

AN ACT

To amend sections 102.02, 3301.0714, 3311.06, 3311.38, 3311.52, 3313.21, 3313.29, 3313.534, 3313.64, 3313.642, 3313.646, 3313.647, 3313.841, 3313.842, 3313.843, 3313.90, 3313.98, 3313.981, 3314.02, 3314.03, 3314.08, 3314.20, 3315.01, 3316.03, 3317.01, 3317.02, 3317.021, 3317.022, 3317.023, 3317.024, 3317.025, 3317.027, 3317.028, 3317.0210, 3317.0211, 3317.0213, 3317.0214, 3317.03, 3317.031, 3317.032, 3317.033, 3317.05, 3317.051, 3317.053, 3317.06, 3317.064, 3317.08, 3317.081, 3317.082, 3317.09, 3317.10, 3317.11, 3317.16, 3317.17, 3317.19, 3318.04, 3318.05, 3318.06, 3318.08, 3318.091, 3318.10, 3318.12, 3318.16, 3318.17, 3318.35, 3319.02, 3319.088, 3319.17, 3319.19, 3321.05, 3323.08, 3323.091, 3323.12, 3323.13, 3323.14, 3323.141, 3323.142, 3323.16, 3327.04, 3327.05, 3365.01, 3365.04, 3365.08, and 5705.29; to enact new sections 3317.012, 3317.029, and 3317.0212 and sections 3301.011, 3317.013, 3317.0215, 3317.0216, and 3317.161; and to repeal sections 3301.0719, 3317.012, 3317.029, 3317.0212, 3317.052, 3318.051, and 3318.111 of the Revised Code; to amend Sections 50, 50.04, 50.07, 50.08, 50.09, 50.10, 50.12, 50.13, 50.14, 50.15, 50.20, 50.23, 50.24, 50.26, 50.32, 50.40, 50.43, 50.44, 69.03, 76, and 130.01 of Am. Sub. H.B. 215 of the 122nd General Assembly; to amend Subsections 5 and 10 of Section 50.52 of Am. Sub. H.B. 215 of the 122nd General Assembly; to amend Sections 50.06 and 50.11 of Am. Sub. H.B. 215 of the 122nd General Assembly, as

amended by Am. Sub. H.B. 182 of the 122nd General Assembly; to amend Section 50.16 of Am. Sub. H.B. 215 of the 122nd General Assembly, as amended by Am. Sub. S.B. 55 of the 122nd General Assembly; to amend Section 5 of Am. Sub. S.B. 102 of the 122nd General Assembly, as amended by Am. Sub. H.B. 215 of the 122nd General Assembly; and to repeal Sections 50.05, 50.18, 50.22, and 50.25 of Am. Sub. H.B. 215 of the 122nd General Assembly to establish a new system for funding education; to make specific appropriations and certain increases and decreases in existing appropriations for fiscal year 1999; to make certain appropriations contingent on approval of a constitutional amendment; and to change the use of the fiscal year 1998 year-end balance in the General Revenue Fund for purposes of funding elementary and secondary education beginning July 1, 1998.

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

SECTION 1. That sections 102.02, 3301.0714, 3311.06, 3311.38, 3311.52, 3313.21, 3313.29, 3313.484, 3313.534, 3313.64, 3313.642, 3313.646, 3313.647, 3313.841, 3313.842, 3313.843, 3313.90, 3313.98, 3313.981, 3314.02, 3314.03, 3314.08, 3314.20, 3315.01, 3316.03, 3317.01, 3317.02, 3317.021, 3317.022, 3317.023, 3317.024, 3317.025, 3317.027, 3317.028, 3317.0210, 3317.0211, 3317.0213, 3317.0214, 3317.03, 3317.031, 3317.032, 3317.033, 3317.05, 3317.051, 3317.053, 3317.06, 3317.064, 3317.08, 3317.081, 3317.082, 3317.09, 3317.10, 3317.11, 3317.16, 3317.17, 3317.19, 3318.04, 3318.05, 3318.06, 3318.08, 3318.091, 3318.10, 3318.12, 3318.16, 3318.17, 3318.35, 3319.02, 3319.088, 3319.17, 3319.19, 3321.05, 3323.08, 3323.091, 3323.12, 3323.13, 3323.14, 3323.141, 3323.142, 3323.16, 3327.04, 3327.05, 3365.01, 3365.04, 3365.08, and 5705.29, be amended; and new sections 3317.012, 3317.029, and 3317.0212 and sections 3301.011, 3317.013, 3317.0215, 3317.0216, and 3317.161, of the Revised Code be enacted to read as follows:

Sec. 102.02. (A) Except as otherwise provided in division (H) of this section, every person who is elected to or is a candidate for a state, county, or city office, or the office of member of the United States congress, and every person who is appointed to fill a vacancy for an unexpired term in such an elective office; all members of the state board of education; the director, assistant directors, deputy directors, division chiefs, or persons of equivalent rank of any administrative department of the state; the president or other chief administrative officer of every state institution of higher education as defined in section 3345.011 of the Revised Code; the chief executive officer of each state retirement system; all members of the board of commissioners on grievances and discipline of the supreme court and the ethics commission created under section 102.05 of the Revised Code; every business manager, treasurer, or superintendent of a city, local, exempted village, joint vocational, or cooperative education school district or an educational service center; every person who is elected to or is a candidate for the office of member of a board of education of a city, local, exempted village, joint vocational, or cooperative education school district or of a governing board of an educational service center that has ~~an average daily membership~~ a total student count of twelve thousand or more as most recently ~~certified to~~ determined by the ~~state board~~ department of education pursuant to ~~division (A) of~~ section 3317.03 of the Revised Code; every person who is appointed to the board of education of a municipal school district pursuant to division (B) or (F) of section 3311.71 of the Revised Code; every public official or employee who is paid a salary or wage in accordance with schedule C of section 124.15 or schedule E-2 of section 124.152 of the Revised Code; and every other public official or employee who is designated by the appropriate ethics commission pursuant to division (B) of this section shall file with the appropriate ethics commission on a form prescribed by the commission, a statement disclosing:

