

As Introduced

**127th General Assembly
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H. B. No. 454

Representative Brady

**Cosponsors: Representatives Brown, Harwood, Heard, Letson, Luckie,
Lundy, Skindell, Stewart, D., Strahorn, Williams, B., Yuko**

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A B I L L

To amend sections 3313.41, 3314.013, 3314.014, 1
3314.02, 3314.021, 3314.051, and 3318.08, to enact 2
section 3314.027, and to repeal sections 3314.016 3
and 3314.017 of the Revised Code to establish a 4
moratorium on new "brick and mortar" community 5
schools until July 1, 2010, to require community 6
school operators to be nonprofit entities, and to 7
eliminate the requirement that school districts 8
offer property suitable for classroom space for 9
sale to community schools under certain 10
conditions. 11

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

Section 1. That sections 3313.41, 3314.013, 3314.014, 12
3314.02, 3314.021, 3314.051, and 3318.08 be amended and section 13
3314.027 of the Revised Code be enacted to read as follows: 14

Sec. 3313.41. (A) Except as provided in divisions (C), (D), 15
and (F), ~~and (G)~~ of this section, when a board of education 16
decides to dispose of real or personal property that it owns in 17
its corporate capacity and that exceeds in value ten thousand 18

dollars, it shall sell the property at public auction, after 19
giving at least thirty days' notice of the auction by publication 20
in a newspaper of general circulation or by posting notices in 21
five of the most public places in the school district in which the 22
property, if it is real property, is situated, or, if it is 23
personal property, in the school district of the board of 24
education that owns the property. The board may offer real 25
property for sale as an entire tract or in parcels. 26

(B) When the board of education has offered real or personal 27
property for sale at public auction at least once pursuant to 28
division (A) of this section, and the property has not been sold, 29
the board may sell it at a private sale. Regardless of how it was 30
offered at public auction, at a private sale, the board shall, as 31
it considers best, sell real property as an entire tract or in 32
parcels, and personal property in a single lot or in several lots. 33

(C) If a board of education decides to dispose of real or 34
personal property that it owns in its corporate capacity and that 35
exceeds in value ten thousand dollars, it may sell the property to 36
the adjutant general; to any subdivision or taxing authority as 37
respectively defined in divisions (A) and (C) of section 5705.01 38
of the Revised Code, township park district, board of park 39
commissioners established under Chapter 755. of the Revised Code, 40
or park district established under Chapter 1545. of the Revised 41
Code; to a wholly or partially tax-supported university, 42
university branch, or college; or to the board of trustees of a 43
school district library, upon such terms as are agreed upon. The 44
sale of real or personal property to the board of trustees of a 45
school district library is limited, in the case of real property, 46
to a school district library within whose boundaries the real 47
property is situated, or, in the case of personal property, to a 48
school district library whose boundaries lie in whole or in part 49
within the school district of the selling board of education. 50

(D) When a board of education decides to trade as a part or an entire consideration, an item of personal property on the purchase price of an item of similar personal property, it may trade the same upon such terms as are agreed upon by the parties to the trade.

(E) The president and the treasurer of the board of education shall execute and deliver deeds or other necessary instruments of conveyance to complete any sale or trade under this section.

(F) When a board of education has identified a parcel of real property that it determines is needed for school purposes, the board may, upon a majority vote of the members of the board, acquire that property by exchanging real property that the board owns in its corporate capacity for the identified real property or by using real property that the board owns in its corporate capacity as part or an entire consideration for the purchase price of the identified real property. Any exchange or acquisition made pursuant to this division shall be made by a conveyance executed by the president and the treasurer of the board.

~~(G)(1) When a school district board of education decides to dispose of real property suitable for use as classroom space, prior to disposing of that property under divisions (A) to (F) of this section, it shall first offer that property for sale to the governing authorities of the start up community schools established under Chapter 3314. of the Revised Code located within the territory of the school district, at a price that is not higher than the appraised fair market value of that property. If more than one community school governing authority accepts the offer made by the school district board, the board shall sell the property to the governing authority that accepted the offer first in time. If no community school governing authority accepts the offer within sixty days after the offer is made by the school district board, the board may dispose of the property in the~~

~~applicable manner prescribed under divisions (A) to (F) of this section.~~ 83
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~~(2) When a school district board of education has not used real property suitable for classroom space for academic instruction, administration, storage, or any other educational purpose for one full school year and has not adopted a resolution outlining a plan for using that property for any of those purposes within the next three school years, it shall offer that property for sale to the governing authorities of the start up community schools established under Chapter 3314. of the Revised Code located within the territory of the school district, at a price that is not higher than the appraised fair market value of that property. If more than one community school governing authority accepts the offer made by the school district board, the board shall sell the property to the governing authority that accepted the offer first in time.~~ 85
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~~(H) When a school district board of education has property that the board, by resolution, finds is not needed for school district use, is obsolete, or is unfit for the use for which it was acquired, the board may donate that property in accordance with this division if the fair market value of the property is, in the opinion of the board, two thousand five hundred dollars or less.~~ 99
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The property may be donated to an eligible nonprofit organization that is located in this state and is exempt from federal income taxation pursuant to 26 U.S.C. 501(a) and (c)(3). Before donating any property under this division, the board shall adopt a resolution expressing its intent to make unneeded, obsolete, or unfit-for-use school district property available to these organizations. The resolution shall include guidelines and procedures the board considers to be necessary to implement the donation program and shall indicate whether the school district 106
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will conduct the donation program or the board will contract with 115
a representative to conduct it. If a representative is known when 116
the resolution is adopted, the resolution shall provide contact 117
information such as the representative's name, address, and 118
telephone number. 119

