

AN ACT

To amend sections 3301.07, 3301.16, 3302.05, 3302.07, 3306.01, 3306.02, 3306.05, 3306.06, 3306.07, 3306.08, 3306.09, 3306.091, 3306.10, 3315.18, 3315.19, 3316.06, 3316.16, 3317.018, 3317.024, 3321.01, and 3321.05; to enact section 3301.96; and to repeal sections 3306.18, 3306.25, 3306.30, 3306.31, 3306.33, 3306.34, 3306.35, 3306.40, 3313.821, 3313.822, 3315.17, 3315.171, and 3318.312 of the Revised Code; and to repeal Section 265.70.70 of Am. Sub. H.B. 1 of the 128th General Assembly and Section 9 of Sub. H.B. 318 of the 128th General Assembly to eliminate spending and reporting requirements related to the school funding system, to eliminate the prohibition on unit funding for gifted student services effective after fiscal year 2011, to eliminate the requirement that school districts offer all-day kindergarten, to eliminate the requirement that school districts annually set aside operating funds for textbooks and instructional materials, and to eliminate the requirement that school districts establish family and civic engagement teams except as required for implementation of federal "Race to the Top" grants.

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

SECTION 1. That sections 3301.07, 3301.16, 3302.05, 3302.07, 3306.01, 3306.02, 3306.05, 3306.06, 3306.07, 3306.08, 3306.09, 3306.091, 3306.10, 3315.18, 3315.19, 3316.06, 3316.16, 3317.018, 3317.024, 3321.01, and 3321.05 be amended and section 3301.96 of the Revised Code be enacted to read as follows:

Sec. 3301.07. The state board of education shall exercise under the acts of the general assembly general supervision of the system of public education in the state. In addition to the powers otherwise imposed on the state board under the provisions of law, the board shall have the powers described in this section.

(A) The state board shall exercise policy forming, planning, and evaluative functions for the public schools of the state except as otherwise provided by law.

(B)(1) The state board shall exercise leadership in the improvement of public education in this state, and administer the educational policies of this state relating to public schools, and relating to instruction and instructional material, building and equipment, transportation of pupils, administrative responsibilities of school officials and personnel, and finance and organization of school districts, educational service centers, and territory. Consultative and advisory services in such matters shall be provided by the board to school districts and educational service centers of this state.

(2) The state board also shall develop a standard of financial reporting which shall be used by each school district board of education and educational service center governing board to make its financial information and annual budgets for each school building under its control available to the public in a format understandable by the average citizen. The format shall show, among other things, at the district and educational service center level or at the school building level, as determined appropriate by the department of education, revenue by source; expenditures for salaries, wages, and benefits of employees, showing such amounts separately for classroom teachers, other employees required to hold licenses issued pursuant to sections 3319.22 to 3319.31 of the Revised Code, and all other employees; expenditures other than for personnel, by category, including utilities, textbooks and other educational materials, equipment, permanent improvements, pupil transportation, extracurricular athletics, and other extracurricular activities; and per pupil expenditures.

(C) The state board shall administer and supervise the allocation and distribution of all state and federal funds for public school education under the provisions of law, and may prescribe such systems of accounting as are necessary and proper to this function. It may require county auditors and treasurers, boards of education, educational service center governing boards, treasurers of such boards, teachers, and other school officers and employees, or other public officers or employees, to file with it such reports as it may prescribe relating to such funds, or to the management and condition of such funds.

(D)(1) Wherever in Titles IX, XXIII, XXIX, XXXIII, XXXVII, XLVII, and LI of the Revised Code a reference is made to standards prescribed under this section or division (D) of this section, that reference shall be construed to refer to the standards prescribed under division (D)(2) of this section, unless the context specifically indicates a different meaning or intent.

(2) The state board shall formulate and prescribe minimum standards to be applied to all elementary and secondary schools in this state for the purpose of requiring a general education of high quality. Such standards shall provide adequately for: the licensing of teachers, administrators, and other professional personnel and their assignment according to training and qualifications; efficient and effective instructional materials and equipment, including library facilities; the proper organization, administration, and supervision of each school, including regulations for preparing all necessary records and reports and the preparation of a statement of policies and objectives for each school; buildings, grounds, health and sanitary facilities and services; admission of pupils, and such requirements for their promotion from grade to grade as will assure that they are capable and prepared for the level of study to which they are certified; requirements for graduation; and such other factors as the board finds necessary.

In the formulation and administration of such standards for nonpublic schools the board shall also consider the particular needs, methods and objectives of those schools, provided they do not conflict with the provision of a general education of a high quality and provided that regular procedures shall be followed for promotion from grade to grade of pupils who have met the educational requirements prescribed.

In the formulation and administration of such standards as they relate to instructional materials and equipment in public schools, including library materials, the board shall require that the material and equipment be aligned with and promote skills expected under the statewide academic standards adopted under section 3301.079 of the Revised Code.

(3) In addition to the minimum standards required by division (D)(2) of this section, the state board shall formulate and prescribe the following additional minimum operating standards for school districts:

(a) Standards for the effective and efficient organization, administration, and supervision of each school district so that it becomes a thinking and learning organization according to principles of systems design and collaborative professional learning communities research as defined by the superintendent of public instruction, including a focus on the personalized and individualized needs of each student; a shared responsibility among

school boards, administrators, faculty, and staff to develop a common vision, mission, and set of guiding principles; a shared responsibility among school boards, administrators, faculty, and staff to engage in a process of collective inquiry, action orientation, and experimentation to ensure the academic success of all students; commitment to teaching and learning strategies that utilize technological tools and emphasize inter-disciplinary, real-world, project-based, and technology-oriented learning experiences to meet the individual needs of every student; commitment to high expectations for every student and commitment to closing the achievement gap so that all students achieve core knowledge and skills in accordance with the statewide academic standards adopted under section 3301.079 of the Revised Code; commitment to the use of assessments to diagnose the needs of each student; effective connections and relationships with families and others that support student success; and commitment to the use of positive behavior intervention supports throughout a district to ensure a safe and secure learning environment for all students;

~~(b) Standards for the establishment of business advisory councils and family and civic engagement teams by school districts under sections section 3313.82, 3313.821, and 3313.822 of the Revised Code;~~

~~(c) Standards incorporating the classifications for the components of the adequacy amount under Chapter 3306. of the Revised Code into core academic strategy components and academic improvement components, as specified in rules adopted under section 3306.25 of the Revised Code;~~

~~(d) Standards for school district organizational units, as defined in sections 3306.02 and 3306.04 of the Revised Code, that require:~~

~~(i) The effective and efficient organization, administration, and supervision of each school district organizational unit so that it becomes a thinking and learning organization according to principles of systems design and collaborative professional learning communities research as defined by the state superintendent, including a focus on the personalized and individualized needs of each student; a shared responsibility among organizational unit administrators, faculty, and staff to develop a common vision, mission, and set of guiding principles; a shared responsibility among organizational unit administrators, faculty, and staff to engage in a process of collective inquiry, action orientation, and experimentation to ensure the academic success of all students; commitment to job embedded professional development and professional mentoring and coaching; established periods of time for teachers to pursue planning time for the development of lesson plans, professional development, and shared learning; commitment to effective management strategies that allow administrators reasonable access~~

to classrooms for observation and professional development experiences; commitment to teaching and learning strategies that utilize technological tools and emphasize inter-disciplinary, real-world, project-based, and technology-oriented learning experiences to meet the individual needs of every student; commitment to high expectations for every student and commitment to closing the achievement gap so that all students achieve core knowledge and skills in accordance with the statewide academic standards adopted under section 3301.079 of the Revised Code; commitment to the use of assessments to diagnose the needs of each student; effective connections and relationships with families and others that support student success; commitment to the use of positive behavior intervention supports throughout the organizational unit to ensure a safe and secure learning environment for all students;

(ii) A school organizational unit leadership team to coordinate positive behavior intervention supports, ~~family and civic engagement services~~, learning environments, thinking and learning systems, collaborative planning, planning time, student academic interventions, student extended learning opportunities, and other activities identified by the team and approved by the district board of education. The team shall include the building principal, representatives from each collective bargaining unit, the building lead teacher, parents, business representatives, and others that support student success.

(E) The state board may require as part of the health curriculum information developed under section 2108.34 of the Revised Code promoting the donation of anatomical gifts pursuant to Chapter 2108. of the Revised Code and may provide the information to high schools, educational service centers, and joint vocational school district boards of education;

(F) The state board shall prepare and submit annually to the governor and the general assembly a report on the status, needs, and major problems of the public schools of the state, with recommendations for necessary legislative action and a ten-year projection of the state's public and nonpublic school enrollment, by year and by grade level.

(G) The state board shall prepare and submit to the director of budget and management the biennial budgetary requests of the state board of education, for its agencies and for the public schools of the state.

(H) The state board shall cooperate with federal, state, and local agencies concerned with the health and welfare of children and youth of the state.

(I) The state board shall require such reports from school districts and educational service centers, school officers, and employees as are necessary

and desirable. The superintendents and treasurers of school districts and educational service centers shall certify as to the accuracy of all reports required by law or state board or state department of education rules to be submitted by the district or educational service center and which contain information necessary for calculation of state funding. Any superintendent who knowingly falsifies such report shall be subject to license revocation pursuant to section 3319.31 of the Revised Code.