(1) The name of the person filing the statement and each member of the person's immediate family and all names under which the person or members of the person's immediate family does business;

(2)(a) Subject to divisions (A)(2)(b) and (c) of this section and except as otherwise provided in section 102.022 of the Revised Code, identification of every source of income, other than income from a legislative agent identified in division (A)(2)(b) of this section, received during the preceding calendar year, in the person's own name or by any other person for the person's use or benefit, by the person filing the statement, and a brief description of the nature of the services for which the income was received. If the person filing the statement is a member of the general assembly, the

statement shall identify the amount of every source of income received in accordance with the following ranges of amounts: zero or more but less than one thousand dollars; one thousand dollars or more but less than ten thousand dollars; ten thousand dollars or more but less than twenty-five thousand dollars; twenty-five thousand dollars or more but less than fifty thousand dollars; fifty thousand dollars or more but less than one hundred thousand dollars; and one hundred thousand dollars or more. Division (A)(2)(a) of this section shall not be construed to require a person filing the statement who derives income from a business or profession to disclose the individual items of income that constitute the gross income of that business or profession, except for those individual items of income that are attributable to the person's or, if the income is shared with the person, the partner's, solicitation of services or goods or performance, arrangement, or facilitation of services or provision of goods on behalf of the business or profession of clients, including corporate clients, who are legislative agents as defined in section 101.70 of the Revised Code. A person who files the statement under this section shall disclose the identity of and the amount of income received from a person whom the public official or employee knows or has reason to know is doing or seeking to do business of any kind with the public official's or employee's agency.

(b) If the person filing the statement is a member of the general assembly, the statement shall identify every source of income and the amount of that income that was received from a legislative agent, as defined in section 101.70 of the Revised Code, during the preceding calendar year, in the person's own name or by any other person for the person's use or benefit, by the person filing the statement, and a brief description of the nature of the services for which the income was received. Division (A)(2)(b) of this section requires the disclosure of clients of attorneys or persons licensed under section 4732.12 of the Revised Code, or patients of persons certified under section 4731.14 of the Revised Code if those clients or patients are legislative agents. Division (A)(2)(b) of this section requires a person filing the statement who derives income from a business or profession to disclose those individual items of income that constitute the gross income of that business or profession that are received from legislative agents.

(c) Except as otherwise provided in division (A)(2)(c) of this section, division (A)(2)(a) of this section applies to attorneys, physicians, and other persons who engage in the practice of a profession and who, pursuant to a section of the Revised Code, the common law of this state, a code of ethics applicable to the profession, or otherwise, generally are required not to

reveal, disclose, or use confidences of clients, patients, or other recipients of professional services except under specified circumstances or generally are required to maintain those types of confidences as privileged communications except under specified circumstances. Division (A)(2)(a) of this section does not require an attorney, physician, or other professional subject to a confidentiality requirement as described in division (A)(2)(c) of this section to disclose the name, other identity, or address of a client, patient, or other recipient of professional services if the disclosure would threaten the client, patient, or other recipient of professional services, would reveal details of the subject matter for which legal, medical, or professional advice or other services were sought, or would reveal an otherwise privileged communication involving the client, patient, or other recipient of professional services. Division (A)(2)(a) of this section does not require an attorney, physician, or other professional subject to a confidentiality requirement as described in division (A)(2)(c) of this section to disclose in the brief description of the nature of services required by division (A)(2)(a) of this section any information pertaining to specific professional services rendered for a client, patient, or other recipient of professional services that would reveal details of the subject matter for which legal, medical, or professional advice was sought or would reveal an otherwise privileged communication involving the client, patient, or other recipient of professional services.

(3) The name of every corporation on file with the secretary of state that is incorporated in Ohio or holds a certificate of compliance authorizing it to do business in this state, trust, business trust, partnership, or association that transacts business in Ohio in which the person filing the statement or any other person for the person's use and benefit had during the preceding calendar year an investment of over one thousand dollars at fair market value as of the thirty-first day of December of the preceding calendar year, or the date of disposition, whichever is earlier, or in which the person holds any office or has a fiduciary relationship, and a description of the nature of the investment, office, or relationship. This division does not require disclosure of the name of any bank, savings and loan association, credit union, or building and loan association with which the person filing the statement has a deposit or a withdrawable share account.

(4) All fee simple and leasehold interests to which the person filing the statement holds legal title to or a beneficial interest in real property located within the state, excluding the person's residence and property used primarily for personal recreation;

(5) The names of all persons residing or transacting business in the state

to whom the person filing the statement owes, in the person's own name or in the name of any other person, more than one thousand dollars. This division shall not be construed to require the disclosure of debts owed by the person resulting from the ordinary conduct of a business or profession or debts on the person's residence or real property used primarily for personal recreation, except that the superintendent of financial institutions shall disclose the names of all state-chartered savings and loan associations and of all service corporations subject to regulation under division (E)(2) of section 1151.34 of the Revised Code to whom the superintendent in the superintendent's own name or in the name of any other person owes any money, and that the superintendent and any deputy superintendent of banks shall disclose the names of all state-chartered banks and all bank subsidiary corporations subject to regulation under section 1109.44 of the Revised Code to whom the superintendent or deputy superintendent owes any money.

(6) The names of all persons residing or transacting business in the state, other than a depository excluded under division (A)(3) of this section, who owes more than one thousand dollars to the person filing the statement, either in the person's own name or to any person for the person's use or benefit. This division shall not be construed to require the disclosure of clients of attorneys or persons licensed under section 4732.12 or 4732.15 of the Revised Code, or patients of persons certified under section 4731.14 of the Revised Code, nor the disclosure of debts owed to the person resulting from the ordinary conduct of a business or profession.

