except as otherwise provided in this division, shall consist of the average daily membership during such week, on an FTE basis, of the number of students receiving any educational services from the district, including students enrolled in a community school established under Chapter 3314. of the Revised Code who are attending the joint vocational district under an agreement between the district board of education and the governing authority of the community school and are entitled to attend school in a city, local, or exempted village school district whose territory is part of the territory of the joint vocational district. Beginning in fiscal year 2007, in the case of the report submitted for the first week in February, or the alternative week if specified by the superintendent of public instruction, the superintendent of the joint vocational school district may include the number of students reported under division (D)(1) of this section for the first full week of the preceding October but who since that week have received high school diplomas.~~

The following categories of students shall not be included in the determination made under division ~~(D)~~(C)(1) of this section:

- (a) Students enrolled in adult education classes;
- (b) Adjacent or other district joint vocational students

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| enrolled in the district under an open enrollment policy pursuant | 1279 |
| to section 3313.98 of the Revised Code; | 1280 |
| (c) Students receiving services in the district pursuant to a | 1281 |
| compact, cooperative education agreement, or a contract, but who | 1282 |
| are entitled to attend school in a city, local, or exempted | 1283 |
| village school district whose territory is not part of the | 1284 |
| territory of the joint vocational district; | 1285 |
| (d) Students for whom tuition is payable pursuant to sections | 1286 |
| 3317.081 and 3323.141 of the Revised Code. | 1287 |
| (2) To enable the department of education to obtain the data | 1288 |
| needed to complete the calculation of payments pursuant to this | 1289 |
| chapter, in addition to the formula ADM, each superintendent shall | 1290 |
| report separately the average daily membership included in the | 1291 |
| report under division (D) <u>(C)</u> (1) of this section for each of the | 1292 |
| following categories of students for the same week for which | 1293 |
| formula ADM is certified: | 1294 |
| (a) Students enrolled in each grade included in the joint | 1295 |
| vocational district schools; | 1296 |
| (b) Handicapped children receiving special education services | 1297 |
| for the category one handicap described in division (A) of section | 1298 |
| 3317.013 of the Revised Code; | 1299 |
| (c) Handicapped children receiving special education services | 1300 |
| for the category two handicaps described in division (B) of | 1301 |
| section 3317.013 of the Revised Code; | 1302 |
| (d) Handicapped children receiving special education services | 1303 |
| for category three handicaps described in division (C) of section | 1304 |
| 3317.013 of the Revised Code; | 1305 |
| (e) Handicapped children receiving special education services | 1306 |
| for category four handicaps described in division (D) of section | 1307 |
| 3317.013 of the Revised Code; | 1308 |

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| (f) Handicapped children receiving special education services | 1309 |
| for the category five handicap described in division (E) of | 1310 |
| section 3317.013 of the Revised Code; | 1311 |
| (g) Handicapped children receiving special education services | 1312 |
| for category six handicaps described in division (F) of section | 1313 |
| 3317.013 of the Revised Code; | 1314 |
| (h) Students receiving category one vocational education | 1315 |
| services, described in division (A) of section 3317.014 of the | 1316 |
| Revised Code; | 1317 |
| (i) Students receiving category two vocational education | 1318 |
| services, described in division (B) of section 3317.014 of the | 1319 |
| Revised Code. | 1320 |
| The superintendent of each joint vocational school district | 1321 |
| shall also indicate the city, local, or exempted village school | 1322 |
| district in which each joint vocational district pupil is entitled | 1323 |
| to attend school pursuant to section 3313.64 or 3313.65 of the | 1324 |
| Revised Code. | 1325 |
| (E)(D) In each school of each city, local, exempted village, | 1326 |
| joint vocational, and cooperative education school district there | 1327 |
| shall be maintained a record of school membership, which record | 1328 |
| shall accurately show, for each day the school is in session, the | 1329 |
| actual membership enrolled in regular day classes. For the purpose | 1330 |
| of determining average daily membership, the membership figure of | 1331 |
| any school shall not include any pupils except those pupils | 1332 |
| described by division (A) of this section. The record of | 1333 |
| membership for each school shall be maintained in such manner that | 1334 |
| no pupil shall be counted as in membership prior to the actual | 1335 |
| date of entry in the school and also in such manner that where for | 1336 |
| any cause a pupil permanently withdraws from the school that pupil | 1337 |
| shall not be counted as in membership from and after the date of | 1338 |
| such withdrawal. There shall not be included in the membership of | 1339 |

any school any of the following: 1340

(1) Any pupil who has graduated from the twelfth grade of a 1341
public or nonpublic high school; 1342