(J) In accordance with Chapter 119. of the Revised Code, the state board shall adopt procedures, standards, and guidelines for the education of children with disabilities pursuant to Chapter 3323. of the Revised Code, including procedures, standards, and guidelines governing programs and services operated by county boards of developmental disabilities pursuant to section 3323.09 of the Revised Code.

(K) For the purpose of encouraging the development of special programs of education for academically gifted children, the state board shall employ competent persons to analyze and publish data, promote research, advise and counsel with boards of education, and encourage the training of teachers in the special instruction of gifted children. The board may provide financial assistance out of any funds appropriated for this purpose to boards of education and educational service center governing boards for developing and conducting programs of education for academically gifted children.

(L) The state board shall require that all public schools emphasize and encourage, within existing units of study, the teaching of energy and resource conservation as recommended to each district board of education by leading business persons involved in energy production and conservation, beginning in the primary grades.

(M) The state board shall formulate and prescribe minimum standards requiring the use of phonics as a technique in the teaching of reading in grades kindergarten through three. In addition, the state board shall provide in-service training programs for teachers on the use of phonics as a technique in the teaching of reading in grades kindergarten through three.

(N) The state board may adopt rules necessary for carrying out any function imposed on it by law, and may provide rules as are necessary for its government and the government of its employees, and may delegate to the superintendent of public instruction the management and administration of any function imposed on it by law. It may provide for the appointment of board members to serve on temporary committees established by the board for such purposes as are necessary. Permanent or standing committees shall not be created.

~~Compliancee~~ (O) Upon application from the board of education of a

school district, the superintendent of public instruction may issue a waiver exempting the district from compliance with the standards adopted under divisions (B)(2) and (D) of this section, as they relate to the operation of a school operated by a school the district, may be waived by the state superintendent pursuant to section 3306.40 of the Revised Code. The state board shall adopt standards for the approval or disapproval of waivers under this division. The state superintendent shall consider every application for a waiver, and shall determine whether to grant or deny a waiver in accordance with the state board's standards. For each waiver granted, the state superintendent shall specify the period of time during which the waiver is in effect, which shall not exceed five years. A district board may apply to renew a waiver.

Sec. 3301.16. Pursuant to standards prescribed by the state board of education as provided in division (D) of section 3301.07 of the Revised Code, the state board shall classify and charter school districts and individual schools within each district except that no charter shall be granted to a nonpublic school unless the school complies with section 3313.612 of the Revised Code.

In the course of considering the charter of a new school district created under section 3311.26 or 3311.38 of the Revised Code, the state board shall require the party proposing creation of the district to submit to the board a map, certified by the county auditor of the county in which the proposed new district is located, showing the boundaries of the proposed new district. In the case of a proposed new district located in more than one county, the map shall be certified by the county auditor of each county in which the proposed district is located.

The state board shall revoke the charter of any school district or school which fails to meet the standards for elementary and high schools as prescribed by the board. The state board shall also revoke the charter of any nonpublic school that does not comply with section 3313.612 of the Revised Code. The state board may revoke the charter of any school district that fails to meet the operating standards established under division (D)(3) of section 3301.07 of the Revised Code.

In the issuance and revocation of school district or school charters, the state board shall be governed by the provisions of Chapter 119. of the Revised Code.

No school district, or individual school operated by a school district, shall operate without a charter issued by the state board under this section.

In case a school district charter is revoked pursuant to this section, the state board may dissolve the school district and transfer its territory to one or

more adjacent districts. An equitable division of the funds, property, and indebtedness of the school district shall be made by the state board among the receiving districts. The board of education of a receiving district shall accept such territory pursuant to the order of the state board. Prior to dissolving the school district, the state board shall notify the appropriate educational service center governing board and all adjacent school district boards of education of its intention to do so. Boards so notified may make recommendations to the state board regarding the proposed dissolution and subsequent transfer of territory. Except as provided in section 3301.161 of the Revised Code, the transfer ordered by the state board shall become effective on the date specified by the state board, but the date shall be at least thirty days following the date of issuance of the order.

A high school is one of higher grade than an elementary school, in which instruction and training are given in accordance with sections 3301.07 and 3313.60 of the Revised Code and which also offers other subjects of study more advanced than those taught in the elementary schools and such other subjects as may be approved by the state board of education.

An elementary school is one in which instruction and training are given in accordance with sections 3301.07 and 3313.60 of the Revised Code and which offers such other subjects as may be approved by the state board of education. In districts wherein a junior high school is maintained, the elementary schools in that district may be considered to include only the work of the first six school years inclusive, plus the kindergarten year.

A high school or an elementary school may consist of less than one or more than one organizational unit, as defined in sections 3306.02 and 3306.04 of the Revised Code.

Sec. 3301.96. Any school district that is required by the agreement for a grant awarded under the federal Race to the Top program, Division (A), Title XIV, Sections 14005 and 14006 of the "American Recovery and Reinvestment Act of 2009," Pub. L. No. 111-5, 123 Stat. 115, to employ a linkage coordinator and engage in other activities for closing the achievement gap and increasing the graduation rate or to have a family and civic engagement team shall continue to comply with those provisions for the life of the grant award, in the manner provided for by former sections 3306.31, 3313.821, and 3313.822 of the Revised Code, which sections were repealed by Sub. H.B. 30 of the 129th general assembly.

Sec. 3302.05. The state board of education shall adopt rules freeing school districts declared to be excellent under division (B)(1) or effective under division (B)(2) of section 3302.03 of the Revised Code from specified state mandates. Any mandates included in the rules shall be only those

statutes or rules pertaining to state education requirements. The rules shall not exempt districts from any standard or requirement of ~~Chapter 3306.~~ section 3306.09 of the Revised Code or from any operating standard adopted under division (D)(3) of section 3301.07 of the Revised Code.

Sec. 3302.07. (A) The board of education of any school district, the governing board of any educational service center, or the administrative authority of any chartered nonpublic school may submit to the state board of education an application proposing an innovative education pilot program the implementation of which requires exemptions from specific statutory provisions or rules. If a district or service center board employs teachers under a collective bargaining agreement adopted pursuant to Chapter 4117. of the Revised Code, any application submitted under this division shall include the written consent of the teachers' employee representative designated under division (B) of section 4117.04 of the Revised Code. The exemptions requested in the application shall be limited to any requirement of Title XXXIII of the Revised Code or of any rule of the state board adopted pursuant to that title except that the application may not propose an exemption from any requirement of or rule adopted pursuant to section 3306.09, Chapter 3307. or 3309., sections 3319.07 to 3319.21, or Chapter 3323. of the Revised Code. Furthermore, an exemption from any ~~standard or requirement of Chapter 3306. or from any~~ operating standard adopted under division (D)(3) of section 3301.07 of the Revised Code shall be granted only pursuant to a waiver granted by the superintendent of public instruction under division (O) of that section 3306.40 of the Revised Code.

(B) The state board of education shall accept any application submitted in accordance with division (A) of this section. The superintendent of public instruction shall approve or disapprove the application in accordance with standards for approval, which shall be adopted by the state board.

(C) The superintendent of public instruction shall exempt each district or service center board or chartered nonpublic school administrative authority with an application approved under division (B) of this section for a specified period from the statutory provisions or rules specified in the approved application. The period of exemption shall not exceed the period during which the pilot program proposed in the application is being implemented and a reasonable period to allow for evaluation of the effectiveness of the program.

Sec. 3306.01. This chapter shall be administered by the state board of education. The superintendent of public instruction shall calculate the amounts payable to each school district and shall certify the amounts payable to each eligible district to the treasurer of the district as determined

under this chapter. As soon as possible after such amounts are calculated, the superintendent shall certify to the treasurer of each school district the district's adjusted charge-off increase, as defined in section 5705.211 of the Revised Code. No moneys shall be distributed pursuant to this chapter without the approval of the controlling board.

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

Annually, the department of education shall calculate and report to each school district the district's adequacy amount utilizing the calculations in sections 3306.03 and 3306.13 of the Revised Code. The department shall calculate and report separately for each school district the district's total state and local funds for its students with disabilities, utilizing the calculations in sections 3306.05, 3306.11, and 3306.13 of the Revised Code. The department shall calculate and report separately for each school district the amount of funding calculated for each factor of the district's adequacy amount.

Not later than the thirty-first day of August of each fiscal year, the department of education shall provide to each school district a preliminary estimate of the amount of funding that the department calculates the district will receive under section 3306.13 of the Revised Code. Not later than the first day of December of each fiscal year, the department shall update that preliminary estimate.

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

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

Payments shall be calculated to reflect the reporting of formula ADM. Annualized periodic payments for each school district shall be based on the district's final student counts verified by the superintendent of public instruction based on reports under section 3317.03 of the Revised Code, as adjusted, if so ordered, under division (K) of that section.

(A) Except as otherwise provided, payments under this chapter shall be made only to those school districts that comply with divisions (A)(1) to (3) of this section.