The resolution shall include within its procedures a 120
requirement that any nonprofit organization desiring to obtain 121
donated property under this division shall submit a written notice 122
to the board or its representative. The written notice shall 123
include evidence that the organization is a nonprofit organization 124
that is located in this state and is exempt from federal income 125
taxation pursuant to 26 U.S.C. 501(a) and (c)(3); a description of 126
the organization's primary purpose; a description of the type or 127
types of property the organization needs; and the name, address, 128
and telephone number of a person designated by the organization's 129
governing board to receive donated property and to serve as its 130
agent. 131

After adoption of the resolution, the board shall publish, in 132
a newspaper of general circulation in the school district, notice 133
of its intent to donate unneeded, obsolete, or unfit-for-use 134
school district property to eligible nonprofit organizations. The 135
notice shall include a summary of the information provided in the 136
resolution and shall be published at least twice. The second and 137
any subsequent notice shall be published not less than ten nor 138
more than twenty days after the previous notice. A similar notice 139
also shall be posted continually in the board's office, and, if 140
the school district maintains a web site on the internet, the 141
notice shall be posted continually at that web site. 142

The board or its representatives shall maintain a list of all 143
nonprofit organizations that notify the board or its 144
representative of their desire to obtain donated property under 145
this division and that the board or its representative determines 146

to be eligible, in accordance with the requirements set forth in 147
this section and in the donation program's guidelines and 148
procedures, to receive donated property. 149

The board or its representative also shall maintain a list of 150
all school district property the board finds to be unneeded, 151
obsolete, or unfit for use and to be available for donation under 152
this division. The list shall be posted continually in a 153
conspicuous location in the board's office, and, if the school 154
district maintains a web site on the internet, the list shall be 155
posted continually at that web site. An item of property on the 156
list shall be donated to the eligible nonprofit organization that 157
first declares to the board or its representative its desire to 158
obtain the item unless the board previously has established, by 159
resolution, a list of eligible nonprofit organizations that shall 160
be given priority with respect to the item's donation. Priority 161
may be given on the basis that the purposes of a nonprofit 162
organization have a direct relationship to specific school 163
district purposes of programs provided or administered by the 164
board. A resolution giving priority to certain nonprofit 165
organizations with respect to the donation of an item of property 166
shall specify the reasons why the organizations are given that 167
priority. 168

Members of the board shall consult with the Ohio ethics 169
commission, and comply with Chapters 102. and 2921. of the Revised 170
Code, with respect to any donation under this division to a 171
nonprofit organization of which a board member, any member of a 172
board member's family, or any business associate of a board member 173
is a trustee, officer, board member, or employee. 174

Sec. 3314.013. (A)(1) ~~Until July 1, 2000, no more than 175~~
~~seventy five contracts between start up schools and the state 176~~
~~board of education may be in effect outside the pilot project area 177~~

~~at any time under this chapter.~~ 178

~~(2) After July 1, 2000, and until July 1, 2001, no more than 179
one hundred twenty five contracts between start up schools and the 180
state board of education may be in effect outside the pilot 181
project area at any time under this chapter.~~ 182

~~(3) This division applies only to contracts between start up 183
schools and the state board of education and contracts between 184
start up schools and entities described in divisions (C)(1)(b) to 185
(f) of section 3314.02 of the Revised Code.~~ 186

~~Until July 1, 2005, not more than two hundred twenty five 187
contracts to which this division applies may be in effect at any 188
time under this chapter.~~ 189

~~(4) This division applies only to contracts between start up 190
schools and entities described in divisions (C)(1)(b) to (f) of 191
section 3314.02 of the Revised Code.~~ 192

~~Except as otherwise provided in section 3314.014 of the 193
Revised Code, after July 1, 2005, and until July 1, 2007, the 194
number of contracts to which this division applies in effect at 195
any time under this chapter shall be not more than thirty plus the 196
number of such contracts with schools that were open for operation 197
as of May 1, 2005.~~ 198

~~(5) This division applies only to contracts between a 199
conversion school that is an internet or computer based community 200
school or a start up school and the board of education of the 201
school district in which the school is or is proposed to be 202
located.~~ 203

~~Except as otherwise provided in section 3314.014 of the 204
Revised Code, until July 1, 2007, the number of contracts to which 205
this division applies in effect at any time under this chapter 206
shall be not more than thirty plus the number of such contracts 207
with schools that were open for operation as of May 1, 2005.~~ 208

~~(6)~~ Division (A)(1) of this section applies only to community schools that are not internet- or computer-based community schools.