(2) Any pupil who is not a resident of the state; 1343

(3) Any pupil who was enrolled in the schools of the district 1344
during the previous school year when tests were administered under 1345
section 3301.0711 of the Revised Code but did not take one or more 1346
of the tests required by that section and was not excused pursuant 1347
to division (C)(1) or (3) of that section; 1348

(4) Any pupil who has attained the age of twenty-two years, 1349
except for veterans of the armed services whose attendance was 1350
interrupted before completing the recognized twelve-year course of 1351
the public schools by reason of induction or enlistment in the 1352
armed forces and who apply for reenrollment in the public school 1353
system of their residence not later than four years after 1354
termination of war or their honorable discharge. 1355

If, however, any veteran described by division ~~(E)~~(D)(4) of 1356
this section elects to enroll in special courses organized for 1357
veterans for whom tuition is paid under the provisions of federal 1358
laws, or otherwise, that veteran shall not be included in average 1359
daily membership. 1360

Notwithstanding division ~~(E)~~(D)(3) of this section, the 1361
membership of any school may include a pupil who did not take a 1362
test required by section 3301.0711 of the Revised Code if the 1363
superintendent of public instruction grants a waiver from the 1364
requirement to take the test to the specific pupil and a parent is 1365
not paying tuition for the pupil pursuant to section 3313.6410 of 1366
the Revised Code. The superintendent may grant such a waiver only 1367
for good cause in accordance with rules adopted by the state board 1368
of education. 1369

Except as provided in divisions (B)(2) and ~~(F)~~(E) of this 1370

section, the average daily membership figure of any local, city, 1371
exempted village, or joint vocational school district shall be 1372
determined by dividing the figure representing the sum of the 1373
number of pupils enrolled during each day the school of attendance 1374
is actually open for instruction during the week for which the 1375
~~formula ADM~~ average daily membership is being certified by the 1376
total number of days the school was actually open for instruction 1377
during that week. For purposes of state funding, "enrolled" 1378
persons are only those pupils who are attending school, those who 1379
have attended school during the current school year and are absent 1380
for authorized reasons, and those handicapped children currently 1381
receiving home instruction. 1382

The average daily membership figure of any cooperative 1383
education school district shall be determined in accordance with 1384
rules adopted by the state board of education. 1385

~~(F)(1) If the formula ADM for the first full school week in 1386
February is at least three per cent greater than that certified 1387
for the first full school week in the preceding October, the 1388
superintendent of schools of any city, exempted village, or joint 1389
vocational school district or educational service center shall 1390
certify such increase to the superintendent of public instruction. 1391
Such certification shall be submitted no later than the fifteenth 1392
day of February. For the balance of the fiscal year, beginning 1393
with the February payments, the superintendent of public 1394
instruction shall use the increased formula ADM in calculating or 1395
recalculating the amounts to be allocated in accordance with 1396
section 3317.022 or 3317.16 of the Revised Code. In no event shall 1397
the superintendent use an increased membership certified to the 1398
superintendent after the fifteenth day of February. Division 1399
(F)(1) of this section does not apply after fiscal year 2006. 1400~~

~~(2) If on the first school day of April the total number of 1401
classes or units for handicapped preschool children that are 1402~~

~~eligible for approval under division (B) of section 3317.05 of the Revised Code exceeds the number of units that have been approved for the year under that division, the superintendent of schools of any city, exempted village, or cooperative education school district or educational service center shall make the certifications required by this section for that day. If the department determines additional units can be approved for the fiscal year within any limitations set forth in the acts appropriating moneys for the funding of such units, the department shall approve additional units for the fiscal year on the basis of such average daily membership. For each unit so approved, the department shall pay an amount computed in the manner prescribed in section 3317.052 or 3317.19 and section 3317.053 of the Revised Code.~~

~~(3)(E)~~ If a student attending a community school under Chapter 3314. of the Revised Code is not included in the ~~formula~~ ADM average daily membership certified for the school district in which the student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code, the department of education shall adjust the ~~formula~~ ADM average daily membership of that school district to include ~~the~~ community school ~~student in~~ accordance with division (C)(2) of this section students, and shall recalculate the school district's payments under this chapter for the entire fiscal year on the basis of that adjusted ~~formula~~ ADM average daily membership. This requirement applies regardless of whether the student was enrolled, as defined in division ~~(E)(D)~~ of this section, in the community school during the week for which the ~~formula~~ ADM average daily membership is being certified.