(1) Each city, exempted village, and local school district shall levy for current operating expenses at least twenty mills. Levies for joint vocational or cooperative education school districts or county school financing districts, limited to or to the extent apportioned to current expenses, shall be included in this qualification requirement. School district income tax levies under Chapter 5748. of the Revised Code, limited to or to the extent apportioned to current operating expenses, shall be included in this qualification requirement to the extent determined by the tax commissioner under division (D) of section 3317.021 of the Revised Code.

(2) Each city, exempted village, local, and joint vocational school district, during the school year next preceding the fiscal year for which payments are calculated under this chapter, shall meet the requirement of section 3313.48 or 3313.481 of the Revised Code, with regard to the minimum number of days or hours school must be open for instruction with pupils in attendance, for individualized parent-teacher conference and reporting periods, and for professional meetings of teachers. The superintendent of public instruction shall waive a number of days in accordance with section 3317.01 of the Revised Code on which it had been necessary for a school to be closed because of disease epidemic, hazardous weather conditions, inoperability of school buses or other equipment necessary to the school's operation, damage to a school building, or other temporary circumstances due to utility failure rendering the school building unfit for school use.

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

The superintendent of public instruction shall waive the requirements of this section with reference to the minimum number of days or hours a school must be open for instruction with pupils in attendance for the school year succeeding the school year in which a board of education initiates a plan of operation pursuant to section 3313.481 of the Revised Code. The minimum requirements of this section shall again be applicable to the district beginning with the school year commencing the second July succeeding the initiation of the plan, and for each school year thereafter.

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 learning day, for any number of days during the school year, was reduced by not more than two hours due to hazardous weather conditions.

(3) Each city, exempted village, local, and joint vocational school district shall have on file, and shall pay in accordance with, a teachers' salary schedule which complies with section 3317.13 of the Revised Code.

(B) A school district board of education or educational service center governing board that has not conformed with other law, and the rules pursuant thereto, shall not participate in the distribution of funds authorized by this chapter, except for good and sufficient reason established to the satisfaction of the state board of education and the state controlling board.

(C) All funds allocated to school districts under this chapter, except those specifically allocated for other purposes, shall be used only to pay current operating expenses or for either of the following purposes:

(1) The modification or purchase of classroom space to provide all-day kindergarten ~~as required by section 3321.05 of the Revised Code~~, provided the district certifies its shortage of space for providing all-day kindergarten to the department of education, in a manner specified by the department;

(2) The modification or purchase of classroom space to reduce class sizes in grades kindergarten through three to attain the goal of fifteen students per core teacher, provided the district certifies its need for additional classroom space to the department, in a manner specified by the department.

(D) On or before the last day of each month, the department of education shall certify to the director of budget and management for payment, for each county:

(1)(a) That portion of the allocation of money under section 3306.13 of the Revised Code that is required to be paid in that month to each school district located wholly within the county subsequent to the deductions described in division (D)(1)(b) of this section;

(b) The amounts deducted from such allocation under sections 3307.31 and 3309.51 of the Revised Code for payment directly to the school employees and state teachers retirement systems under such sections.

(2) If the district is located in more than one county, an apportionment of the amounts that would otherwise be certified under division (D)(1) of this section. The amounts apportioned to the county shall equal the amounts certified under division (D)(1) of this section times the percentage of the district's resident pupils who reside both in the district and in the county,

based on the average daily membership reported under division (A) of section 3317.03 of the Revised Code in October of the prior fiscal year.

Sec. 3306.02. As used in this chapter:

(A) "Adequacy amount" means the amount described in section 3306.03 of the Revised Code.

(B) "Building manager" means a person who supervises the administrative (non-curricular, non-instructional) functions of school operation so that a school principal can focus on supporting instruction, providing instructional leadership, and engaging teachers as part of the instructional leadership team. A building manager may be, but is not required to be, a licensed educator under section 3319.22 of the Revised Code.

(C) "Career-technical education teacher" means an education professional who holds a valid license to provide specialized instruction in career and technical courses.

(D)(1) "Category one special education ADM" means a school district's formula ADM of children whose primary or only identified disability is a speech and language disability, as this term is defined pursuant to Chapter 3323. of the Revised Code. Beginning in fiscal year 2010, for any school district for which formula ADM means the number verified in the previous fiscal year, the category one special education ADM also shall be as verified from the previous year.

(2) "Category two special education ADM" means a school district's formula ADM of children identified as specific learning disabled or developmentally disabled, as these terms are defined pursuant to Chapter 3323. of the Revised Code, or as having an other health impairment-minor, as defined in this section. Beginning in fiscal year 2010, for any school district for which formula ADM means the number verified in the previous fiscal year, the category two special education ADM also shall be as verified from the previous year.

(3) "Category three special education ADM" means a school district's formula ADM of children identified as hearing disabled or severe behavior disabled, as these terms are defined pursuant to Chapter 3323. of the Revised Code. Beginning in fiscal year 2010, for any school district for which formula ADM means the number verified in the previous fiscal year, the category three special education ADM also shall be as verified from the previous year.

(4) "Category four special education ADM" means a school district's formula ADM of children identified as vision impaired, as this term is defined pursuant to Chapter 3323. of the Revised Code, or as having an

other health impairment-major, as defined in this section. Beginning in fiscal year 2010, for any school district for which formula ADM means the number verified in the previous fiscal year, the category four special education ADM also shall be as verified from the previous year.

(5) "Category five special education ADM" means a school district's formula ADM of children identified as orthopedically disabled or as having multiple disabilities, as these terms are defined pursuant to Chapter 3323. of the Revised Code. Beginning in fiscal year 2010, for any school district for which formula ADM means the number verified in the previous fiscal year, the category five special education ADM also shall be as verified from the previous year.

(6) "Category six special education ADM" means a school district's formula ADM of children identified as autistic, having traumatic brain injuries, or as both visually and hearing impaired, as these terms are defined pursuant to Chapter 3323. of the Revised Code. Beginning in fiscal year 2010, for any school district for which formula ADM means the number verified in the previous fiscal year, the category six special education ADM also shall be as verified from the previous year.

(E) "Class one effective operating tax rate" of a school district means the quotient obtained by dividing the district's class one taxes charged and payable for current expenses, excluding taxes levied under sections 5705.194 to 5705.197, 5705.199, 5705.213, and 5705.219 of the Revised Code, by the district's class one taxable value.

(F) "Core teacher" means an education professional who provides instruction in English-language arts, mathematics, science, social studies, or foreign languages.

(G) "Counselor" means a person with a valid educator license issued pursuant to section 3319.22 of the Revised Code who provides pre-college and career counseling, general academic counseling, course planning, and other counseling services that are not related to a student's individualized education plan, as defined in section 3323.01 of the Revised Code.

(H)(1) "Formula ADM" means, for a city, local, or exempted village school district, the average daily membership described in division (A) of section 3317.03 of the Revised Code, as verified by the superintendent of public instruction and adjusted if so ordered under division (K) of that section, further adjusted by the department of education, as follows:

(a) Count only twenty per cent of the number of joint vocational school district students counted under division (A)(3) of section 3317.03 of the Revised Code;

(b) Add twenty per cent of the number of students who are entitled to

attend school in the district under section 3313.64 or 3313.65 of the Revised Code and are enrolled in another school district under a career-technical educational compact.

(2) In making calculations under this chapter that utilize formula ADM, the department shall use the formula ADM derived from the final, verified, and adjusted average daily membership described under division (A) of section 3317.03 of the Revised Code for the prior fiscal year, unless such average daily membership for the current fiscal year exceeds that number by two per cent or more. In that case, the department shall derive the formula ADM from such average daily membership for the current fiscal year.

(3) For fiscal year 2010, the department shall calculate formula ADM on the basis of the final, verified, and adjusted average daily membership, described in division (A) of the version of section 3317.03 of the Revised Code in effect on and after ~~the effective date of this amendment~~ July 17, 2009, for October 2008 unless such average daily membership for October 2009 exceeds that number by two per cent or more. In that case, the department shall derive the formula ADM from such average daily membership for October 2009.

(I) "Gifted coordinator" means a person who holds a valid educator license issued under section 3319.22 of the Revised Code, meets the qualifications for a gifted coordinator specified in the operating standards for identifying and serving gifted students prescribed in rules adopted by the state board of education, and provides coordination services for gifted students in accordance with those standards.

(J) "Gifted intervention specialist" means a person who holds a valid gifted intervention specialist license or endorsement issued under section 3319.22 of the Revised Code and serves gifted students in accordance with the operating standards for identifying and serving gifted students prescribed in rules adopted by the state board of education.

(K) "Internet- or computer-based community school" has the same meaning as in section 3314.02 of the Revised Code.

(L) "Lead teacher" means a teacher who provides mentoring and coaching for new teachers. A lead teacher also assists in coordinating professional development activities, in the development of professional learning communities, and in common planning time, and assists teachers in developing project-based, real-world learning activities for their students. The lead teacher position shall be a rotating position in which an individual shall serve no more than three years. After lead teacher licenses become available under section 3319.22 of the Revised Code, only teachers who hold that license shall be appointed as lead teachers. Until that time, each

school district shall designate qualifications for the lead teacher position that are comparable to the licensing requirements, and shall give preference for appointment to the position to teachers who are certified by the national board for professional teaching standards or who meet the qualifications for a "master teacher" established by the educator standards board.