Until July 1, 2010, no start-up or conversion community school subject to this division shall operate unless the school was open for instruction as of May 1, 2008. No entity described in division (C)(1) of section 3314.02 of the Revised Code shall enter into a contract to sponsor a community school subject to this division between May 1, 2008, and July 1, 2010, except that an entity may renew a contract that the entity entered into with a community school subject to this division prior to May 1, 2008, if the school was open for operation as of that date.

If a sponsor entered into a contract with a community school subject to this division but the school was not open for operation as of May 1, 2008, the contract shall be void and the entity shall not enter into another contract with the school until July 1, 2010.

(2) Until the effective date of any standards enacted by the general assembly governing the operation of internet- or computer-based community schools, no internet- or computer-based community school shall operate unless the school was open for instruction as of May 1, 2005. No entity described in division (C)(1) of section 3314.02 of the Revised Code shall enter into a contract to sponsor an internet- or computer-based community school, including a conversion school, between May 1, 2005, and the effective date of any standards enacted by the general assembly governing the operation of internet- or computer-based community schools, except as follows:

~~(a) Any that an entity described in division (C)(1) of that section~~ may renew a contract that the entity entered into with an internet- or computer-based community school prior to May 1, 2005, if the school was open for operation as of that date.

~~(b) Any entity described in divisions (C)(1)(a) to (c) of that section may assume sponsorship of an existing internet or computer-based community school that was formerly sponsored by another entity and may enter into a contract with that community school in accordance with section 3314.03 of the Revised Code.~~

~~(c) Any entity described in division (C)(1)(f) of that section may assume sponsorship of an existing internet or computer-based community school in accordance with division (A)(7) of this section and may enter into a contract with that community school in accordance with section 3314.03 of the Revised Code.~~

If a sponsor entered into a contract with an internet- or computer-based community school, including a conversion school, but the school was not open for operation as of May 1, 2005, the contract shall be void and the entity shall not enter into another contract with the school until the effective date of any standards enacted by the general assembly governing the operation of internet- or computer-based community schools.

~~(7) Until July 1, 2005, any entity described in division (C)(1)(f) of section 3314.02 of the Revised Code may sponsor only a community school that formerly was sponsored by the state board of education under division (C)(1)(d) of that section, as it existed prior to April 8, 2003. After July 1, 2005, any such entity may assume sponsorship of any existing community school, and may sponsor any new community school that is not an internet- or computer-based community school. Beginning on the effective date of any standards enacted by the general assembly governing the operation of internet or computer-based community schools, any such entity may sponsor a new internet or computer-based community school.~~

~~(8)(3)~~ Nothing in division (A) of this section prohibits a community school from increasing the number of grade levels it offers.

(B) Within twenty-four hours of a request by any person, the superintendent of public instruction shall indicate the number of preliminary agreements for start-up schools currently outstanding and the number of contracts for these schools in effect at the time of the request.

~~(C) It is the intent of the general assembly to consider whether to provide limitations on the number of start-up community schools after July 1, 2001, following its examination of the results of the studies by the legislative office of education oversight required under Section 50.39 of Am. Sub. H.B. No. 215 of the 122nd general assembly and Section 50.52.2 of Am. Sub. H.B. No. 215 of the 122nd general assembly, as amended by Am. Sub. H.B. No. 770 of the 122nd general assembly.~~

Sec. 3314.014. ~~(A)~~ As used in this chapter, "operator" means either of the following:

~~(1) An individual or organization~~ (A) A nonprofit entity that manages the daily operations of a community school pursuant to a contract between the operator and the school's governing authority;

~~(2)~~(B) A nonprofit organization that provides programmatic oversight and support to a community school under a contract with the school's governing authority and that retains the right to terminate its affiliation with the school if the school fails to meet the organization's quality standards.

~~(B)(1) Notwithstanding the limit prescribed by division (A)(4) of section 3314.013 of the Revised Code, a start-up school sponsored by an entity described in divisions (C)(1)(b) to (f) of section 3314.02 of the Revised Code may be established after the date that limit is reached, provided the school's governing authority enters into a contract with an operator permitted to manage the school under division (C) of this section.~~

~~(2) Notwithstanding the limit prescribed by division (A)(5) of section 3314.013 of the Revised Code, a conversion school that is an internet or computer based community school or a start-up school sponsored by the school district in which the school is or is proposed to be located may be established after the date that limit is reached, provided the school's governing authority enters into a contract with an operator permitted to manage the school under division (C) of this section. However, a conversion school that is an internet or computer based community school may be established after that date only if the prohibition prescribed by division (A)(6) of section 3314.013 of the Revised Code is no longer in effect.~~

~~(C) An operator may enter into contracts with the governing authorities of community schools established after the date the limit prescribed by division (A)(4) or (5) of section 3314.013 of the Revised Code, as applicable, is reached, provided the total number of schools for which the operator enters into such contracts, excluding conversion schools that are not internet or computer based community schools, does not exceed the number of community schools managed by the operator in Ohio or other states on the applicable date that are rated excellent, effective, or in need of continuous improvement pursuant to section 3302.03 of the Revised Code or perform comparably to schools so rated, as determined by the department of education.~~