~~(4)~~ If a student awarded an educational choice scholarship is not included in the ~~formula~~ ADM average daily membership of the school district from which the department deducts funds for the

scholarship under section 3310.08 of the Revised Code, the 1435
department shall adjust the ~~formula-ADM~~ average daily membership 1436
of that school district to include the student to the extent 1437
necessary to account for the deduction, and shall recalculate the 1438
school district's payments under this chapter for the entire 1439
fiscal year on the basis of that adjusted ~~formula-ADM~~ average 1440
daily membership. This requirement applies regardless of whether 1441
the student was enrolled, as defined in division ~~(E)~~(D) of this 1442
section, in the chartered nonpublic school, the school district, 1443
or a community school during the week for which the ~~formula-ADM~~ 1444
average daily membership is being certified. 1445

~~(G)~~(F)(1)(a) The superintendent of an institution operating a 1446
special education program pursuant to section 3323.091 of the 1447
Revised Code shall, for the programs under such superintendent's 1448
supervision, certify to the state board of education, in the 1449
manner prescribed by the superintendent of public instruction, 1450
both of the following: 1451

(i) The average daily membership of all handicapped children 1452
other than handicapped preschool children receiving services at 1453
the institution ~~for each category of handicap described in~~ 1454
~~divisions (A) to (F) of section 3317.013 of the Revised Code;~~ 1455

(ii) The average daily membership of all handicapped 1456
preschool children in classes or programs ~~approved annually by the~~ 1457
~~department of education for unit funding under section 3317.05 of~~ 1458
~~the Revised Code.~~ 1459

(b) The superintendent of an institution ~~with~~ providing 1460
vocational education ~~units approved under division (A) of section~~ 1461
~~3317.05 of the Revised Code~~ services shall, ~~for the units under~~ 1462
~~the superintendent's supervision,~~ certify to the state board of 1463
education the average daily membership ~~in those units~~ of children 1464
receiving such services, in the manner prescribed by the 1465
superintendent of public instruction. 1466

(2) The superintendent of each county MR/DD board that maintains provides special education classes under section 3317.20 of the Revised Code or units approved pursuant to section 3317.05 of the Revised Code services shall do both of the following:

(a) Certify to the state board, in the manner prescribed by the board, the average daily membership in classes under section 3317.20 of the Revised Code of children receiving such services for each school district that has placed children in the classes;

(b) Certify to the state board, in the manner prescribed by the board, the number of all handicapped preschool children enrolled as of the first day of December in classes eligible for approval under division (B) of section 3317.05 of the Revised Code, and the number of those classes.

~~(3)(a) If on the first school day of April the number of classes or units maintained for handicapped preschool children by the county MR/DD board that are eligible for approval under division (B) of section 3317.05 of the Revised Code is greater than the number of units approved for the year under that division, the superintendent shall make the certification required by this section for that day.~~

~~(b) If the department determines that additional classes or units can be approved for the fiscal year within any limitations set forth in the acts appropriating moneys for the funding of the classes and units described in division (G)(3)(a) of this section, the department shall approve and fund additional units for the fiscal year on the basis of such average daily membership. For each unit so approved, the department shall pay an amount computed in the manner prescribed in sections 3317.052 and 3317.053 of the Revised Code.~~

~~(H)(G)~~ Except as provided in division ~~(I)~~(H) of this section, when any city, local, or exempted village school district provides

instruction for a nonresident pupil whose attendance is 1498
unauthorized attendance as defined in section 3327.06 of the 1499
Revised Code, that pupil's membership shall not be included in 1500
that district's membership figure used in the calculation of that 1501
district's ~~formula~~ district ADM or included in the determination 1502
of any unit approved for the district under section 3317.05 of the 1503
Revised Code. The reporting official shall report separately the 1504
average daily membership of all pupils whose attendance in the 1505
district is unauthorized attendance, and the membership of each 1506
such pupil shall be credited to the school district in which the 1507
pupil is entitled to attend school under division (B) of section 1508
3313.64 or section 3313.65 of the Revised Code as determined by 1509
the department of education. 1510