(M) "Limited English proficiency teacher" means a person who provides instruction in English as a second language.

(N) "Medically fragile child" means a child to whom all of the following apply:

(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.

(2) The child requires the services of a registered nurse on a daily basis.

(3) The child is at risk of institutionalization in a hospital, skilled nursing facility, or intermediate care facility for the mentally retarded.

(O) "Ohio educational challenge factor" means an index to adjust the funding amount for each school district to account for student and community socioeconomic factors affecting teacher recruitment and retention, professional development, and other factors related to quality instruction. The Ohio educational challenge factor for each school district includes the district's college attainment rate of population, wealth per pupil, and concentration of poverty, and is listed in section 3306.051 of the Revised Code.

(P) "Organizational unit" means, for the purpose of calculating a school district's adequacy amount under this chapter, a unit used to index a school district's formula ADM in certain grade levels. Calculating the number of organizational units in a school district functions to allocate the state's resources in a manner that achieves a thorough, efficient, and adequate educational system that provides the appropriate services to students enrolled in that district. In recognition of the fact that students have different educational needs at each developmental stage, organizational units group the grade levels into elementary school units, middle school units, and high school units. Except as provided in division (C) of section 3306.04 of the Revised Code, a school district's "organizational units" is the sum of its elementary school units, middle school units, and high school units.

(Q) A child may be identified as having an "other health impairment-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~~ applies:

(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."

(2) The child is determined by the superintendent of public instruction to be a medically fragile child. A school district may petition the superintendent of public instruction for a determination that a child is a medically fragile child.

(R) A child may be identified as having an "other health impairment-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 (Q)(1) or (2) of this section.

(S) "Potential value" of a school district means:

(1) For a district with a class one effective operating rate that is less than twenty and one-tenth effective mills, the sum of its total taxable value plus its tax exempt value;

(2) For a district with a class one effective operating rate that is greater than or equal to twenty and one-tenth effective mills, the sum of its recognized valuation plus its tax exempt value.

(T) "Principal" means a person who provides management oversight of building operations, academic leadership for the teaching professionals, and other administrative duties.

(U) "Property exemption value" means the amount certified for a school district under divisions (A)(6) and (7) of section 3317.021 of the Revised Code.

(V) "Recognized valuation" means the amount calculated for a school district pursuant to section 3317.015 of the Revised Code.

(W) "School nurse wellness coordinator" means a person who has fulfilled the requirements for the issuance of a school nurse wellness coordinator license under section 3319.221 of the Revised Code.

(X) "Small school district" means a city, local, or exempted village school district that has a formula ADM of less than four hundred eighteen students in grades kindergarten through twelve.

(Y) "Special education" has the same meaning as in section 3323.01 of the Revised Code.

(Z) "Special education teacher" means a teacher who holds the necessary license issued pursuant to section 3319.22 of the Revised Code to meet the unique needs of children with disabilities.

(AA) "Special education teacher's aide" means a person providing support for special education teachers and other associated duties.

(BB) "Specialist teacher" means a person holding a valid educator's license, issued pursuant to section 3319.22 of the Revised Code, who provides instruction in dance, drama and theater, music, visual art, or physical education.

(CC) "State share percentage" means the quotient of a school district's state share of the adequacy amount determined under section 3306.13 of the Revised Code divided by the total adequacy amount for the district as described in section 3306.03 of the Revised Code. If the quotient is a negative number, the district's state share percentage is zero.

(DD) "Family and community liaisons" means individuals who provide assistance to students and their families, ~~individuals who are linkage coordinators as described in section 3306.31 of the Revised Code,~~ and may include individuals who hold valid licenses as family liaisons, social workers, and student advocates.

(EE) "Supplemental teacher" means a person holding a valid educator license issued pursuant to section 3319.22 of the Revised Code, or qualified to secure such a license and approved by the school district to provide remedial services, intensive subject-based instruction, homework help, or other forms of supplemental instruction.

(FF) "Targeted poverty indicator" means the percentage of a school district's students who are economically disadvantaged, as determined for purposes of the report card issued under section 3302.03 of the Revised Code.

(GG) "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.

(HH) "Total taxable value" means the sum of the amounts certified for a school district under divisions (A)(1) and (2) of section 3317.021 of the Revised Code.

Sec. 3306.05. (A) The instructional services support component of the adequacy amount for each city, local, and exempted village school district is the sum of the following:

- (1) The core teacher factor;
- (2) The specialist teacher factor;
- (3) The lead teacher factor;
- (4) The special education teacher factor;
- (5) The special education teacher's aide factor;
- (6) The limited English proficiency teacher factor;
- (7) The supplemental teacher factor.

(B) Each factor listed in division (A) of this section shall be calculated

by multiplying the Ohio educational challenge factor, specified for the district in section 3306.051 of the Revised Code, times the statewide base teacher salary of \$56,902 in fiscal year 2010 and \$57,812 in fiscal year 2011, times the number of positions funded, as follows:

(1) The number of core teacher positions funded shall be calculated by dividing the district's formula ADM in grades four to twelve by twenty-five, and then adding that number to the quotient of the district's formula ADM in grades kindergarten to three divided by the following:

- (a) In fiscal years 2010 and 2011, nineteen;
- (b) In fiscal years 2012 and 2013, seventeen;
- (c) In fiscal year 2014 and in each fiscal year thereafter, fifteen.

(2) The number of specialist teacher positions funded shall be calculated by multiplying the number of core teacher positions determined under division (B)(1) of this section for grades kindergarten to eight by one-fifth, and by multiplying the number of core teacher positions determined for grades nine to twelve by one-fourth.

(3) The number of lead teacher positions funded shall equal the number of the district's organizational units.

(4) The number of special education teacher positions and special education teacher's aide positions funded shall be calculated as provided in section 3306.11 of the Revised Code.

(5) The number of limited English proficiency teacher positions funded shall be calculated by multiplying the district's formula ADM times the district's percentage of limited English proficient students, as defined in 20 U.S.C. 7801, and then dividing that product by one hundred;

(6) The number of supplemental teacher positions funded shall be calculated by multiplying the district's formula ADM times its targeted poverty indicator, and then dividing that product by one hundred.

~~(C) Each school district shall account separately for expenditures of the amounts received for instructional services support under this section and report that information to the department of education.~~

Sec. 3306.06. (A) The additional services support component of the adequacy amount for each city, local, and exempted village school district is the sum of the following:

- (1) The family and community liaison factor;
- (2) The counselor factor;
- (3) The summer remediation factor;
- (4) The school nurse wellness coordinator factor;
- (5) The district health professional factor.

(B)(1) The family and community liaison factor shall be calculated by

multiplying the school district's formula ADM times its targeted poverty indicator and dividing the product by seventy-five, and then multiplying the quotient by the product of the applicable Ohio educational challenge factor times \$38,633, in fiscal year 2010, and times \$39,381, in fiscal year 2011.

(2) The counselor factor shall be calculated by dividing the district's formula ADM for grades six to twelve by two hundred fifty, and then multiplying the quotient by a dollar amount for each fiscal year established by law. No counselor factor shall be calculated and paid for fiscal years 2010 and 2011.

(3) The summer remediation program factor shall be calculated by multiplying the district's formula ADM times its targeted poverty indicator times fifty per cent, which represents the anticipated participation rate, dividing that product by thirty, which is the assumed student-to-teacher ratio for summer remediation, and multiplying that quotient by the product of \$3,000 times the applicable Ohio educational challenge factor.

(4) The school nurse wellness coordinator factor shall be calculated by multiplying the number of the district's organizational units times a dollar amount for each fiscal year established by law, except that in a small school district, the school nurse wellness coordinator factor shall be zero. No school nurse wellness coordinator factor shall be calculated and paid for fiscal years 2010 and 2011.

(5) The district health professional factor for each district equals a dollar amount specified by law for each fiscal year. No district health professional factor shall be calculated and paid for fiscal years 2010 and 2011.

~~(C) In adopting expenditure and reporting standards under section 3306.25 of the Revised Code, the superintendent of public instruction shall include standards that encourage school districts to give preference to employing or obtaining the services of licensed school nurses with funds received for the school nurse wellness coordinator factor and the district health professional factor.~~

~~(D) Each school district shall account separately for expenditures of the amounts received for additional services support under this section and report that information to the department of education.~~

Sec. 3306.07. (A) The administrative services support component of the adequacy amount for each city, local, and exempted village school district is the sum of the following:

- (1) The district administration factor;
- (2) The principal factor;
- (3) The administrative support personnel factor;
- (B)(1) The district administration factor equals \$187,176 in fiscal year

2010 and \$190,801 in fiscal year 2011.

(2) The principal factor shall be calculated by multiplying the number of the district's organizational units times \$89,563 in fiscal year 2010 and \$91,297 in fiscal year 2011. However, each type 1 or type 2 school district shall receive for a principal factor an amount not less than the applicable dollar amount specified in this paragraph times the number of school buildings in the district for which the department of education issued a report card under section 3302.03 of the Revised Code for the prior school year. As used in this division, "type 1 school district" means a school district characterized as a type 1 (rural/agricultural, high poverty, low median income) district, and "type 2 school district" means a school district characterized as a type 2 (rural/agricultural, small student population, low poverty, low to moderate median income), in the typology of districts published by the department in July 2007.