(7) Except as otherwise provided in section 102.022 of the Revised Code, the source of each gift of over seventy-five dollars, or of each gift of over twenty-five dollars received by a member of the general assembly from a legislative agent, received by the person in the person's own name or by any other person for the person's use or benefit during the preceding calendar year, except gifts received by will or by virtue of section 2105.06 of the Revised Code, or received from spouses, parents, grandparents, children, grandchildren, siblings, nephews, nieces, uncles, aunts, brothers-in-law, sisters-in-law, sons-in-law, daughters-in-law, fathers-in-law, mothers-in-law, or any person to whom the person filing the statement stands in loco parentis, or received by way of distribution from any inter vivos or testamentary trust established by a spouse or by an ancestor;

(8) Except as otherwise provided in section 102.022 of the Revised Code, identification of the source and amount of every payment of expenses incurred for travel to destinations inside or outside this state that is received

by the person in the person's own name or by any other person for the person's use or benefit and that is incurred in connection with the person's official duties except for expenses for travel to meetings or conventions of a national or state organization to which either house of the general assembly, any legislative agency, a state institution of higher education as defined in section 3345.031 of the Revised Code, any other state agency, or any political subdivision or any office or agency of a political subdivision pays membership dues;

(9) Except as otherwise provided in section 102.022 of the Revised Code, identification of the source of payment of expenses for meals and other food and beverages, other than for meals and other food and beverages provided at a meeting at which the person participated in a panel, seminar, or speaking engagement or at a meeting or convention of a national or state organization to which either house of the general assembly, any legislative agency, a state institution of higher education as defined in section 3345.031 of the Revised Code, any other state agency, or any political subdivision or any office or agency of a political subdivision pays membership dues, that are incurred in connection with the person's official duties and that exceed one hundred dollars aggregated per calendar year;

(10) If the financial disclosure statement is filed by a public official or employee described in division (B)(2) of section 101.73 of the Revised Code or division (B)(2) of section 121.63 of the Revised Code who receives a statement from a legislative agent, executive agency lobbyist, or employer that contains the information described in division (F)(2) of section 101.73 of the Revised Code or division (G)(2) of section 121.63 of the Revised Code, all of the nondisputed information contained in the statement delivered to that public official or employee by the legislative agent, executive agency lobbyist, or employer under division (F)(2) of section 101.73 or (G)(2) of section 121.63 of the Revised Code. As used in division (A)(10) of this section, "legislative agent," "executive agency lobbyist," and "employer" have the same meanings as in sections 101.70 and 121.60 of the Revised Code.

A person may file a statement required by this section in person or by mail. A person who is a candidate for elective office shall file the statement no later than the thirtieth day before the primary, special, or general election at which such candidacy is to be voted on, whichever election occurs sooner, except a person who is a write-in candidate shall file the statement no later than the twentieth day before the earliest election at which the person's candidacy is to be voted on. A person who holds elective office shall file the statement on or before the fifteenth day of April of each year,

unless the person is a candidate for office. A person who is appointed to fill a vacancy for an unexpired term in an elective office shall file the statement within fifteen days after the person qualifies for office. Other persons shall file an annual statement on or before the fifteenth day of April or, if appointed or employed after that date, within ninety days after appointment or employment. No person shall be required to file with the appropriate ethics commission more than one statement or pay more than one filing fee for any one calendar year.

The appropriate ethics commission, for good cause, may extend for a reasonable time the deadline for filing a disclosure statement under this section.

A statement filed under this section is subject to public inspection at locations designated by the appropriate ethics commission except as otherwise provided in this section.

(B) The Ohio ethics commission, the joint legislative ethics committee, and the board of commissioners on grievances and discipline of the supreme court, using the rule-making procedures of Chapter 119. of the Revised Code, may require any class of public officials or employees under its jurisdiction and not specifically excluded by this section whose positions involve a substantial and material exercise of administrative discretion in the formulation of public policy, expenditure of public funds, enforcement of laws and rules of the state or a county or city, or the execution of other public trusts, to file an annual statement on or before the fifteenth day of April under division (A) of this section. The appropriate ethics commission shall send the public officials or employees written notice of the requirement by the fifteenth day of February of each year the filing is required, unless the public official or employee is appointed after that date, in which case the notice shall be sent within thirty days after appointment, and the filing shall be made not later than ninety days after appointment.

Disclosure statements filed under this division with the Ohio ethics commission by members of boards, commissions, or bureaus of the state for which no compensation is received other than reasonable and necessary expenses shall be kept confidential. Disclosure statements filed with the Ohio ethics commission under division (A) of this section by business managers, treasurers, and superintendents of city, local, exempted village, joint vocational, or cooperative education school districts or educational service centers shall be kept confidential, except that any person conducting an audit of any such school district pursuant to section 115.56 or Chapter 117. of the Revised Code may examine the disclosure statement of any business manager, treasurer, or superintendent of that school district or

educational service center. The Ohio ethics commission shall examine each disclosure statement required to be kept confidential to determine whether a potential conflict of interest exists for the person who filed the disclosure statement. A potential conflict of interest exists if the private interests of the person, as indicated by the person's disclosure statement, might interfere with the public interests the person is required to serve in the exercise of the person's authority and duties in the person's office or position of employment. If the commission determines that a potential conflict of interest exists, it shall notify the person who filed the disclosure statement and shall make the portions of the disclosure statement that indicate a potential conflict of interest subject to public inspection in the same manner as is provided for other disclosure statements. Any portion of the disclosure statement that the commission determines does not indicate a potential conflict of interest shall be kept confidential by the commission and shall not be made subject to public inspection, except as is necessary for the enforcement of Chapters 102. and 2921. of the Revised Code and except as otherwise provided in this paragraph.

(C) No person shall knowingly fail to file, on or before the applicable filing deadline under this section, a statement that is required by this section.

(D) No person shall knowingly file a false statement that is required to be filed under this section.

(E)(1) Except as provided in divisions (E)(2) and (3) of this section, on and after March 2, 1994, the statement required by division (A) or (B) of this section shall be accompanied by a filing fee of twenty-five dollars.

(2) The statement required by division (A) of this section shall be accompanied by a filing fee to be paid by the person who is elected or appointed to or is a candidate for any of the following offices:

For state office, except member of state board of education	\$50
For office of member of United States congress or member of general assembly	\$25
For county office	\$25
For city office	\$10
For office of member of state board of education	\$10
For office of member of city, local, exempted village, or cooperative education board of education or educational service center governing board	\$ 5

For position of business manager,
treasurer, or superintendent of
city, local, exempted village, joint
vocational, or cooperative education
school district or
educational service center

\$ 5

(3) No judge of a court of record or candidate for judge of such a court, and no referee or magistrate serving a court of record, shall be required to pay the fee required under division (E)(1) or (2), or (F) of this section.