~~(I)~~(H)(1) A city, local, exempted village, or joint 1511
vocational school district admitting a scholarship student of a 1512
pilot project district pursuant to division (C) of section 1513
3313.976 of the Revised Code may count such student in its average 1514
daily membership. 1515

(2) In any year for which funds are appropriated for pilot 1516
project scholarship programs, a school district implementing a 1517
state-sponsored pilot project scholarship program that year 1518
pursuant to sections 3313.974 to 3313.979 of the Revised Code may 1519
count in average daily membership: 1520

(a) All children residing in the district and utilizing a 1521
scholarship to attend kindergarten in any alternative school, as 1522
defined in section 3313.974 of the Revised Code; 1523

(b) All children who were enrolled in the district in the 1524
preceding year who are utilizing a scholarship to attend any such 1525
alternative school. 1526

~~(J)~~(I) The superintendent of each cooperative education 1527
school district shall certify to the superintendent of public 1528

instruction, in a manner prescribed by the state board of 1529
education, the applicable average daily memberships for all 1530
students in the cooperative education district, also indicating 1531
the city, local, or exempted village district where each pupil is 1532
entitled to attend school under section 3313.64 or 3313.65 of the 1533
Revised Code. 1534

Sec. 3317.16. (A) As used in this section, "valuation per 1535
pupil" means the sum of the recognized valuations of the school 1536
districts composing a joint vocational school district divided by 1537
the average daily membership of the joint vocational school 1538
district. 1539

(B) For fiscal years 2009 and thereafter, each joint 1540
vocational school district shall receive under this section an 1541
amount per pupil equal to the amount per pupil the district 1542
received for fiscal year 2008, plus any supplemental payment under 1543
division (C) of this section and any additional amount 1544
appropriated specifically for the purpose by an act of the general 1545
assembly. 1546

(C) For fiscal years 2009 and thereafter, in addition to any 1547
amount distributed to joint vocational school districts, each 1548
joint vocational school district for which the valuation per pupil 1549
is not more than \$600,000 shall receive a supplemental payment 1550
computed as a percentage of the amount distributed under division 1551
(B) of this section. The percentage shall be determined as 1552
follows: 1553

(1) If the valuation per pupil of the district is not more 1554
than three hundred thousand dollars, the percentage is twelve and 1555
one-half per cent; 1556

(2) If the valuation per pupil of the district is more than 1557
three hundred thousand dollars but not more than four hundred 1558
thousand dollars, the percentage is ten per cent; 1559

(3) If the valuation per pupil of the district is more than 1560
four hundred thousand dollars but not more than five hundred 1561
thousand dollars, the percentage is seven and one-half per cent; 1562

(4) If the valuation per pupil of the district is more than 1563
five hundred thousand dollars but not more than six hundred 1564
thousand dollars, the percentage is five per cent. 1565

Sec. 3770.06. (A) There is hereby created the state lottery 1566
gross revenue fund, which shall be in the custody of the treasurer 1567
of state but shall not be part of the state treasury. All gross 1568
revenues received from sales of lottery tickets, fines, fees, and 1569
related proceeds in connection with the statewide lottery and all 1570
gross proceeds from statewide joint lottery games shall be 1571
deposited into the fund. The treasurer of state shall invest any 1572
portion of the fund not needed for immediate use in the same 1573
manner as, and subject to all provisions of law with respect to 1574
the investment of, state funds. The treasurer of state shall 1575
disburse money from the fund on order of the director of the state 1576
lottery commission or the director's designee. 1577

Except for gross proceeds from statewide joint lottery games, 1578
all revenues of the state lottery gross revenue fund that are not 1579
paid to holders of winning lottery tickets, that are not required 1580
to meet short-term prize liabilities, that are not credited to 1581
lottery sales agents in the form of bonuses, commissions, or 1582
reimbursements, that are not paid to financial institutions to 1583
reimburse those institutions for sales agent nonsufficient funds, 1584
and that are collected from sales agents for remittance to 1585
insurers under contract to provide sales agent bonding services 1586
shall be transferred to the state lottery fund, which is hereby 1587
created in the state treasury. In addition, all revenues of the 1588
state lottery gross revenue fund that represent the gross proceeds 1589
from the statewide joint lottery games and that are not paid to 1590