(3) The administrative support personnel factor is funding determined for building managers, secretaries, and noninstructional aides.

(a) The funding for building managers shall be calculated by multiplying \$33,624 in fiscal year 2010 and \$34,275 in fiscal year 2011 times the number of the district's organizational units.

(b) The funding for secretaries shall be calculated by multiplying \$33,624 in fiscal year 2010 and \$34,275 in fiscal year 2011 times the number of the district's organizational units, where two additional secretaries shall be funded for each high school organizational unit.

(c) The funding for noninstructional aides shall be a dollar amount set by law for each fiscal year times the number of the district's organizational units, where the organizational units are multiplied by two in the case of elementary school and middle school organizational units and by three in case of high school organizational units.

However, each small school district shall receive funding for one building manager, one secretary, and one noninstructional aide. Every other city, local, and exempted village school district shall receive funding for at least one building manager, one secretary, and one noninstructional aide.

No funding shall be calculated and paid for noninstructional aides for fiscal years 2010 and 2011.

~~(C) Each school district shall account separately for the amounts received for administrative services support under this section and report that information to the department of education.~~

Sec. 3306.08. (A) The operations and maintenance support component of the adequacy amount for each city, local, and exempted village school district shall be calculated by multiplying the district's formula ADM times

\$884.

(B) The operations and maintenance support for each city, local, and exempted village school district shall be adjusted by multiplying the calculated amount by 0.45 in fiscal years 2010 and 2011, and by 0.75 in fiscal years 2012 and 2013.

~~(C) Each school district shall account separately for expenditures of the amounts received for operations and maintenance support under this section and report that information to the department of education.~~

Sec. 3306.09. (A) The gifted education support component of the adequacy amount for each city, local, and exempted village school district is the sum of the following:

- (1) The gifted identification factor;
- (2) The gifted coordinator factor;
- (3) The gifted intervention specialist factor;
- (4) The gifted intervention specialist professional development factor.

(B)(1) The gifted identification factor shall be calculated by multiplying the district's formula ADM times \$5.

(2) The gifted coordinator factor shall be calculated by multiplying \$66,375 in fiscal year 2010 and \$67,660 in fiscal year 2011 times the quotient of the district's formula ADM divided by two thousand five hundred.

(3) The gifted intervention specialist factor shall be calculated by multiplying the number of the district's organizational units times the Ohio educational challenge factor specified for the district in section 3306.051 of the Revised Code times the statewide base teacher salary specified in section 3306.05 of the Revised Code.

(4) The gifted intervention specialist professional development factor shall be calculated by multiplying the number of the district's organizational units times the per-teaching-position dollar amount specified for the professional development factor in division (A)(7) of section 3306.03 of the Revised Code.

(C) The gifted intervention specialist factor and the gifted intervention specialist professional development factor for each city, local, and exempted village school district, shall be adjusted by multiplying the calculated amount by 0.20 in fiscal year 2010, by 0.30 in fiscal year 2011, by 0.40 in fiscal years 2012 and 2013, by 0.60 in fiscal years 2014 and 2015, and by 0.80 in fiscal years 2016 and 2017.

(D) A school district that does not submit an annual report under section 3324.05 of the Revised Code, or that reports zero students identified as gifted, shall receive zero funding for the gifted coordinator factor, the gifted

intervention specialist factor, and the gifted intervention specialist professional development factor.

(E) Each school district shall expend the funds calculated under the gifted education support component in accordance with rules adopted ~~under section 3306.25 of the Revised Code~~ by the state board of education. Those rules shall require that such funds be spent only for the employment of staff to serve students identified as gifted, in accordance with Chapter 3324. of the Revised Code, or for other services to such students. The rules shall be aligned with the operating standards for identifying and serving gifted students prescribed in rules adopted by the state board ~~of education~~. ~~Notwithstanding anything to the contrary in section 3306.25 of the Revised Code,~~ The rules regarding the expenditure and reporting of funds for the gifted education support component adopted under ~~that~~ this section shall take effect July 1, ~~2011~~ 2013.

Subject to approval by the department of education, a school district may use up to fifteen per cent of the portion of the gifted intervention specialist factor attributable to the grade six through twelve formula ADM to support access to services provided by the district that are not services described in Chapter 3324. of the Revised Code but are specified in gifted students' written education plans prepared in accordance with the state board's operating standards for identifying and serving gifted students.

(F) Each school district shall account separately for expenditures of the amounts received for gifted identification, gifted coordinators, gifted intervention specialists, and gifted intervention specialist professional development under this section and report that information to the department of education.

(G)(1) Each city, local, and exempted village school district that received for fiscal year 2009 unit funding for staff to provide gifted student services under division (L) of section 3317.024 and division (E) of section 3317.05 of the Revised Code, as those sections existed for that fiscal year, shall spend in each fiscal year thereafter for staff to provide services to identified gifted students from the funds received under this chapter an amount not less than the aggregate amount received for such gifted unit funding for fiscal year 2009.

(2) Each city, local, and exempted village school district that, in fiscal year 2009, received gifted student services from staff employed for that purpose by an educational service center, which service center received for fiscal year 2009 unit funding for gifted student services, shall in each fiscal year thereafter do either of the following:

(a) Obtain staff to provide gifted student services from an educational

service center that are comparable to the gifted student staff services provided to the district with gifted unit funding in fiscal year 2009 by an educational service center;

(b) Spend for staff to provide services to identified gifted students from the funds received under this chapter an amount not less than the amount of gifted unit funding expended by an educational service center in fiscal year 2009 for the district's students.

~~(3) No district to which division (G)(1) or (2) of this section applies shall apply for or receive a waiver under section 3306.40 of the Revised Code from the spending requirements prescribed in those divisions or under division (E) of this section.~~

~~(4) Each educational service center that received for fiscal year 2009 unit funding for staff to provide gifted student services shall spend from its state funds in each fiscal year thereafter for staff to provide services to identified gifted students an amount not less than the aggregate amount received for gifted unit funding for fiscal year 2009. No educational service center to which division (G)(4) of this section shall receive any waiver of this requirement.~~

(H) A city, local, or exempted village school district that did not receive for fiscal year 2009 unit funding for gifted student services under division (L) of section 3317.024 and division (E) of section 3317.05 of the Revised Code, as those sections existed for that fiscal year, may apply to the superintendent of public instruction for a waiver ~~under section 3306.40 of the Revised Code~~ from any expenditure requirements prescribed under division (E) of this section. ~~Notwithstanding anything to the contrary in section 3306.40 of the Revised Code, the~~ The first waiver granted to a district pursuant to this division shall not be effective for longer than two years, ~~and any. A district may receive one~~ subsequent renewal of that waiver, which shall not be effective for longer than one year.

(I) Each school district and educational center shall account for the funds spent under division (G) of this section and report that information to the department. The operating standards for identifying and serving gifted students shall apply to the staff funded under this section. The department shall monitor and enforce compliance with the spending requirements in division (G) of this section.

Sec. 3306.091. (A) The enrichment support component of the adequacy amount for each city, local, and exempted village school district shall be calculated by multiplying the district's formula ADM times \$100 times the Ohio educational challenge factor.

(B) The enrichment support for each city, local, and exempted village

school district shall be adjusted by multiplying the calculated amount by 0.20 in fiscal year 2010, by 0.30 in fiscal year 2011, by 0.40 in fiscal years 2012 and 2013, by 0.60 in fiscal years 2014 and 2015, and by 0.80 in fiscal years 2016 and 2017.

~~(C) The enrichment support component shall be used for purposes other than services for students identified as gifted delivered in accordance with Chapter 3324. of the Revised Code.~~ A district may spend the enrichment support component to pay for enrichment activities that may encourage the intellectual and creative pursuits of all students, including the fine arts.

~~(D) Each school district shall account separately for expenditures of the amounts received for enrichment support under this section and report that information to the department of education.~~

Sec. 3306.10. (A) The technology resources support component of the adequacy amount for each city, local, and exempted village school district is the sum of the following:

- (1) The licensed librarian and media specialist factor;
- (2) The technical equipment factor.

(B)(1) The licensed librarian and media specialist factor shall be calculated by multiplying the number of the district's organizational units times \$60,000.

(2) The technical equipment factor shall be calculated by multiplying the district's formula ADM times \$250.

(C) The licensed librarian and media specialist factor and the technical equipment factor for each city, local, and exempted village school district shall be adjusted by multiplying the calculated amounts by 0.20 in fiscal year 2010, by 0.30 in fiscal year 2011, by 0.40 in fiscal years 2012 and 2013, by 0.60 in fiscal years 2014 and 2015, and by 0.80 in fiscal years 2016 and 2017.