~~(D) Notwithstanding the limit prescribed by division (A)(4) of section 3314.013 of the Revised Code, after the date the limit prescribed in that division is reached, the governing authority of a start-up school sponsored by an entity described in divisions (C)(1)(b) to (f) of section 3314.02 of the Revised Code may establish one additional school serving the same grade levels and providing the same educational program as the current start-up school and may open that additional school in the 2006-2007 school~~

~~year, if both of the following conditions are met:~~ 336

~~(1) The governing authority entered into another contract 337
with the same sponsor or a different sponsor described in 338
divisions (C)(1)(b) to (f) of section 3314.02 of the Revised Code 339
and filed a copy of that contract with the superintendent of 340
public instruction prior to March 15, 2006. 341~~

~~(2) The governing authority's current school satisfies all of 342
the following conditions: 343~~

~~(a) The school currently is rated as excellent or effective 344
pursuant to section 3302.03 of the Revised Code. 345~~

~~(b) The school made adequate yearly progress, as defined in 346
section 3302.01 of the Revised Code, for the previous school year. 347~~

~~(c) The school has been in operation for at least four school 348
years. 349~~

~~(d) The school is not managed by an operator. 350~~

Sec. 3314.02. (A) As used in this chapter: 351

(1) "Sponsor" means an entity listed in division (C)(1) of 352
this section, which has been approved by the department of 353
education to sponsor community schools and with which the 354
governing authority of the proposed community school enters into a 355
contract pursuant to this section. 356

(2) "Pilot project area" means the school districts included 357
in the territory of the former community school pilot project 358
established by former Section 50.52 of Am. Sub. H.B. No. 215 of 359
the 122nd general assembly. 360

(3) "Challenged school district" means any of the following: 361

(a) A school district that is part of the pilot project area; 362

(b) A school district that is either in a state of academic 363
emergency or in a state of academic watch under section 3302.03 of 364

the Revised Code;	365
(c) A big eight school district.	366
(4) "Big eight school district" means a school district that for fiscal year 1997 had both of the following:	367 368
(a) A percentage of children residing in the district and participating in the predecessor of Ohio works first greater than thirty per cent, as reported pursuant to section 3317.10 of the Revised Code;	369 370 371 372
(b) An average daily membership greater than twelve thousand, as reported pursuant to former division (A) of section 3317.03 of the Revised Code.	373 374 375
(5) "New start-up school" means a community school other than one created by converting all or part of an existing public school, as designated in the school's contract pursuant to division (A)(17) of section 3314.03 of the Revised Code.	376 377 378 379
(6) "Urban school district" means one of the state's twenty-one urban school districts as defined in division (O) of section 3317.02 of the Revised Code as that section existed prior to July 1, 1998.	380 381 382 383
(7) "Internet- or computer-based community school" means a community school established under this chapter in which the enrolled students work primarily from their residences on assignments in nonclassroom-based learning opportunities provided via an internet- or other computer-based instructional method that does not rely on regular classroom instruction or via comprehensive instructional methods that include internet-based, other computer-based, and noncomputer-based learning opportunities.	384 385 386 387 388 389 390 391 392
(B) Any person or group of individuals may initially propose under this division the conversion of all or a portion of a public	393 394

school to a community school. The proposal shall be made to the 395
board of education of the city, local, or exempted village school 396
district in which the public school is proposed to be converted. 397
Upon receipt of a proposal, a board may enter into a preliminary 398
agreement with the person or group proposing the conversion of the 399
public school, indicating the intention of the board of education 400
to support the conversion to a community school. A proposing 401
person or group that has a preliminary agreement under this 402
division may proceed to finalize plans for the school, establish a 403
governing authority for the school, and negotiate a contract with 404
the board of education. Provided the proposing person or group 405
adheres to the preliminary agreement and all provisions of this 406
chapter, the board of education shall negotiate in good faith to 407
enter into a contract in accordance with section 3314.03 of the 408
Revised Code and division (C) of this section. 409

(C)(1) Any person or group of individuals may propose under 410
this division the establishment of a new start-up school to be 411
located in a challenged school district. The proposal may be made 412
to any of the following entities: 413

(a) The board of education of the district in which the 414
school is proposed to be located; 415

(b) The board of education of any joint vocational school 416
district with territory in the county in which is located the 417
majority of the territory of the district in which the school is 418
proposed to be located; 419

(c) The board of education of any other city, local, or 420
exempted village school district having territory in the same 421
county where the district in which the school is proposed to be 422
located has the major portion of its territory; 423

(d) The governing board of any educational service center, as 424
long as the proposed school will be located in a county within the 425

territory of the service center or in a county contiguous to such 426
county; 427

(e) A sponsoring authority designated by the board of 428
trustees of any of the thirteen state universities listed in 429
section 3345.011 of the Revised Code or the board of trustees 430
itself as long as a mission of the proposed school to be specified 431
in the contract under division (A)(2) of section 3314.03 of the 432
Revised Code and as approved by the department of education under 433
division (B)(2) of section 3314.015 of the Revised Code will be 434
the practical demonstration of teaching methods, educational 435
technology, or other teaching practices that are included in the 436
curriculum of the university's teacher preparation program 437
approved by the state board of education; 438