holders of winning lottery tickets, that are not required to meet 1591
short-term prize liabilities, that are not credited to lottery 1592
sales agents in the form of bonuses, commissions, or 1593
reimbursements, and that are not necessary to cover operating 1594
expenses associated with those games or to otherwise comply with 1595
the agreements signed by the governor that the director enters 1596
into under division (J) of section 3770.02 of the Revised Code or 1597
the rules the commission adopts under division (B)(5) of section 1598
3770.03 of the Revised Code shall be transferred to the state 1599
lottery fund. All investment earnings of the fund shall be 1600
credited to the fund. Moneys shall be disbursed from the fund 1601
pursuant to vouchers approved by the director. Total disbursements 1602
for monetary prize awards to holders of winning lottery tickets in 1603
connection with the statewide lottery and purchases of goods and 1604
services awarded as prizes to holders of winning lottery tickets 1605
shall be of an amount equal to at least fifty per cent of the 1606
total revenue accruing from the sale of lottery tickets. 1607

(B) Pursuant to Section 6 of Article XV, Ohio Constitution, 1608
there is hereby established in the state treasury the lottery 1609
profits education fund. Whenever, in the judgment of the director 1610
of budget and management, the amount to the credit of the state 1611
lottery fund that does not represent proceeds from statewide joint 1612
lottery games is in excess of that needed to meet the maturing 1613
obligations of the commission and as working capital for its 1614
further operations, the director shall transfer the excess to the 1615
lottery profits education fund in connection with the statewide 1616
lottery. In addition, whenever, in the judgment of the director of 1617
budget and management, the amount to the credit of the state 1618
lottery fund that represents proceeds from statewide joint lottery 1619
games equals the entire net proceeds of those games as described 1620
in division (B)(5) of section 3770.03 of the Revised Code and the 1621
rules adopted under that division, the director shall transfer 1622
those proceeds to the lottery profits education fund. There shall 1623

also be credited to the fund any repayments of moneys loaned from 1624
the educational excellence investment fund. Investment earnings of 1625
the lottery profits education fund shall be credited to the fund. 1626

~~The lottery profits education fund shall be used solely for 1627
the support of elementary, secondary, vocational, and special 1628
education programs as determined in appropriations made by the 1629
general assembly, or as provided in applicable bond proceedings 1630
for the payment of debt service on obligations issued to pay costs 1631
of capital facilities, including those for a system of common 1632
schools throughout the state pursuant to section 2n of Article 1633
VIII, Ohio Constitution. On or before the tenth day of each month, 1634
and as often as may be otherwise needed for the purposes of 1635
distributing payments under division (A) of section 3317.022 of 1636
the Revised Code, the director of budget and management shall 1637
transfer all moneys credited to the lottery profits education fund 1638
to the county school trust funds of the state. Each county fund 1639
shall receive an amount equal to the moneys credited to the 1640
lottery profits education fund multiplied by the county ADM, as 1641
defined in section 3317.02 of the Revised Code, divided by the 1642
state ADM. When determining the availability of money in the 1643
lottery profits education fund, the director of budget and 1644
management may consider all balances and estimated revenues of the 1645
fund. 1646~~

From the amounts ~~that~~ credited to the state lottery fund, the 1647
director of budget and management ~~transfers in any fiscal year~~ 1648
~~from the state lottery fund to the lottery profits education fund,~~ 1649
the director shall transfer the initial ten million dollars of 1650
~~those amounts from the lottery profits education fund~~ to the 1651
school building program bond service fund created in division (Q) 1652
of section 3318.26 of the Revised Code to be pledged for the 1653
purpose of paying bond service charges as defined in division (C) 1654
of section 3318.21 of the Revised Code on one or more issuances of 1655

obligations, which obligations are issued to provide moneys for 1656
the school building program assistance fund created in section 1657
3318.25 of the Revised Code. 1658

(C) There is hereby established in the state treasury the 1659
deferred prizes trust fund. With the approval of the director of 1660
budget and management, an amount sufficient to fund annuity prizes 1661
shall be transferred from the state lottery fund and credited to 1662
the trust fund. The treasurer of state shall credit all earnings 1663
arising from investments purchased under this division to the 1664
trust fund. Within sixty days after the end of each fiscal year, 1665
the director of budget and management shall certify the amount of 1666
investment earnings necessary to have been credited to the trust 1667
fund during the fiscal year just ending to provide for continued 1668
funding of deferred prizes. Any earnings credited in excess of 1669
this certified amount shall be transferred to the lottery profits 1670
education fund. 1671