(4) For any public official who is appointed to a nonelective office of the state and for any employee who holds a nonelective position in a public agency of the state, the state agency that is the primary employer of the state official or employee shall pay the fee required under division (E)(1) or (F) of this section.

(F) If a statement required to be filed under this section is not filed by the date on which it is required to be filed, the appropriate ethics commission shall assess the person required to file the statement a late filing fee equal to one-half of the applicable filing fee for each day the statement is not filed, except that the total amount of the late filing fee shall not exceed one hundred dollars.

(G)(1) The appropriate ethics commission other than the Ohio ethics commission shall deposit all fees it receives under divisions (E) and (F) of this section into the general revenue fund of the state.

(2) The Ohio ethics commission shall deposit all fees it receives under divisions (E) and (F) of this section and all moneys it receives from settlements under division (G) of section 102.06 of the Revised Code into the Ohio ethics commission fund, which is hereby created in the state treasury. All moneys credited to the fund shall be used solely for expenses related to the operation of the commission.

(H) Division (A) of this section does not apply to a person elected or appointed to the office of precinct, ward, or district committee member under Chapter 3517. of the Revised Code; a presidential elector; a delegate to a national convention; village or township officials and employees; any physician or psychiatrist who is paid a salary or wage in accordance with schedule C of section 124.15 or schedule E-2 of section 124.152 of the Revised Code and whose primary duties do not require the exercise of administrative discretion; or any member of a board, commission, or bureau of any county or city who receives less than one thousand dollars per year for serving in that position.

Sec. 3301.011. As used in Title XXXIII of the Revised Code, "total

student count" for any school district means the average number of students enrolled during the first full school week of October in a school district in grades kindergarten through twelve, including students with dual enrollment in a joint vocational or cooperative education district, and the total number of students enrolled in preschool handicapped units in the district.

Sec. 3301.0714. (A) The state board of education shall adopt rules for a statewide education management information system. The rules shall require the state board to establish guidelines for the establishment and maintenance of the system in accordance with this section and the rules adopted under this section. The guidelines shall include:

- (1) Standards identifying and defining the types of data in the system in accordance with divisions (B) and (C) of this section;
- (2) Procedures for annually collecting and reporting the data to the state board in accordance with division (D) of this section;
- (3) Procedures for annually compiling the data in accordance with division (G) of this section;
- (4) Procedures for annually reporting the data to the public in accordance with division (H) of this section.

(B) The guidelines adopted under this section shall require the data maintained in the education management information system to include at least the following:

- (1) Student participation and performance data, for each grade in each school district as a whole and for each grade in each school building in each school district, that includes:

- (a) The numbers of students receiving each category of instructional service offered by the school district, such as regular education instruction, vocational education instruction, specialized instruction programs or enrichment instruction that is part of the educational curriculum, instruction for gifted students, instruction for handicapped students, and remedial instruction. The guidelines shall require instructional services under this division to be divided into discrete categories if an instructional service is limited to a specific subject, a specific type of student, or both, such as regular instructional services in mathematics, remedial reading instructional services, instructional services specifically for students gifted in mathematics or some other subject area, or instructional services for students with a specific type of handicap. The categories of instructional services required by the guidelines under this division shall be the same as the categories of instructional services used in determining cost units pursuant to division (C)(3) of this section.

- (b) The numbers of students receiving support or extracurricular

services for each of the support services or extracurricular programs offered by the school district, such as counseling services, health services, and extracurricular sports and fine arts programs. The categories of services required by the guidelines under this division shall be the same as the categories of services used in determining cost units pursuant to division (C)(4)(a) of this section.

(c) Average student grades in each subject in grades nine through twelve;

(d) Academic achievement levels in grades one through eight as assessed by the locally developed competency programs required by division (D) of section 3301.07 of the Revised Code;

(e) Academic achievement levels as assessed by the testing of student proficiency under sections 3301.0710 and 3301.0711 of the Revised Code;

(f) The number of students designated as having a handicapping condition pursuant to division (C)(1) of section 3301.0711 of the Revised Code;

(g) The numbers of students reported to the state board pursuant to division (C)(2) of section 3301.0711 of the Revised Code;

(h) Attendance rates and the average daily attendance for the year;

(i) Expulsion rates;

(j) Suspension rates;

(k) The percentage of students receiving corporal punishment;

(l) Dropout rates;

(m) Rates of retention in grade;

(n) For pupils in grades nine through twelve, the average number of carnegie units, as calculated in accordance with state board of education rules;

(o) Graduation rates, to be calculated in a manner specified by the department of education that reflects the rate at which students who were in the ninth grade three years prior to the current year complete school and that is consistent with nationally accepted reporting requirements.

(2) Personnel and classroom enrollment data for each school district, including:

(a) The total numbers of licensed employees and nonlicensed employees and the numbers of full-time equivalent licensed employees and nonlicensed employees providing each category of instructional service, instructional support service, and administrative support service used pursuant to division (C)(3) of this section. The guidelines adopted under this section shall require these categories of data to be maintained for the school district as a whole and, wherever applicable, for each grade in the school district as a whole,

for each school building as a whole, and for each grade in each school building.

(b) The total number of employees and the number of full-time equivalent employees providing each category of service used pursuant to divisions (C)(4)(a) and (b) of this section, and the total numbers of licensed employees and nonlicensed employees and the numbers of full-time equivalent licensed employees and nonlicensed employees providing each category used pursuant to division (C)(4)(c) of this section. The guidelines adopted under this section shall require these categories of data to be maintained for the school district as a whole and, wherever applicable, for each grade in the school district as a whole, for each school building as a whole, and for each grade in each school building.

(c) The total number of regular classroom teachers teaching classes of regular education and the average number of pupils enrolled in each such class, in each of grades kindergarten through five in the district as a whole and in each school building in the school district.