(f) Any qualified tax-exempt entity under section 501(c)(3) 439
of the Internal Revenue Code as long as all of the following 440
conditions are satisfied: 441

(i) The entity has been in operation for at least five years 442
prior to applying to be a community school sponsor. 443

(ii) The entity has assets of at least five hundred thousand 444
dollars and a demonstrated record of financial responsibility. 445

(iii) The department of education has determined that the 446
entity is an education-oriented entity under division (B)(3) of 447
section 3314.015 of the Revised Code and the entity has a 448
demonstrated record of successful implementation of educational 449
programs. 450

(iv) The entity is not a community school. 451

Any entity described in division (C)(1) of this section may 452
enter into a preliminary agreement pursuant to division (C)(2) of 453
this section with the proposing person or group. 454

(2) A preliminary agreement indicates the intention of an 455

entity described in division (C)(1) of this section to sponsor the
community school. A proposing person or group that has such a
preliminary agreement may proceed to finalize plans for the
school, establish a governing authority as described in division
(E) of this section for the school, and negotiate a contract with
the entity. Provided the proposing person or group adheres to the
preliminary agreement and all provisions of this chapter, the
entity shall negotiate in good faith to enter into a contract in
accordance with section 3314.03 of the Revised Code.

(3) A new start-up school that is established in a school
district while that district is either in a state of academic
emergency or in a state of academic watch under section 3302.03 of
the Revised Code may continue in existence once the school
district is no longer in a state of academic emergency or academic
watch, provided there is a valid contract between the school and a
sponsor.

(4) A copy of every preliminary agreement entered into under
this division shall be filed with the superintendent of public
instruction.

(D) A majority vote of the board of a sponsoring entity and a
majority vote of the members of the governing authority of a
community school shall be required to adopt a contract and convert
the public school to a community school or establish the new
start-up school. Beginning September 29, 2005, adoption of the
contract shall occur not later than the fifteenth day of March,
and signing of the contract shall occur not later than the
fifteenth day of May, prior to the school year in which the school
will open. The governing authority shall notify the department of
education when the contract has been signed. Subject to ~~sections~~
section 3314.013, ~~3314.014, 3314.016, and 3314.017~~ of the Revised
Code, an unlimited number of community schools may be established
in any school district provided that a contract is entered into

for each community school pursuant to this chapter. 488

(E)(1) As used in this division, "immediate relatives" are 489
limited to spouses, children, parents, grandparents, siblings, and 490
in-laws. 491

Each new start-up community school established under this 492
chapter shall be under the direction of a governing authority 493
which shall consist of a board of not less than five individuals. 494

No person shall serve on the governing authority or operate 495
the community school under contract with the governing authority 496
so long as the person owes the state any money or is in a dispute 497
over whether the person owes the state any money concerning the 498
operation of a community school that has closed. 499

(2) No person shall serve on the governing authorities of 500
more than two start-up community schools at the same time. 501

(3) No present or former member, or immediate relative of a 502
present or former member, of the governing authority of any 503
community school established under this chapter shall be an owner, 504
employee, or consultant of any ~~nonprofit or for-profit~~ operator of 505
a community school, unless at least one year has elapsed since the 506
conclusion of the person's membership. 507

(F) Nothing in this chapter shall be construed to permit the 508
establishment of a community school in more than one school 509
district under the same contract. 510

(G)(1) A new start-up school that is established prior to 511
August 15, 2003, in an urban school district that is not also a 512
big-eight school district may continue to operate after that date 513
and the contract between the school's governing authority and the 514
school's sponsor may be renewed, as provided under this chapter, 515
after that date, but no additional new start-up schools may be 516
established in such a district unless the district is a challenged 517
school district as defined in this section as it exists on and 518

after that date. 519

(2) A community school that was established prior to June 29, 520
1999, and is located in a county contiguous to the pilot project 521
area and in a school district that is not a challenged school 522
district may continue to operate after that date, provided the 523
school complies with all provisions of this chapter. The contract 524
between the school's governing authority and the school's sponsor 525
may be renewed, but no additional start-up community school may be 526
established in that district unless the district is a challenged 527
school district. 528

(3) Any educational service center that, on ~~the effective~~ 529
~~date of this amendment~~ June 30, 2007, sponsors a community school 530
that is not located in a county within the territory of the 531
service center or in a county contiguous to such county may 532
continue to sponsor that community school on and after ~~the~~ 533
~~effective date of this amendment~~ June 30, 2007, and may renew its 534
contract with the school. However, the educational service center 535
shall not enter into a contract with any additional community 536
school unless the school is located in a county within the 537
territory of the service center or in a county contiguous to such 538
county. 539

Sec. 3314.021. (A) This section applies to any entity that is 540
exempt from taxation under section 501(c)(3) of the Internal 541
Revenue Code and that satisfies the conditions specified in 542
divisions (C)(1)(f)(ii) and (iii) of section 3314.02 of the 543
Revised Code but does not satisfy the condition specified in 544
division (C)(1)(f)(i) of that section. 545