~~(D) Each school district shall account separately for the amounts received for technology resources support under this section and report that information to the department of education.~~

Sec. 3315.18. (A) The board of education of each city, exempted village, local, and joint vocational school district shall establish a capital and maintenance fund. Each board annually shall deposit into that fund an amount derived from revenues received by the district that would otherwise have been deposited in the general fund that is equal to three per cent of the formula amount for the preceding fiscal year, as defined in section 3317.02 of the Revised Code, or another percentage if established by the auditor of state under division (B) of this section, multiplied by the district's student population for the preceding fiscal year, except that money received from a

permanent improvement levy authorized by section 5705.21 of the Revised Code may replace general revenue moneys in meeting the requirements of this section. Money in the fund shall be used solely for acquisition, replacement, enhancement, maintenance, or repair of permanent improvements, as that term is defined in section 5705.01 of the Revised Code. Any money in the fund that is not used in any fiscal year shall carry forward to the next fiscal year.

(B) The state superintendent of public instruction and the auditor of state jointly shall adopt rules in accordance with Chapter 119. of the Revised Code defining what constitutes expenditures permitted by division (A) of this section. The auditor of state may designate a percentage, other than three per cent, of the formula amount multiplied by the district's student population that must be deposited into the fund.

(C) Within its capital and maintenance fund, a school district board of education may establish a separate account solely for the purpose of depositing funds transferred from the district's reserve balance account established under former division (H) of section 5705.29 of the Revised Code. After April 10, 2001, a board may deposit all or part of the funds formerly included in such reserve balance account in the separate account established under this section. Funds deposited in this separate account and interest on such funds shall be utilized solely for the purpose of providing the district's portion of the basic project costs of any project undertaken in accordance with Chapter 3318. of the Revised Code.

(D)(1) Notwithstanding division (A) of this section, in any year a district is in fiscal emergency status as declared pursuant to section 3316.03 of the Revised Code, the district may deposit an amount less than required by division (A) of this section, or make no deposit, into the district capital and maintenance fund for that year.

(2) Notwithstanding division (A) of this section, in any fiscal year that a school district is either in fiscal watch status, as declared pursuant to section 3316.03 of the Revised Code, or in fiscal caution status, as declared pursuant to section 3316.031 of the Revised Code, the district may apply to the superintendent of public instruction for a waiver from the requirements of division (A) of this section, under which the district may be permitted to deposit an amount less than required by that division or permitted to make no deposit into the district capital and maintenance fund for that year. The superintendent may grant a waiver under division (D)(2) of this section if the district demonstrates to the satisfaction of the superintendent that compliance with division (A) of this section that year will create an undue financial hardship on the district.

(3) Notwithstanding division (A) of this section, not more often than one fiscal year in every three consecutive fiscal years, any school district that does not satisfy the conditions for the exemption described in division (D)(1) of this section or the conditions to apply for the waiver described in division (D)(2) of this section may apply to the superintendent of public instruction for a waiver from the requirements of division (A) of this section, under which the district may be permitted to deposit an amount less than required by that division or permitted to make no deposit into the district capital and maintenance fund for that year. The superintendent may grant a waiver under division (D)(3) of this section if the district demonstrates to the satisfaction of the superintendent that compliance with division (A) of this section that year will necessitate the reduction or elimination of a program currently offered by the district that is critical to the academic success of students of the district and that no reasonable alternatives exist for spending reductions in other areas of operation within the district that negate the necessity of the reduction or elimination of that program.

(E) Notwithstanding any provision to the contrary in Chapter 4117. of the Revised Code, the requirements of this section prevail over any conflicting provisions of agreements between employee organizations and public employers entered into after November 21, 1997.

(F) As used in this section, "student population" means the average, daily, full-time equivalent number of students in kindergarten through twelfth grade receiving any educational services from the school district during the first full school week in October, excluding students enrolled in adult education classes, but including all of the following:

(1) Adjacent or other district students enrolled in the district under an open enrollment policy pursuant to section 3313.98 of the Revised Code;

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

(3) Students for whom tuition is payable pursuant to sections 3317.081 and 3323.141 of the Revised Code.

The department of education shall determine a district's student population using data reported to it under section 3317.03 of the Revised Code for the applicable fiscal year.

Sec. 3315.19. Notwithstanding the provisions of ~~sections 3315.17 and section 3315.18~~ of the Revised Code as ~~they exist~~ it exists after the effective ~~date of this section~~ July 1, 2001, the board of education of any school

district annually may elect to set aside funds ~~for textbooks and instructional materials or~~ for capital and maintenance in accordance with the provisions of ~~those sections~~ that section as they it existed prior to ~~the effective date of this section~~ July 1, 2001, and the rules adopted under ~~those sections~~ that section. Any district board making such an election under this section shall notify the auditor of state within ninety days after the beginning of the fiscal year whether the district intends to comply with the provisions of ~~one or both former sections~~ section 3315.18 of the Revised Code. A school district making an election under this section shall not be required to comply, during the fiscal year of the election, with the provisions of ~~the applicable sections~~ section 3315.18 of the Revised Code as they exist it exists after ~~the effective date of this section~~ July 1, 2001.

Sec. 3316.06. (A) Within one hundred twenty days after the first meeting of a school district financial planning and supervision commission, the commission shall adopt a financial recovery plan regarding the school district for which the commission was created. During the formulation of the plan, the commission shall seek appropriate input from the school district board and from the community. This plan shall contain the following:

(1) Actions to be taken to:

(a) Eliminate all fiscal emergency conditions declared to exist pursuant to division (B) of section 3316.03 of the Revised Code;

(b) Satisfy any judgments, past-due accounts payable, and all past-due and payable payroll and fringe benefits;

(c) Eliminate the deficits in all deficit funds, except that any prior year deficits in ~~the textbook and instructional materials fund established pursuant to section 3315.17 of the Revised Code~~ and the capital and maintenance fund established pursuant to section 3315.18 of the Revised Code shall be forgiven;

(d) Restore to special funds any moneys from such funds that were used for purposes not within the purposes of such funds, or borrowed from such funds by the purchase of debt obligations of the school district with the moneys of such funds, or missing from the special funds and not accounted for, if any;

(e) Balance the budget, avoid future deficits in any funds, and maintain on a current basis payments of payroll, fringe benefits, and all accounts;

(f) Avoid any fiscal emergency condition in the future;

(g) Restore the ability of the school district to market long-term general obligation bonds under provisions of law applicable to school districts generally.

(2) The management structure that will enable the school district to take

the actions enumerated in division (A)(1) of this section. The plan shall specify the level of fiscal and management control that the commission will exercise within the school district during the period of fiscal emergency, and shall enumerate respectively, the powers and duties of the commission and the powers and duties of the school board during that period. The commission may elect to assume any of the powers and duties of the school board it considers necessary, including all powers related to personnel, curriculum, and legal issues in order to successfully implement the actions described in division (A)(1) of this section.

(3) The target dates for the commencement, progress upon, and completion of the actions enumerated in division (A)(1) of this section and a reasonable period of time expected to be required to implement the plan. The commission shall prepare a reasonable time schedule for progress toward and achievement of the requirements for the plan, and the plan shall be consistent with that time schedule.

(4) The amount and purpose of any issue of debt obligations that will be issued, together with assurances that any such debt obligations that will be issued will not exceed debt limits supported by appropriate certifications by the fiscal officer of the school district and the county auditor. Debt obligations issued pursuant to section 133.301 of the Revised Code shall include assurances that such debt shall be in an amount not to exceed the amount certified under division (B) of such section. If the commission considers it necessary in order to maintain or improve educational opportunities of pupils in the school district, the plan may include a proposal to restructure or refinance outstanding debt obligations incurred by the board under section 3313.483 of the Revised Code contingent upon the approval, during the period of the fiscal emergency, by district voters of a tax levied under section 718.09, 718.10, 5705.194, 5705.21, 5748.02, or 5748.08 of the Revised Code that is not a renewal or replacement levy, or a levy under section 5705.199 of the Revised Code, and that will provide new operating revenue. Notwithstanding any provision of Chapter 133. or sections 3313.483 to 3313.4811 of the Revised Code, following the required approval of the district voters and with the approval of the commission, the school district may issue securities to evidence the restructuring or refinancing. Those securities may extend the original period for repayment, not to exceed ten years, and may alter the frequency and amount of repayments, interest or other financing charges, and other terms of agreements under which the debt originally was contracted, at the discretion of the commission, provided that any loans received pursuant to section 3313.483 of the Revised Code shall be paid from funds the district would

otherwise receive under Chapter 3306. of the Revised Code, as required under division (E)(3) of section 3313.483 of the Revised Code. The securities issued for the purpose of restructuring or refinancing the debt shall be repaid in equal payments and at equal intervals over the term of the debt and are not eligible to be included in any subsequent proposal for the purpose of restructuring or refinancing debt under this section.

(B) Any financial recovery plan may be amended subsequent to its adoption. Each financial recovery plan shall be updated annually.

(C) Each school district financial planning and supervision commission shall submit the financial recovery plan it adopts or updates under this section to the state superintendent of public instruction for approval immediately following its adoption or updating. The state superintendent shall evaluate the plan and either approve or disapprove it within thirty calendar days from the date of its submission. If the plan is disapproved, the state superintendent shall recommend modifications that will render it acceptable. No financial planning and supervision commission shall implement a financial recovery plan that is adopted or updated on or after April 10, 2001, unless the state superintendent has approved it.