(3) Student demographic data for each school district, including information regarding the gender ratio of the school district's pupils, the racial make-up of the school district's pupils, and an appropriate measure of the number of the school district's pupils who reside in economically disadvantaged households. The demographic data shall be collected in a manner to allow correlation with data collected under division (B)(1) of this section. Categories for data collected pursuant to division (B)(3) of this section shall conform, where appropriate, to standard practices of agencies of the federal government.

(C) The education management information system shall include cost accounting data for each district as a whole and for each school building in each school district. The guidelines adopted under this section shall require the cost data for each school district to be maintained in a system of mutually exclusive cost units and shall require all of the costs of each school district to be divided among the cost units. The guidelines shall require the system of mutually exclusive cost units to include at least the following:

(1) Administrative costs for the school district as a whole. The guidelines shall require the cost units under this division (C)(1) to be designed so that each of them may be compiled and reported in terms of average expenditure per pupil in ~~average daily membership~~ formula ADM in the school district, as determined pursuant to section 3317.03 of the Revised Code.

(2) Administrative costs for each school building in the school district. The guidelines shall require the cost units under this division (C)(2) to be

designed so that each of them may be compiled and reported in terms of average expenditure per full-time equivalent pupil receiving instructional or support services in each building.

(3) Instructional services costs for each category of instructional service provided directly to students and required by guidelines adopted pursuant to division (B)(1)(a) of this section. The guidelines shall require the cost units under division (C)(3) of this section to be designed so that each of them may be compiled and reported in terms of average expenditure per pupil receiving the service in the school district as a whole and average expenditure per pupil receiving the service in each building in the school district and in terms of a total cost for each category of service and, as a breakdown of the total cost, a cost for each of the following components:

(a) The cost of each instructional services category required by guidelines adopted under division (B)(1)(a) of this section that is provided directly to students by a classroom teacher;

(b) The cost of the instructional support services, such as services provided by a speech-language pathologist, classroom aide, multimedia aide, or librarian, provided directly to students in conjunction with each instructional services category;

(c) The cost of the administrative support services related to each instructional services category, such as the cost of personnel that develop the curriculum for the instructional services category and the cost of personnel supervising or coordinating the delivery of the instructional services category.

(4) Support or extracurricular services costs for each category of service directly provided to students and required by guidelines adopted pursuant to division (B)(1)(b) of this section. The guidelines shall require the cost units under division (C)(4) of this section to be designed so that each of them may be compiled and reported in terms of average expenditure per pupil receiving the service in the school district as a whole and average expenditure per pupil receiving the service in each building in the school district and in terms of a total cost for each category of service and, as a breakdown of the total cost, a cost for each of the following components:

(a) The cost of each support or extracurricular services category required by guidelines adopted under division (B)(1)(b) of this section that is provided directly to students by a licensed employee, such as services provided by a guidance counselor or any services provided by a licensed employee under a supplemental contract;

(b) The cost of each such services category provided directly to students by a nonlicensed employee, such as janitorial services, cafeteria services, or

services of a sports trainer;

(c) The cost of the administrative services related to each services category in division (C)(4)(a) or (b) of this section, such as the cost of any licensed or nonlicensed employees that develop, supervise, coordinate, or otherwise are involved in administering or aiding the delivery of each services category.

(D) The guidelines adopted under this section may require school districts to collect information about individual students, staff members, or both in connection with any data required by division (B) or (C) of this section or other reporting requirements established in the Revised Code. The guidelines may also require school districts to report information about individual staff members in connection with any data required by division (B) or (C) of this section or other reporting requirements established in the Revised Code. The guidelines may authorize school districts to request social security numbers of individual students so that school districts and the data acquisition sites operated under section 3301.075 of the Revised Code can assure accuracy and avoid errors in collecting the data. However, the guidelines shall prohibit the reporting under this section of any personally identifiable information about any student, including a student's social security number, name, or address, to the state board of education or the department of education or to any other person unless such person is employed by the school district or the data acquisition site and is authorized by the district or acquisition site to have access to such information. The guidelines may require school districts to provide the social security numbers of individual staff members.

(E) The guidelines adopted under this section may require school districts to collect and report data, information, or reports other than that described in divisions (A), (B), and (C) of this section for the purpose of complying with other reporting requirements established in the Revised Code. The other data, information, or reports may be maintained in the education management information system but are not required to be compiled as part of the profile formats required under division (G) of this section or the annual statewide report required under division (H) of this section.

(F) Beginning with the school year that begins July 1, 1991, the board of education of each school district shall annually collect and report to the state board, in accordance with the guidelines established by the board, the data required pursuant to this section. A school district may collect and report these data notwithstanding section 2151.358 or 3319.321 of the Revised Code.

(G) The state board shall, in accordance with the procedures it adopts, annually compile the data reported by each school district pursuant to division (D) of this section. The state board shall design formats for profiling each school district as a whole and each school building within each district and shall compile the data in accordance with these formats. These profile formats shall:

(1) Include all of the data gathered under this section in a manner that facilitates comparison among school districts and among school buildings within each school district;

(2) Present the data on academic achievement levels as assessed by the testing of student proficiency maintained pursuant to division (B)(1)(e) of this section so that the academic achievement levels of students who are excused from taking any such test pursuant to division (C)(1) of section 3301.0711 of the Revised Code are distinguished from the academic achievement levels of students who are not so excused.

(H)(1) The state board shall, in accordance with the procedures it adopts, annually prepare a statewide report for all school districts and the general public that includes the profile of each of the school districts developed pursuant to division (G) of this section. Copies of the report shall be sent to each school district.

(2) The state board shall, in accordance with the procedures it adopts, annually prepare an individual report for each school district and the general public that includes the profiles of each of the school buildings in that school district developed pursuant to division (G) of this section. Copies of the report shall be sent to the superintendent of the district and to each member of the district board of education.