To provide all or a part of the amounts necessary to fund 1672
deferred prizes awarded by the commission in connection with the 1673
statewide lottery, the treasurer of state, in consultation with 1674
the commission, may invest moneys contained in the deferred prizes 1675
trust fund which represents proceeds from the statewide lottery in 1676
obligations of the type permitted for the investment of state 1677
funds but whose maturities are thirty years or less. 1678
Notwithstanding the requirements of any other section of the 1679
Revised Code, to provide all or part of the amounts necessary to 1680
fund deferred prizes awarded by the commission in connection with 1681
statewide joint lottery games, the treasurer of state, in 1682
consultation with the commission, may invest moneys in the trust 1683
fund which represent proceeds derived from the statewide joint 1684
lottery games in accordance with the rules the commission adopts 1685
under division (B)(5) of section 3770.03 of the Revised Code. 1686
Investments of the trust fund are not subject to the provisions of 1687

division (A)(10) of section 135.143 of the Revised Code limiting 1688
to twenty-five per cent the amount of the state's total average 1689
portfolio that may be invested in debt interests and limiting to 1690
one-half of one per cent the amount that may be invested in debt 1691
interests of a single issuer. 1692

All purchases made under this division shall be effected on a 1693
delivery versus payment method and shall be in the custody of the 1694
treasurer of state. 1695

The treasurer of state may retain an investment advisor, if 1696
necessary. The commission shall pay any costs incurred by the 1697
treasurer of state in retaining an investment advisor. 1698

(D) The auditor of state shall conduct annual audits of all 1699
funds and any other audits as the auditor of state or the general 1700
assembly considers necessary. The auditor of state may examine all 1701
records, files, and other documents of the commission, and records 1702
of lottery sales agents that pertain to their activities as 1703
agents, for purposes of conducting authorized audits. 1704

The state lottery commission shall establish an internal 1705
audit program before the beginning of each fiscal year, subject to 1706
the approval of the auditor of state. At the end of each fiscal 1707
year, the commission shall prepare and submit an annual report to 1708
the auditor of state for the auditor of state's review and 1709
approval, specifying the internal audit work completed by the end 1710
of that fiscal year and reporting on compliance with the annual 1711
internal audit program. The form and content of the report shall 1712
be prescribed by the auditor of state under division (C) of 1713
section 117.20 of the Revised Code. 1714

(E) Whenever, in the judgment of the director of budget and 1715
management, an amount of net state lottery proceeds is necessary 1716
to be applied to the payment of debt service on obligations, all 1717
as defined in sections 151.01 and 151.03 of the Revised Code, the 1718

director shall transfer that amount directly from the state 1719
lottery fund ~~or from the lottery profits education fund~~ to the 1720
bond service fund defined in those sections. The provisions of 1721
this division are subject to any prior pledges or obligation of 1722
those amounts to the payment of bond service charges as defined in 1723
division (C) of section 3318.21 of the Revised Code, as referred 1724
to in division (B) of this section. 1725

Sec. 5747.03. (A) ~~All~~ For purposes of this section, "net 1726
amount" means taxes, penalties, and interest minus refunds and 1727
interest thereon. 1728

From the money collected under this chapter arising from the 1729
taxes imposed by section 5747.02 or 5747.41 of the Revised Code 1730
~~shall be credited to the general revenue fund, except that the~~ 1731
~~treasurer of state shall:~~ 1732

~~(1) Credit~~ the treasurer of state shall credit to the Ohio 1733
political party fund, at the beginning of each calendar quarter 1734
pursuant to section 3517.16 of the Revised Code, an amount equal 1735
to the total dollar value realized from the taxpayer exercise of 1736
the income tax checkoff option on tax forms processed during the 1737
preceding calendar quarter. The amount credited shall be 1738
subtracted from the amount of taxes collected during the preceding 1739
month under this chapter. The amount remaining shall be credited 1740
as follows: 1741

(1) Each month, the treasurer of state shall credit sixty-six 1742
per cent of the net amount collected from residents of this state 1743
during the preceding month into the state school trust fund, which 1744
is hereby created in the state treasury. By the fifteenth day of 1745
each month the tax commissioner shall provide for payment from 1746
that fund to the county treasurer of each county the net amount 1747
collected from residents of a city, local, or exempted village 1748
school district having its principal administrative office 1749

situated in the county. Each county treasurer shall credit the 1750
payment to the county school trust fund established by section 1751
3317.022 of the Revised Code. 1752