(B) Notwithstanding division (C)(1)(f)(i) of section 3314.02 546
of the Revised Code, an entity described in division (A) of this 547
section may do both of the following without obtaining the 548
department of education's approval of its sponsorship under 549

division (B)(1) of section 3314.015 of the Revised Code: 550

(1) Succeed the board of trustees of a state university 551
located in the pilot project area or that board's designee as the 552
sponsor of a community school established under this chapter; 553

(2) Continue to sponsor that school in conformance with the 554
terms of the contract between the board of trustees or its 555
designee and the governing authority of the community school and 556
renew that contract as provided in division (E) of section 3314.03 557
of the Revised Code. 558

(C) The entity that succeeds the board of trustees or the 559
board's designee as sponsor of a community school under division 560
(B) of this section also may enter into contracts to sponsor other 561
community schools located in any challenged school district, 562
without obtaining the department's approval of its sponsorship 563
under division (B)(1) of section 3314.015 of the Revised Code, ~~and~~ 564
~~not subject to the restriction of division (A)(7) of section~~ 565
~~3314.013 of the Revised Code,~~ as long as the contracts conform 566
with and the entity complies with all other requirements of this 567
chapter. 568

Sec. 3314.027. If, on the effective date of this section, the 569
governing authority of a community school has a contract with an 570
operator that is not a nonprofit entity as required by section 571
3314.014 of the Revised Code, as it exists on and after the 572
effective date of this section, the governing authority shall not 573
be subject to the requirement that an operator of a community 574
school be a nonprofit entity until the expiration of that 575
contract. If the governing authority elects to continue management 576
of the school by an operator after the expiration of that 577
contract, the governing authority shall enter into a contract with 578
a new operator that complies with section 3314.014 of the Revised 579
Code, as it exists on and after the effective date of this 580

section. Section 3314.026 of the Revised Code shall not apply to 581
any operator that is not a nonprofit entity and whose contract is 582
not renewed pursuant to this section. 583

Sec. 3314.051. (A) When the governing authority of a 584
community school that acquired real property from a school 585
district pursuant to division (G)(2) of section 3313.41 of the 586
Revised Code, as it existed prior to the effective date of this 587
amendment, decides to dispose of that property, it first shall 588
offer that property for sale to the school district board of 589
education from which it acquired the property, at a price that is 590
not higher than the appraised fair market value of that property. 591
If the district board does not accept the offer within sixty days 592
after the offer is made, the community school may dispose of the 593
property in another lawful manner. 594

(B) When a community school that acquired real property from 595
a school district pursuant to division (G)(2) of section 3313.41 596
of the Revised Code, as it existed prior to the effective date of 597
this amendment, permanently closes, in distributing the school's 598
assets under section 3314.074 of the Revised Code, that property 599
first shall be offered for sale to the school district board of 600
education from which the community school acquired the property, 601
at a price that is not higher than the appraised fair market value 602
of that property. If the district board does not accept the offer 603
within sixty days after the offer is made, the property may be 604
disposed in another lawful manner. 605

Sec. 3318.08. Except in the case of a joint vocational school 606
district that receives assistance under sections 3318.40 to 607
3318.45 of the Revised Code, if the requisite favorable vote on 608
the election is obtained, or if the school district board has 609
resolved to apply the proceeds of a property tax levy or the 610

proceeds of an income tax, or a combination of proceeds from such 611
taxes, as authorized in section 3318.052 of the Revised Code, the 612
Ohio school facilities commission, upon certification to it of 613
either the results of the election or the resolution under section 614
3318.052 of the Revised Code, shall enter into a written agreement 615
with the school district board for the construction and sale of 616
the project. In the case of a joint vocational school district 617
that receives assistance under sections 3318.40 to 3318.45 of the 618
Revised Code, if the school district board of education and the 619
school district electors have satisfied the conditions prescribed 620
in division (D)(1) of section 3318.41 of the Revised Code, the 621
commission shall enter into an agreement with the school district 622
board for the construction and sale of the project. In either 623
case, the agreement shall include, but need not be limited to, the 624
following provisions: 625

(A) The sale and issuance of bonds or notes in anticipation 626
thereof, as soon as practicable after the execution of the 627
agreement, in an amount equal to the school district's portion of 628
the basic project cost, including any securities authorized under 629
division (J) of section 133.06 of the Revised Code and dedicated 630
by the school district board to payment of the district's portion 631
of the basic project cost of the project; provided, that if at 632
that time the county treasurer of each county in which the school 633
district is located has not commenced the collection of taxes on 634
the general duplicate of real and public utility property for the 635
year in which the controlling board approved the project, the 636
school district board shall authorize the issuance of a first 637
installment of bond anticipation notes in an amount specified by 638
the agreement, which amount shall not exceed an amount necessary 639
to raise the net bonded indebtedness of the school district as of 640
the date of the controlling board's approval to within five 641
thousand dollars of the required level of indebtedness for the 642
preceding year. In the event that a first installment of bond 643

anticipation notes is issued, the school district board shall, as 644
soon as practicable after the county treasurer of each county in 645
which the school district is located has commenced the collection 646
of taxes on the general duplicate of real and public utility 647
property for the year in which the controlling board approved the 648
project, authorize the issuance of a second and final installment 649
of bond anticipation notes or a first and final issue of bonds. 650