(3) Copies of the reports received from the state board under divisions (H)(1) and (2) of this section shall be made available to the general public at each school district's offices. Each district board of education shall make copies of each report available to any person upon request and payment of a reasonable fee for the cost of reproducing the report. The board shall annually publish in a newspaper of general circulation in the school district, at least twice during the two weeks prior to the week in which the reports will first be available, a notice containing the address where the reports are available and the date on which the reports will be available.

(I) Any data that is collected or maintained pursuant to this section and that identifies an individual pupil is not a public record for the purposes of section 149.43 of the Revised Code.

(J) As used in this section:

(1) "School district" means any city, local, exempted village, or joint

vocational school district.

(2) "Cost" means any expenditure for operating expenses made by a school district excluding any expenditures for debt retirement except for payments made to any commercial lending institution for any loan approved pursuant to section 3313.483 of the Revised Code.

(K) Any person who removes data from the information system established under this section for the purpose of releasing it to any person not entitled under law to have access to such information is subject to section 2913.42 of the Revised Code prohibiting tampering with data.

(L) Any time the department of education determines that a school district has taken any of the actions described under division (L)(1), (2), or (3) of this section, it shall make a report of the actions of the district, send a copy of the report to the superintendent of such school district, and maintain a copy of the report in its files:

(1) The school district fails to meet any deadline established pursuant to this section for the reporting of any data to the education management information system;

(2) The school district fails to meet any deadline established pursuant to this section for the correction of any data reported to the education management information system;

(3) The school district reports data to the education management information system in a condition, as determined by the department, that indicates that the district did not make a good faith effort in reporting the data to the system.

Any report made under this division shall include recommendations for corrective action by the school district.

Upon making a report for the first time in a fiscal year, the department shall withhold ten per cent of the total amount due during that fiscal year under Chapter 3317. of the Revised Code to the school district to which the report applies. Upon making a second report in a fiscal year, the department shall withhold an additional twenty per cent of such total amount due during that fiscal year to the school district to which the report applies. The department shall not release such funds unless it determines that the district has taken corrective action. However, no such release of funds shall occur if the district fails to take corrective action within ninety days of the date upon which the report was made by the department.

(M) The department of education, after consultation with the Ohio education computer network, may provide at no cost to school districts uniform computer software for use in reporting data to the education management information system, provided that no school district shall be

required to utilize such software to report data to the education management information system if such district is so reporting data in an accurate, complete, and timely manner in a format compatible with that required by the education management information system.

(N) The state board of education, in accordance with sections 3319.31 and 3319.311 of the Revised Code, may suspend or revoke a license as defined under division (A) of section 3319.31 of the Revised Code that has been issued to any school district employee found to have willfully reported erroneous, inaccurate, or incomplete data to the education management information system.

Sec. 3311.06. (A) As used in this section:

(1) "Annexation" and "annexed" mean annexation for municipal purposes under sections 709.02 to 709.37 of the Revised Code.

(2) "Annexed territory" means territory that has been annexed for municipal purposes to a city served by an urban school district, but on September 24, 1986, has not been transferred to the urban school district.

(3) "Urban school district" means a city school district with an average daily membership for the 1985-1986 school year in excess of twenty thousand that is the school district of a city that contains annexed territory.

(4) "Annexation agreement" means an agreement entered into under division (F) of this section that has been approved by the state board of education or an agreement entered into prior to September 24, 1986, that meets the requirements of division (F) of this section and has been filed with the state board.

(B) The territory included within the boundaries of a city, local, exempted village, or joint vocational school district shall be contiguous except where a natural island forms an integral part of the district, where the state board of education authorizes a noncontiguous school district, as provided in division (E)(1) of this section, or where a local school district is created pursuant to section 3311.26 of the Revised Code from one or more local school districts, one of which has entered into an agreement under section 3313.42 of the Revised Code.

(C)(1) When all of the territory of a school district is annexed to a city or village, such territory thereby becomes a part of the city school district or the school district of which the village is a part, and the legal title to school property in such territory for school purposes shall be vested in the board of education of the city school district or the school district of which the village is a part.

(2) When the territory so annexed to a city or village comprises part but not all of the territory of a school district, the said territory becomes part of

the city school district or the school district of which the village is a part only upon approval by the state board of education, unless the district in which the territory is located is a party to an annexation agreement with the city school district.

Any urban school district that has not entered into an annexation agreement with any other school district whose territory would be affected by any transfer under this division and that desires to negotiate the terms of transfer with any such district shall conduct any negotiations under division (F) of this section as part of entering into an annexation agreement with such a district.

Any school district, except an urban school district, desiring state board approval of a transfer under this division shall make a good faith effort to negotiate the terms of transfer with any other school district whose territory would be affected by the transfer. Before the state board may approve any transfer of territory to a school district, except an urban school district, under this section, it must receive the following:

(a) A resolution requesting approval of the transfer, passed by at least one of the school districts whose territory would be affected by the transfer;

(b) Evidence determined to be sufficient by the state board to show that good faith negotiations have taken place or that the district requesting the transfer has made a good faith effort to hold such negotiations;

(c) If any negotiations took place, a statement signed by all boards that participated in the negotiations, listing the terms agreed on and the points on which no agreement could be reached.

(D) The state board of education shall adopt rules governing negotiations held by any school district except an urban school district pursuant to division (C)(2) of this section. The rules shall encourage the realization of the following goals:

(1) A discussion by the negotiating districts of the present and future educational needs of the pupils in each district;

(2) The educational, financial, and territorial stability of each district affected by the transfer;

(3) The assurance of appropriate educational programs, services, and opportunities for all the pupils in each participating district, and adequate planning for the facilities needed to provide these programs, services, and opportunities.

Districts involved in negotiations under such rules may agree to share revenues from the property included in the territory to be transferred, establish cooperative programs between the participating districts, and establish mechanisms for the settlement of any future boundary disputes.

(E)(1) If territory annexed after September 24, 1986, is part of a school district that is a party to an annexation agreement with the urban school district serving the annexing city, the transfer of such territory shall be governed by the agreement. If the agreement does not specify how the territory is to be dealt with, the boards of education of the district in which the territory is located and the urban school district shall negotiate with regard to the transfer of the territory which shall be transferred to the urban school district unless, not later than ninety days after the effective date of municipal annexation, the boards of education of both districts, by resolution adopted by a majority of the members of each board, agree that the territory will not be transferred and so inform the state board of education.