(2) By the fifteenth day of each month, the treasurer of 1753
state shall credit to the state equalization and special program 1754
fund created by section 3317.023 of the Revised Code twenty-two 1755
per cent of the net amount collected from residents and 1756
nonresidents of this state. 1757

(3) The treasurer of state shall credit an amount equal to 1758
four and two-tenths per cent of ~~those taxes collected under this~~ 1759
~~chapter~~ the net amount collected from residents and nonresidents 1760
of this state to the local government fund, which is hereby 1761
created in the state treasury, for distribution in accordance with 1762
section 5747.50 of the Revised Code~~;~~. 1763

~~(2) Credit~~ (4) The treasurer of state shall credit an amount 1764
equal to five and seven-tenths per cent of ~~those taxes collected~~ 1765
~~under this chapter~~ the net amount collected from residents and 1766
nonresidents of this state to the library and local government 1767
support fund, which is hereby created in the state treasury, for 1768
distribution in accordance with section 5747.47 of the Revised 1769
Code~~;~~. 1770

~~(3) At the beginning of each calendar quarter, credit to the~~ 1771
~~Ohio political party fund, pursuant to section 3517.16 of the~~ 1772
~~Revised Code, an amount equal to the total dollar value realized~~ 1773
~~from the taxpayer exercise of the income tax checkoff option on~~ 1774
~~tax forms processed during the preceding calendar quarter;~~ 1775

~~(4) Credit~~ (5) The treasurer of state shall credit an amount 1776
equal to six-tenths of one per cent of ~~those taxes collected under~~ 1777
~~this chapter~~ the net amount collected from residents and 1778
nonresidents of this state to the local government revenue 1779
assistance fund for distribution in accordance with section 1780

5747.61 of the Revised Code. 1781

(6) After crediting amounts to the Ohio political party fund 1782
and the funds identified in divisions (A)(1) to (5) of this 1783
section, the treasurer of state shall credit the remaining amount 1784
to the general revenue fund. 1785

(B)(1) Following the crediting of moneys pursuant to division 1786
(A) of this section, the remainder deposited in the general 1787
revenue fund shall be distributed pursuant to division (F) of 1788
section 321.24 and section 323.156 of the Revised Code; to make 1789
subsidy payments to institutions of higher education from 1790
appropriations to the Ohio board of regents; to support 1791
expenditures for programs and services for the mentally ill, 1792
mentally retarded, developmentally disabled, and elderly; for 1793
primary and secondary education; for medical assistance; and for 1794
any other purposes authorized by law, subject to the limitation 1795
that at least fifty per cent of the income tax collected by the 1796
state from the tax imposed by section 5747.02 of the Revised Code 1797
shall be returned pursuant to Section 9 of Article XII, Ohio 1798
Constitution. 1799

(2) To ensure that such constitutional requirement is 1800
satisfied the tax commissioner shall, on or before the thirtieth 1801
day of June of each year, from the best information available to 1802
the tax commissioner, determine and certify for each county to the 1803
director of budget and management the amount of taxes collected 1804
under this chapter from the tax imposed under section 5747.02 of 1805
the Revised Code during the preceding calendar year that are 1806
required to be returned to the county by Section 9 of Article XII, 1807
Ohio Constitution. The director shall provide for payment from the 1808
general revenue fund to the county in the amount, if any, that the 1809
sum of the amount so certified for that county exceeds the sum of 1810
the following: 1811

(a) The sum of the payments from the general revenue fund for 1812

the preceding calendar year to the credit of the county's 1813
undivided income tax fund pursuant to division (F) of section 1814
321.24 and section 323.156 of the Revised Code; 1815

(b) The sum of the amounts from the general revenue fund 1816
distributed in the county during the preceding calendar year for 1817
subsidy payments to institutions of higher education from 1818
appropriations to the Ohio board of regents; for programs and 1819
services for mentally ill, mentally retarded, developmentally 1820
disabled, and elderly persons; for primary and secondary 1821
education; and for medical assistance. 1822

(c) The payments during the preceding calendar year to the 1823
county's school trust fund; 1824

(d) The amount distributed to the county during the preceding 1825
calendar year from the local government fund; 1826

~~(d)~~(e) The amount distributed to the county during the 1827
preceding calendar year from the library and local government 1828
support fund; 1829