Sec. 3316.16. (A) A school district financial planning and supervision commission, with respect to its functions under this chapter, shall continue in existence until such time as a determination is made under division (B) of this section that all of the following have occurred:

(1) An effective financial accounting and reporting system in accordance with section 3316.10 of the Revised Code is in the process of being implemented, and it is reasonably expected that this implementation will be completed within two years.

(2) All of the fiscal emergency conditions determined pursuant to division (B) of section 3316.03 of the Revised Code have been corrected or eliminated, and no new fiscal emergency conditions have occurred.

(3) The objectives of the financial recovery plan described in section 3316.06 of the Revised Code are being met.

(4) The school district board has prepared a financial forecast for a five-year period in accordance with the standards issued by the auditor of state and an opinion has been rendered by the auditor of state that the financial forecast is considered to be nonadverse. The forecast shall display the district's projected compliance with ~~sections 3315.17 and section~~ section 3315.18 of the Revised Code beginning in the year the commission is proposed for termination.

(B) The determination that all conditions listed in division (A) of this section for the termination of the existence of the commission and its

functions exist may be made either by the auditor of state or by the commission and shall be certified to the commission, the auditor of state, the governor, the director of budget and management, and the budget commission, whereupon such commission and its functions under this chapter shall terminate. This determination shall be made by the auditor of state upon the filing with the auditor of state of a written request for such a determination by the school district board, the governor, or the commission, or may be made by the auditor of state upon the auditor of state's own initiative.

(C) The commission shall prepare and submit at the time of such certification a final report of its activities, in such form as is appropriate for the purpose of providing a record of its activities and assisting other commissions created under this chapter in the conduct of their functions. All of the books and records of the commission shall be delivered to the auditor of state for retention and safekeeping.

(D) Upon receipt of the certification provided for in division (B) of this section, the director of budget and management shall follow the procedures set forth in section 126.29 of the Revised Code.

(E) If, at the time of termination of the commission, an effective financial accounting and reporting system has not been fully implemented, the auditor of state shall monitor the progress of implementation and shall exercise authority under this section and Chapter 117. of the Revised Code to secure full implementation at the earliest time feasible but within two years after such termination.

Sec. 3317.018. (A) The department of education shall make no calculations or payments under Chapter 3317. of the Revised Code for any fiscal year except as prescribed in this section.

(B) School districts shall report student enrollment data as prescribed by section 3317.03 of the Revised Code, which data the department shall use to make payments under Chapters 3306. and 3317. of the Revised Code.

(C) The tax commissioner shall report data regarding tax valuation and receipts for school districts as prescribed by sections 3317.015, 3317.021, 3317.025, 3317.026, 3317.027, 3317.028, 3317.0210, 3317.0211, and 3317.08 and by division (M) of section 3317.02 of the Revised Code, which data the department shall use to make payments under Chapters 3306. and 3317. of the Revised Code.

(D) Unless otherwise specified by another provision of law, in addition to the payments prescribed by Chapter 3306. of the Revised Code, the department shall continue to make payments to or adjustments for school districts in fiscal years after fiscal year 2009 under the following provisions

of Chapter 3317. of the Revised Code:

(1) The catastrophic cost reimbursement under division (C)(3) of section 3317.022 of the Revised Code. No other payments shall be made under that section.

(2) All payments or adjustments under section 3317.023 of the Revised Code, except no payments or adjustments shall be made under divisions (B), (C), and (D) of that section.

(3) All payments or adjustments under section 3317.024 of the Revised Code, except no payments or adjustments shall be made under divisions (F); ~~(E)~~; and (N) of that section for fiscal years after fiscal year 2009 or under division (L) of that section for fiscal years 2010 and 2011.

(4) All payments and adjustments under sections 3317.025, 3317.026, 3317.027, 3317.028, 3317.0210, and 3317.0211 of the Revised Code;

(5) Payments under section 3317.04 of the Revised Code;

(6) Unit payments under sections 3317.05, 3317.051, 3317.052, and 3317.053 of the Revised Code, except that no units for gifted funding are authorized after fiscal year 2009 for fiscal years 2010 and 2011.

(7) Payments under sections 3317.06, 3317.063, and 3317.064 of the Revised Code;

(8) Payments under section 3317.07 of the Revised Code;

(9) Payments to educational service centers under section 3317.11 of the Revised Code;

(10) The catastrophic cost reimbursement under division (E) of section 3317.16 of the Revised Code and excess cost reimbursements under division (G) of that section. No other payments shall be made under that section;

(11) Payments under section 3317.17 of the Revised Code;

(12) Adjustments under section 3317.18 of the Revised Code;

(13) Payments to cooperative education school districts under section 3317.19 of the Revised Code;

(14) Payments to county MR/DD boards under section 3317.20 of the Revised Code;

(15) Payments to state institutions for weighted special education funding under section 3317.201 of the Revised Code.

(E) Sections 3317.016 and 3317.017 shall not apply to fiscal years after fiscal year 2009.

(F) This section does not affect the provisions of sections 3317.031, 3317.032, 3317.033, 3317.035, 3317.061, 3317.08, 3317.081, 3317.082, 3317.09, 3317.12, 3317.13, 3317.14, 3317.15, 3317.50, 3317.51, 3317.62, 3317.63, and 3317.64 of the Revised Code.

Sec. 3317.024. The following shall be distributed monthly, quarterly, or

annually as may be determined by the state board of education, except that the department of education shall not make payments under divisions (F); ~~(L)~~; and (N) of this section for any fiscal year after fiscal year 2009 or under division (L) of this section for fiscal year 2010 or 2011:

(A) An amount for each island school district and each joint state school district for the operation of each high school and each elementary school maintained within such district and for capital improvements for such schools. Such amounts shall be determined on the basis of standards adopted by the state board of education.

(B) An amount for each school district operating classes for children of migrant workers who are unable to be in attendance in an Ohio school during the entire regular school year. The amounts shall be determined on the basis of standards adopted by the state board of education, except that payment shall be made only for subjects regularly offered by the school district providing the classes.

(C) An amount for each school district with guidance, testing, and counseling programs approved by the state board of education. The amount shall be determined on the basis of standards adopted by the state board of education.

(D) An amount for the emergency purchase of school buses as provided for in section 3317.07 of the Revised Code;

(E) An amount for each school district required to pay tuition for a child in an institution maintained by the department of youth services pursuant to section 3317.082 of the Revised Code, provided the child was not included in the calculation of the district's average daily membership for the preceding school year.

(F) An amount for adult basic literacy education for each district participating in programs approved by the state board of education. The amount shall be determined on the basis of standards adopted by the state board of education.

(G) An amount for the approved cost of transporting eligible pupils with disabilities attending a special education program approved by the department of education whom it is impossible or impractical to transport by regular school bus in the course of regular route transportation provided by the district or service center. No district or service center is eligible to receive a payment under this division for the cost of transporting any pupil whom it transports by regular school bus and who is included in the district's transportation ADM. The state board of education shall establish standards and guidelines for use by the department of education in determining the approved cost of such transportation for each district or service center.

(H) An amount to each school district, including each cooperative education school district, pursuant to section 3313.81 of the Revised Code to assist in providing free lunches to needy children and an amount to assist needy school districts in purchasing necessary equipment for food preparation. The amounts shall be determined on the basis of rules adopted by the state board of education.

(I) An amount to each school district, for each pupil attending a chartered nonpublic elementary or high school within the district. The amount shall equal the amount appropriated for the implementation of section 3317.06 of the Revised Code divided by the average daily membership in grades kindergarten through twelve in nonpublic elementary and high schools within the state as determined during the first full week in October of each school year.

(J) An amount for each county DD board, distributed on the basis of standards adopted by the state board of education, for the approved cost of transportation required for children attending special education programs operated by the county DD board under section 3323.09 of the Revised Code;

(K) An amount for each school district that establishes a mentor teacher program that complies with rules of the state board of education. No school district shall be required to establish or maintain such a program in any year unless sufficient funds are appropriated to cover the district's total costs for the program.

(L) An amount to each school district or educational service center for the total number of gifted units approved pursuant to section 3317.05 of the Revised Code. The amount for each such unit shall be the sum of the minimum salary for the teacher of the unit, calculated on the basis of the teacher's training level and years of experience pursuant to the salary schedule prescribed in the version of section 3317.13 of the Revised Code in effect prior to July 1, 2001, plus fifteen per cent of that minimum salary amount, plus two thousand six hundred seventy-eight dollars.

(M) An amount to each institution defined under section 3317.082 of the Revised Code providing elementary or secondary education to children other than children receiving special education under section 3323.091 of the Revised Code. This amount for any institution in any fiscal year shall equal the total of all tuition amounts required to be paid to the institution under division (A)(1) of section 3317.082 of the Revised Code.

(N) A grant to each school district and joint vocational school district that operates a "graduation, reality, and dual-role skills" (GRADS) program for pregnant and parenting students that is approved by the department. The

amount of the payment shall be the district's state share percentage, as defined in section 3317.022 or 3317.16 of the Revised Code, times the GRADS personnel allowance times the full-time-equivalent number of GRADS teachers approved by the department. The GRADS personnel allowance is \$47,555 in fiscal years 2008 and 2009. The GRADS program shall include instruction on adoption as an option for unintended pregnancies.