If territory is transferred under this division the transfer shall take effect on the first day of July occurring not sooner than ninety-one days after the effective date of the municipal annexation. Territory transferred under this division need not be contiguous to the district to which it is transferred.

(2) Territory annexed prior to September 24, 1986, by a city served by an urban school district shall not be subject to transfer under this section if the district in which the territory is located is a party to an annexation agreement or becomes a party to such an agreement not later than ninety days after September 24, 1986. If the district does not become a party to an annexation agreement within the ninety-day period, transfer of territory shall be governed by division (C)(2) of this section. If the district subsequently becomes a party to an agreement, territory annexed prior to September 24, 1986, other than territory annexed under division (C)(2) of this section prior to the effective date of the agreement, shall not be subject to transfer under this section.

(F) An urban school district may enter into a comprehensive agreement with one or more school districts under which transfers of territory annexed by the city served by the urban school district after September 24, 1986, shall be governed by the agreement. Such agreement must provide for the establishment of a cooperative education program under section 3313.842 of the Revised Code in which all the parties to the agreement are participants and must be approved by resolution of the majority of the members of each of the boards of education of the school districts that are parties to it. An agreement may provide for interdistrict payments based on local revenue growth resulting from development in any territory annexed by the city served by the urban school district.

An agreement entered into under this division may be altered, modified, or terminated only by agreement, by resolution approved by the majority of

the members of each board of education, of all school districts that are parties to the agreement, except that with regard to any provision that affects only the urban school district and one of the other districts that is a party, that district and the urban district may modify or alter the agreement by resolution approved by the majority of the members of the board of that district and the urban district. Alterations, modifications, terminations, and extensions of an agreement entered into under this division do not require approval of the state board of education, but shall be filed with the board after approval and execution by the parties.

If an agreement provides for interdistrict payments, each party to the agreement, except any school district specifically exempted by the agreement, shall agree to make an annual payment to the urban school district with respect to any of its territory that is annexed territory in an amount not to exceed the amount certified for that year under former section 3317.029 of the Revised Code as that section existed prior to July 1, 1998; except that such limitation of annual payments to amounts certified under former section 3317.029 of the Revised Code does not apply to agreements or extensions of agreements entered into on or after June 1, 1992, unless such limitation is expressly agreed to by the parties. The agreement may provide that all or any part of the payment shall be waived if the urban school district receives its payment with respect to such annexed territory under former section 3317.029 of the Revised Code and that all or any part of such payment may be waived if the urban school district does not receive its payment with respect to such annexed territory under such section.

With respect to territory that is transferred to the urban school district after September 24, 1986, the agreement may provide for annual payments by the urban school district to the school district whose territory is transferred to the urban school district subsequent to annexation by the city served by the urban school district.

(G) In the event territory is transferred from one school district to another under this section, an equitable division of the funds and indebtedness between the districts involved shall be made under the supervision of the state board of education and that board's decision shall be final. Such division shall not include funds payable to or received by a school district under Chapter 3317. of the Revised Code or payable to or received by a school district from the United States or any department or agency thereof. In the event such transferred territory includes real property owned by a school district, the state board of education, as part of such division of funds and indebtedness, shall determine the true value in money of such real property and all buildings or other improvements thereon. The

board of education of the school district receiving such territory shall forthwith pay to the board of education of the school district losing such territory such true value in money of such real property, buildings, and improvements less such percentage of the true value in money of each school building located on such real property as is represented by the ratio of the total enrollment in day classes of the pupils residing in the territory transferred enrolled at such school building in the school year in which such annexation proceedings were commenced to the total enrollment in day classes of all pupils residing in the school district losing such territory enrolled at such school building in such school year. The school district receiving such payment shall place the proceeds thereof in its sinking fund or bond retirement fund.

(H) The state board of education, before approving such transfer of territory, shall determine that such payment has been made and shall apportion to the acquiring school district such percentage of the indebtedness of the school district losing the territory as is represented by the ratio that the assessed valuation of the territory transferred bears to the total assessed valuation of the entire school district losing the territory as of the effective date of the transfer, provided that in ascertaining the indebtedness of the school district losing the territory the state board of education shall disregard such percentage of the par value of the outstanding and unpaid bonds and notes of said school district issued for construction or improvement of the school building or buildings for which payment was made by the acquiring district as is equal to the percentage by which the true value in money of such building or buildings was reduced in fixing the amount of said payment.

(I) No transfer of school district territory or division of funds and indebtedness incident thereto, pursuant to the annexation of territory to a city or village shall be completed in any other manner than that prescribed by this section regardless of the date of the commencement of such annexation proceedings, and this section applies to all proceedings for such transfers and divisions of funds and indebtedness pending or commenced on or after October 2, 1959.

Sec. 3311.38. The state board of education may conduct, or may direct the superintendent of public instruction to conduct, studies where there is evidence of need for transfer of local, exempted village, or city school districts, or parts of any such districts, to contiguous or noncontiguous local, exempted village, or city school districts. Such studies shall include a study of the effect of any proposal upon any portion of a school district remaining after such proposed transfer. The state board, in conducting such studies and

in making recommendations as a result thereof, shall consider the possibility of improving school district organization as well as the desires of the residents of the school districts which would be affected.

(A) After the adoption of recommendations growing out of any such study, or upon receipt of a resolution adopted by majority vote of the full membership of the board of any city, local, or exempted village school district requesting that the entire district be transferred to another city, local, or exempted village school district, the state board may propose by resolution the transfer of territory, which may consist of part or all of the territory of a local, exempted village, or city school district to a contiguous local, exempted village, or city school district.

The state board shall thereupon file a copy of such proposal with the board of education of each school district whose boundaries would be altered by the proposal and with the governing board of any educational service center in which such school district is located.

The state board may, not less than thirty days following the adoption of the resolution proposing the transfer of territory, certify the proposal to the board of elections of the county or counties in which any of the territory of the proposed district is located, for the purpose of having the proposal placed on the ballot at the next general election or at a primary election occurring not less than seventy-five days after the adoption of such resolution.