The combined value of the first and second installment of 651
bond anticipation notes or the value of the first and final issue 652
of bonds shall be equal to the school district's portion of the 653
basic project cost. The proceeds of any such bonds shall be used 654
first to retire any bond anticipation notes. Otherwise, the 655
proceeds of such bonds and of any bond anticipation notes, except 656
the premium and accrued interest thereon, shall be deposited in 657
the school district's project construction fund. In determining 658
the amount of net bonded indebtedness for the purpose of fixing 659
the amount of an issue of either bonds or bond anticipation notes, 660
gross indebtedness shall be reduced by moneys in the bond 661
retirement fund only to the extent of the moneys therein on the 662
first day of the year preceding the year in which the controlling 663
board approved the project. Should there be a decrease in the tax 664
valuation of the school district so that the amount of 665
indebtedness that can be incurred on the tax duplicates for the 666
year in which the controlling board approved the project is less 667
than the amount of the first installment of bond anticipation 668
notes, there shall be paid from the school district's project 669
construction fund to the school district's bond retirement fund to 670
be applied against such notes an amount sufficient to cause the 671
net bonded indebtedness of the school district, as of the first 672
day of the year following the year in which the controlling board 673
approved the project, to be within five thousand dollars of the 674
required level of indebtedness for the year in which the 675
controlling board approved the project. The maximum amount of 676

indebtedness to be incurred by any school district board as its 677
share of the cost of the project is either an amount that will 678
cause its net bonded indebtedness, as of the first day of the year 679
following the year in which the controlling board approved the 680
project, to be within five thousand dollars of the required level 681
of indebtedness, or an amount equal to the required percentage of 682
the basic project costs, whichever is greater. All bonds and bond 683
anticipation notes shall be issued in accordance with Chapter 133. 684
of the Revised Code, and notes may be renewed as provided in 685
section 133.22 of the Revised Code. 686

(B) The transfer of such funds of the school district board 687
available for the project, together with the proceeds of the sale 688
of the bonds or notes, except premium, accrued interest, and 689
interest included in the amount of the issue, to the school 690
district's project construction fund; 691

(C) For all school districts except joint vocational school 692
districts that receive assistance under sections 3318.40 to 693
3318.45 of the Revised Code, the following provisions as 694
applicable: 695

(1) If section 3318.052 of the Revised Code applies, the 696
earmarking of the proceeds of a tax levied under section 5705.21 697
of the Revised Code for general permanent improvements or under 698
section 5705.218 of the Revised Code for the purpose of permanent 699
improvements, or the proceeds of a school district income tax 700
levied under Chapter 5748. of the Revised Code, or the proceeds 701
from a combination of those two taxes, in an amount to pay all or 702
part of the service charges on bonds issued to pay the school 703
district portion of the project and an amount equivalent to all or 704
part of the tax required under division (B) of section 3318.05 of 705
the Revised Code; 706

(2) If section 3318.052 of the Revised Code does not apply, 707
one of the following: 708

(a) The levy of the tax authorized at the election for the 709
payment of maintenance costs, as specified in division (B) of 710
section 3318.05 of the Revised Code; 711

(b) If the school district electors have approved a 712
continuing tax for general permanent improvements under section 713
5705.21 of the Revised Code and that tax can be used for 714
maintenance, the earmarking of an amount of the proceeds from such 715
tax for maintenance of classroom facilities as specified in 716
division (B) of section 3318.05 of the Revised Code; 717

(c) If, in lieu of the tax otherwise required under division 718
(B) of section 3318.05 of the Revised Code, the commission has 719
approved the transfer of money to the maintenance fund in 720
accordance with section 3318.051 of the Revised Code, a 721
requirement that the district board comply with the provisions 722
that section. The district board may rescind the provision 723
prescribed under division (C)(2)(c) of this section only so long 724
as the electors of the district have approved, in accordance with 725
section 3318.063 of the Revised Code, the levy of a tax for the 726
maintenance of the classroom facilities acquired under the 727
district's project and that levy continues to be collected as 728
approved by the electors. 729

(D) For joint vocational school districts that receive 730
assistance under sections 3318.40 to 3318.45 of the Revised Code, 731
provision for deposit of school district moneys dedicated to 732
maintenance of the classroom facilities acquired under those 733
sections as prescribed in section 3318.43 of the Revised Code; 734

(E) Dedication of any local donated contribution as provided 735
for under section 3318.084 of the Revised Code, including a 736
schedule for depositing such moneys applied as an offset of the 737
district's obligation to levy the tax described in division (B) of 738
section 3318.05 of the Revised Code as required under division 739
(D)(2) of section 3318.084 of the Revised Code; 740

(F) Ownership of or interest in the project during the period 741
of construction, which shall be divided between the commission and 742
the school district board in proportion to their respective 743
contributions to the school district's project construction fund; 744

(G) Maintenance of the state's interest in the project until 745
any obligations issued for the project under section 3318.26 of 746
the Revised Code are no longer outstanding; 747

(H) The insurance of the project by the school district from 748
the time there is an insurable interest therein and so long as the 749
state retains any ownership or interest in the project pursuant to 750
division (F) of this section, in such amounts and against such 751
risks as the commission shall require; provided, that the cost of 752
any required insurance until the project is completed shall be a 753
part of the basic project cost; 754