The state board of education or any other board of education or governing board may provide for any resident of a district or educational service center territory any educational service for which funds are made available to the board by the United States under the authority of public law, whether such funds come directly or indirectly from the United States or any agency or department thereof or through the state or any agency, department, or political subdivision thereof.

Sec. 3321.01. (A)(1) As used in this chapter, "parent," "guardian," or "other person having charge or care of a child" means either parent unless the parents are separated or divorced or their marriage has been dissolved or annulled, in which case "parent" means the parent who is the residential parent and legal custodian of the child. If the child is in the legal or permanent custody of a person or government agency, "parent" means that person or government agency. When a child is a resident of a home, as defined in section 3313.64 of the Revised Code, and the child's parent is not a resident of this state, "parent," "guardian," or "other person having charge or care of a child" means the head of the home.

A child between six and eighteen years of age is "of compulsory school age" for the purpose of sections 3321.01 to 3321.13 of the Revised Code. A child under six years of age who has been enrolled in kindergarten also shall be considered "of compulsory school age" for the purpose of sections 3321.01 to 3321.13 of the Revised Code unless at any time the child's parent or guardian, at the parent's or guardian's discretion and in consultation with the child's teacher and principal, formally withdraws the child from kindergarten. The compulsory school age of a child shall not commence until the beginning of the term of such schools, or other time in the school year fixed by the rules of the board of the district in which the child resides.

(2) No child shall be admitted to a kindergarten or a first grade of a public school in a district in which all children are admitted to kindergarten and the first grade in August or September unless the child is five or six years of age, respectively, by the thirtieth day of September of the year of admittance, or by the first day of a term or semester other than one beginning in August or September in school districts granting admittance at

the beginning of such term or semester, except that in those school districts using or obtaining educationally accepted standardized testing programs for determining entrance, as approved by the board of education of such districts, the board shall admit a child to kindergarten or the first grade who fails to meet the age requirement, provided the child meets necessary standards as determined by such standardized testing programs. If the board of education has not established a standardized testing program, the board shall designate the necessary standards and a testing program it will accept for the purpose of admitting a child to kindergarten or first grade who fails to meet the age requirement. Each child who will be the proper age for entrance to kindergarten or first grade by the first day of January of the school year for which admission is requested shall be so tested upon the request of the child's parent.

(3) Notwithstanding divisions (A)(2) and (D) of this section, beginning with the school year that starts in 2001 and continuing thereafter the board of education of any district may adopt a resolution establishing the first day of August in lieu of the thirtieth day of September as the required date by which students must have attained the age specified in those divisions.

(B) As used in divisions (C) and (D) of this section, "successfully completed kindergarten" and "successful completion of kindergarten" mean that the child has completed the kindergarten requirements at one of the following:

(1) A public or chartered nonpublic school;

(2) A kindergarten class that is both of the following:

(a) Offered by a day-care provider licensed under Chapter 5104. of the Revised Code;

(b) If offered after July 1, 1991, is directly taught by a teacher who holds one of the following:

(i) A valid educator license issued under section 3319.22 of the Revised Code;

(ii) A Montessori preprimary credential or age-appropriate diploma granted by the American Montessori society or the association Montessori internationale;

(iii) Certification determined under division (G) of this section to be equivalent to that described in division (B)(2)(b)(ii) of this section;

(iv) Certification for teachers in nontax-supported schools pursuant to section 3301.071 of the Revised Code.

(C) Except as provided in division (D) of this section, no school district shall admit to the first grade any child who has not successfully completed kindergarten.

(D) Upon request of a parent, the requirement of division (C) of this section may be waived by the district's pupil personnel services committee in the case of a child who is at least six years of age by the thirtieth day of September of the year of admittance and who demonstrates to the satisfaction of the committee the possession of the social, emotional, and cognitive skills necessary for first grade.

The board of education of each city, local, and exempted village school district shall establish a pupil personnel services committee. The committee shall be composed of all of the following to the extent such personnel are either employed by the district or employed by the governing board of the educational service center within whose territory the district is located and the educational service center generally furnishes the services of such personnel to the district:

- (1) The director of pupil personnel services;
- (2) An elementary school counselor;
- (3) An elementary school principal;
- (4) A school psychologist;
- (5) A teacher assigned to teach first grade;
- (6) A gifted coordinator.

The responsibilities of the pupil personnel services committee shall be limited to the issuing of waivers allowing admittance to the first grade without the successful completion of kindergarten. The committee shall have no other authority except as specified in this section.

(E) The scheduling of times for kindergarten classes and length of the school day for kindergarten shall be determined by the board of education of a city, exempted village, or local school district, ~~subject to section 3321.05 of the Revised Code.~~

(F) Any kindergarten class offered by a day-care provider or school described by division (B)(1) or (B)(2)(a) of this section shall be developmentally appropriate.

(G) Upon written request of a day-care provider described by division (B)(2)(a) of this section, the department of education shall determine whether certification held by a teacher employed by the provider meets the requirement of division (B)(2)(b)(iii) of this section and, if so, shall furnish the provider a statement to that effect.

(H) As used in this division, "all-day kindergarten" has the same meaning as in section 3321.05 of the Revised Code.

(1) Any school district that did not receive for fiscal year 2009 poverty-based assistance for all-day kindergarten under division (D) of section 3317.029 of the Revised Code may charge fees or tuition for

students enrolled in all-day kindergarten. If a district charges fees or tuition for all-day kindergarten under this division, the district shall develop a sliding fee scale based on family incomes.

(2) The department of education shall conduct an annual survey of each school district described in division (H)(1) of this section to determine the following:

~~(1)(a)~~ Whether the district charges fees or tuition for students enrolled in all-day kindergarten;

(b) The amount of the fees or tuition charged;

(c) How many of the students for whom tuition is charged are eligible for free lunches under the "National School Lunch Act," 60 Stat. 230 (1946), 42 U.S.C. 1751, as amended, and the "Child Nutrition Act of 1966," 80 Stat. 885, 42 U.S.C. 1771, as amended, and how many of the students for whom tuition is charged are eligible for reduced price lunches under those acts;

~~(2)(d)~~ How many students are enrolled in traditional half-day kindergarten and how many students are enrolled in rather than all-day kindergarten, as defined in section 3321.05 of the Revised Code.

Each district shall report to the department, in the manner prescribed by the department, the information ~~required by this division~~ described in divisions (H)(2)(a) to (d) of this section.

The department shall issue an annual report on the results of the survey and shall post the report on its web site. The department shall issue the first report not later than April 30, 2008, and shall issue a report not later than the thirtieth day of April each year thereafter.

Sec. 3321.05. (A) As used in this section, "all-day kindergarten" means a kindergarten class that is in session five days per week for not less than the same number of clock hours each day as for students in grades one through six.

(B) Any school district may operate all-day kindergarten or extended kindergarten, but ~~beginning in fiscal year 2011, each city, local, and exempted village school district shall provide all day kindergarten to each student enrolled in kindergarten, except as specified in divisions (C) and (D) of this section.~~

~~(C) The board of education of a school district may apply to the superintendent of public instruction for a waiver of the requirement to provide all day kindergarten for all kindergarten students. In making the determination to grant or deny the waiver, the state superintendent may consider space concerns or alternative delivery approaches used by the school district.~~

~~(D)~~ ~~No~~ no district shall require any student to attend kindergarten for more than ~~one-half of~~ the number of clock hours required each day for ~~grades one through six~~ traditional kindergarten by the minimum standards adopted under division (D) of section 3301.07 of the Revised Code. Each school district that operates all-day or extended kindergarten shall accommodate kindergarten students whose parents or guardians elect to enroll them for ~~one-half of~~ the minimum number of hours ~~required each day for grades one through six.~~

~~(E)~~(C) A school district may use space in child day-care centers licensed under Chapter 5104. of the Revised Code to provide all-day kindergarten under this section.

SECTION 2. That existing sections 3301.07, 3301.16, 3302.05, 3302.07, 3306.01, 3306.02, 3306.05, 3306.06, 3306.07, 3306.08, 3306.09, 3306.091, 3306.10, 3315.18, 3315.19, 3316.06, 3316.16, 3317.018, 3317.024, 3321.01, and 3321.05 and sections 3306.18, 3306.25, 3306.30, 3306.31, 3306.33, 3306.34, 3306.35, 3306.40, 3313.821, 3313.822, 3315.17, 3315.171, and 3318.312 of the Revised Code are hereby repealed.

SECTION 3. That Section 265.70.70 of Am. Sub. H.B. 1 of the 128th General Assembly and Section 9 of Sub. H.B. 318 of the 128th General Assembly are hereby repealed.

SECTION 4. Sections 1, 2, and 3 of this act take effect July 1, 2011.

SECTION 5. Sections 3301.07 and 3317.024 of the Revised Code are presented in this act as composites of the sections as amended by both Am. Sub. H.B. 1 and Sub. S.B. 79 of the 128th General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composites are the resulting versions of the sections in effect prior to the effective date of the sections as presented in this act.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Am. Sub. H. B. No. 30

129th G.A.

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

Director, Legislative Service Commission.

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

Secretary of State.

File No. _____ Effective Date _____