~~(e)~~(f) The amount distributed to the county during the 1830
preceding calendar year from the local government revenue 1831
assistance fund; 1832

(g) Amounts distributed to a school district having its 1833
administrative office located in the county from the fund 1834
established by section 3317.023 of the Revised Code. 1835

Payments under this division shall be credited to the 1836
county's undivided income tax fund, except that, notwithstanding 1837
section 5705.14 of the Revised Code, such payments may be 1838
transferred by the board of county commissioners to the county 1839
general fund by resolution adopted with the affirmative vote of 1840
two-thirds of the members thereof. 1841

(C) All payments received in each month from taxes imposed 1842

under Chapter 5748. of the Revised Code and any penalties or 1843
interest thereon shall be paid into the school district income tax 1844
fund, which is hereby created in the state treasury, except that 1845
an amount equal to the following portion of such payments shall be 1846
paid into the general school district income tax administrative 1847
fund, which is hereby created in the state treasury: 1848

(1) One and three-quarters of one per cent of those received 1849
in fiscal year 1996; 1850

(2) One and one-half per cent of those received in fiscal 1851
year 1997 and thereafter. 1852

Money in the school district income tax administrative fund 1853
shall be used by the tax commissioner to defray costs incurred in 1854
administering the school district's income tax, including the cost 1855
of providing employers with information regarding the rate of tax 1856
imposed by any school district. Any moneys remaining in the fund 1857
after such use shall be deposited in the school district income 1858
tax fund. 1859

All interest earned on moneys in the school district income 1860
tax fund shall be credited to the fund. 1861

(D)(1)(a) Within thirty days of the end of each calendar 1862
quarter ending on the last day of March, June, September, and 1863
December, the director of budget and management shall make a 1864
payment from the school district income tax fund to each school 1865
district for which school district income tax revenue was received 1866
during that quarter. The amount of the payment shall equal the 1867
balance in the school district's account at the end of that 1868
quarter. 1869

(b) After a school district ceases to levy an income tax, the 1870
director of budget and management shall adjust the payments under 1871
division (D)(1)(a) of this section to retain sufficient money in 1872
the school district's account to pay refunds. For the calendar 1873

quarters ending on the last day of March and December of the 1874
calendar year following the last calendar year the tax is levied, 1875
the director shall make the payments in the amount required under 1876
division (D)(1)(a) of this section. For the calendar quarter 1877
ending on the last day of June of the calendar year following the 1878
last calendar year the tax is levied, the director shall make a 1879
payment equal to nine-tenths of the balance in the account at the 1880
end of that quarter. For the calendar quarter ending on the last 1881
day of September of the calendar year following the last calendar 1882
year the tax is levied, the director shall make no payment. For 1883
the second and succeeding calendar years following the last 1884
calendar year the tax is levied, the director shall make one 1885
payment each year, within thirty days of the last day of June, in 1886
an amount equal to the balance in the district's account on the 1887
last day of June. 1888

(2) Moneys paid to a school district under this division 1889
shall be deposited in its school district income tax fund. All 1890
interest earned on moneys in the school district income tax fund 1891
shall be apportioned by the tax commissioner pro rata among the 1892
school districts in the proportions and at the times the districts 1893
are entitled to receive payments under this division. 1894

Section 2. That existing sections 3317.01, 3317.02, 3317.021, 1895
3317.03, 3770.06, and 5747.03 and sections 3317.012, 3317.013, 1896
3317.022, 3317.023, 3317.0212, 3317.0213, 3317.0214, 3317.0215, 1897
3317.0216, 3317.0217, 3317.05, 3317.051, 3317.052, 3317.053, and 1898
3317.16 of the Revised Code are hereby repealed. 1899

Section 3. The amendments, enactments, and repeals made in 1900
Sections 1 and 2 of this act apply to fiscal years 2009 and 1901
thereafter. 1902

Section 4. Section 3317.03 of the Revised Code is presented 1903

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| in this act as a composite of the section as amended by both Am. | 1904 |
| Sub. H.B. 79 and Am. Sub. H.B. 699 of the 126th General Assembly. | 1905 |
| The General Assembly, applying the principle stated in division | 1906 |
| (B) of section 1.52 of the Revised Code that amendments are to be | 1907 |
| harmonized if reasonably capable of simultaneous operation, finds | 1908 |
| that the composite is the resulting version of the section in | 1909 |
| effect prior to the effective date of the section as presented in | 1910 |
| this act. | 1911 |