(I) The certification by the director of budget and 755
management that funds are available and have been set aside to 756
meet the state's share of the basic project cost as approved by 757
the controlling board pursuant to either section 3318.04 or 758
division (B)(1) of section 3318.41 of the Revised Code; 759

(J) Authorization of the school district board to advertise 760
for and receive construction bids for the project, for and on 761
behalf of the commission, and to award contracts in the name of 762
the state subject to approval by the commission; 763

(K) Provisions for the disbursement of moneys from the school 764
district's project account upon issuance by the commission or the 765
commission's designated representative of vouchers for work done 766
to be certified to the commission by the treasurer of the school 767
district board; 768

(L) Disposal of any balance left in the school district's 769
project construction fund upon completion of the project; 770

(M) Limitations upon use of the project or any part of it so 771

long as any obligations issued to finance the project under 772
section 3318.26 of the Revised Code are outstanding; 773

(N) Provision for vesting the state's interest in the project 774
to the school district board when the obligations issued to 775
finance the project under section 3318.26 of the Revised Code are 776
outstanding; 777

(O) Provision for deposit of an executed copy of the 778
agreement in the office of the commission; 779

(P) Provision for termination of the contract and release of 780
the funds encumbered at the time of the conditional approval, if 781
the proceeds of the sale of the bonds of the school district board 782
are not paid into the school district's project construction fund 783
and if bids for the construction of the project have not been 784
taken within such period after the execution of the agreement as 785
may be fixed by the commission; 786

(Q) Provision for the school district to maintain the project 787
in accordance with a plan approved by the commission; 788

(R)(1) For all school districts except a district undertaking 789
a project under section 3318.38 of the Revised Code or a joint 790
vocational school district undertaking a project under sections 791
3318.40 to 3318.45 of the Revised Code, provision that all state 792
funds reserved and encumbered to pay the state share of the cost 793
of the project pursuant to section 3318.03 of the Revised Code be 794
spent on the construction or acquisition of the project prior to 795
the expenditure of any funds provided by the school district to 796
pay for its share of the project cost, unless the school district 797
certifies to the commission that expenditure by the school 798
district is necessary to maintain the tax-exempt status of notes 799
or bonds issued by the school district to pay for its share of the 800
project cost or to comply with applicable temporary investment 801
periods or spending exceptions to rebate as provided for under 802

federal law in regard to those notes or bonds, in which cases, the 803
school district may commit to spend, or spend, a portion of the 804
funds it provides; 805

(2) For a school district undertaking a project under section 806
3318.38 of the Revised Code or a joint vocational school district 807
undertaking a project under sections 3318.40 to 3318.45 of the 808
Revised Code, provision that the state funds reserved and 809
encumbered and the funds provided by the school district to pay 810
the basic project cost of any segment of the project, or of the 811
entire project if it is not divided into segments, be spent on the 812
construction and acquisition of the project simultaneously in 813
proportion to the state's and the school district's respective 814
shares of that basic project cost as determined under section 815
3318.032 of the Revised Code or, if the district is a joint 816
vocational school district, under section 3318.42 of the Revised 817
Code. 818

(S) A provision stipulating that the commission may prohibit 819
the district from proceeding with any project if the commission 820
determines that the site is not suitable for construction 821
purposes. The commission may perform soil tests in its 822
determination of whether a site is appropriate for construction 823
purposes. 824

(T) A provision stipulating that, unless otherwise authorized 825
by the commission, any contingency reserve portion of the 826
construction budget prescribed by the commission shall be used 827
only to pay costs resulting from unforeseen job conditions, to 828
comply with rulings regarding building and other codes, to pay 829
costs related to design clarifications or corrections to contract 830
documents, and to pay the costs of settlements or judgments 831
related to the project as provided under section 3318.086 of the 832
Revised Code. 833

~~(U) Provision stipulating that for continued release of 834~~

~~project funds the school district board shall comply with section 835
3313.41 of the Revised Code throughout the project and shall 836
notify the department of education and the Ohio community school 837
association when the board plans to dispose of facilities by sale 838
under that section; 839~~

~~(V) Provision that the commission shall not approve a 840
contract for demolition of a facility until the school district 841
board has complied with section 3313.41 of the Revised Code 842
relative to that facility, unless demolition of that facility is 843
to clear a site for construction of a replacement facility 844
included in the district's project. 845~~

Section 2. That existing sections 3313.41, 3314.013, 846
3314.014, 3314.02, 3314.021, 3314.051, and 3318.08 and sections 847
3314.016 and 3314.017 of the Revised Code are hereby repealed. 848

Section 3. Section 3314.014 of the Revised Code is presented 849
in this act as a composite of the section as amended by both Am. 850
Sub. H.B. 79 and Am. Sub. H.B. 276 of the 126th General Assembly. 851
The General Assembly, applying the principle stated in division 852
(B) of section 1.52 of the Revised Code that amendments are to be 853
harmonized if reasonably capable of simultaneous operation, finds 854
that the composite is the resulting version of the section in 855
effect prior to the effective date of the section as presented in 856
this act. 857