If any proposal has been previously initiated pursuant to section 3311.22, 3311.231, or 3311.26 of the Revised Code which affects any of the territory affected by the proposal of the state board, the proposal of the state board shall not be placed on the ballot while the previously initiated proposal is subject to an election.

Upon certification of a proposal to the board of elections of any county pursuant to this section, the board of elections of such county shall make the necessary arrangements for the submission of such question to the electors of the county qualified to vote thereon, and the election shall be counted and canvassed and the results shall be certified in the same manner as in regular elections for the election of members of a board of education.

The electors qualified to vote upon a proposal are the electors residing in the local, exempted village, or city school districts, containing territory proposed to be transferred.

If the proposed transfer be approved by a majority of the electors voting on the proposal, the state board, subject to the approval of the board of education of the district to which the territory would be transferred, shall make such transfer prior to the next succeeding July 1.

(B) If a study conducted in accordance with this section involves a school district with less than four thousand dollars of assessed value for each pupil in ~~average daily membership~~ the total student count determined under section 3317.03 Of the Revised Code, the state board of education, with the approval of the educational service center governing board, and upon recommendation by the state superintendent of public instruction, may by resolution transfer all or any part of such a school district to any city, exempted village, or local school district which has more than twenty-five thousand pupils in average daily membership. Such resolution of transfer shall be adopted only after the board of education of the receiving school district has adopted a resolution approving the proposed transfer. For the purposes of this division, ~~the number of pupils in average daily membership shall be as certified in accordance with section 3317.03 of the Revised Code,~~ and the assessed value shall be as certified in accordance with section ~~3317.10~~ 3317.021 of the Revised Code.

(C) Upon the making of a transfer of an entire school district pursuant to this section, the indebtedness of the district transferred shall be assumed in full by the acquiring district and the funds of the district transferred shall be paid over in full to the acquiring district, except that any indebtedness of the transferred district incurred as a result of a loan made under section 3317.64 of the Revised Code is hereby canceled and shall not be assumed by the acquiring district.

(D) Upon the making of a transfer pursuant to this section, when only part of a district is transferred, the net indebtedness of each original district of which only a part is taken by the acquiring district shall be apportioned between the acquiring district and the original district in the ratio which the assessed valuation of the part taken by the acquiring district bears to the assessed valuation of the original district as of the effective date of the transfer. As used in this section "net indebtedness" means the difference between the par value of the outstanding and unpaid bonds and notes of the school district and the amount held in the sinking fund and other indebtedness retirement funds for their redemption.

(E) Upon the making of a transfer pursuant to this section, when only part of a district is transferred, the funds of the district from which territory was transferred shall be divided equitably by the state board between the acquiring district and that part of the former district remaining after the transfer.

(F) If an entire school district is transferred, the board of education of such district is thereby abolished. If part of a school district is transferred, any member of the board of education who is a legal resident of that part

which is transferred shall thereby cease to be a member of that board.

If an entire school district is transferred, foundation program moneys accruing to a district accepting school territory under the provisions of this section shall not be less, in any year during the next succeeding three years following the transfer, than the sum of the amounts received by the districts separately in the year in which the transfer became effective.

Sec. 3311.52. A cooperative education school district may be established pursuant to divisions (A) to (C) of this section or pursuant to section 3311.521 of the Revised Code.

(A) A cooperative education school district may be established upon the adoption of identical resolutions within a sixty-day period by a majority of the members of the board of education of each city, local, and exempted village school district that is within the territory of a county school financing district.

A copy of each resolution shall be filed with the board of education of the educational service center which created the county school financing district. Upon the filing of the last such resolution, the educational service center governing board shall immediately notify each board of education filing such a resolution of the date on which the last resolution was filed.

Ten days after the date on which the last resolution is filed with the educational service center governing board or ten days after the last of any notices required under division (C) of this section is received by the educational service center governing board, whichever is later, the county school financing district shall be dissolved and the new cooperative education school district and the board of education of the cooperative education school district shall be established.

On the date that any county school financing district is dissolved and a cooperative education school district is established under this section, each of the following shall apply:

(1) The territory of the dissolved district becomes the territory of the new district.

(2) Any outstanding tax levy in force in the dissolved district shall be spread over the territory of the new district and shall remain in force in the new district until the levy expires or is renewed.

(3) Any funds of the dissolved district shall be paid over in full to the new district.

(4) Any net indebtedness of the dissolved district shall be assumed in full by the new district. As used in division (A)(4) of this section, "net indebtedness" means the difference between the par value of the outstanding and unpaid bonds and notes of the dissolved district and the amount held in

the sinking fund and other indebtedness retirement funds for their redemption.

When a county school financing district is dissolved and a cooperative education school district is established under this section, the governing board of the educational service center that created the dissolved district shall give written notice of this fact to the county auditor and the board of elections of each county having any territory in the new district.

(B) The resolutions adopted under division (A) of this section shall include all of the following provisions:

(1) Provision that the governing board of the educational service center which created the county school financing district shall be the board of education of the cooperative education school district, except that provision may be made for the composition, selection, and terms of office of an alternative board of education of the cooperative district, which board shall include at least one member selected from or by the members of the board of education of each city, local, and exempted village school district and at least one member selected from or by the members of the educational service center governing board within the territory of the cooperative district;

(2) Provision that the treasurer and superintendent of the educational service center which created the county school financing district shall be the treasurer and superintendent of the cooperative education school district, except that provision may be made for the selection of a treasurer or superintendent of the cooperative district other than the treasurer or superintendent of the educational service center, which provision shall require one of the following:

(a) The selection of one person as both the treasurer and superintendent of the cooperative district, which provision may require such person to be the treasurer or superintendent of any city, local, or exempted village school district or educational service center within the territory of the cooperative district;

(b) The selection of one person as the treasurer and another person as the superintendent of the cooperative district, which provision may require either one or both such persons to be treasurers or superintendents of any city, local, or exempted village school districts or educational service center within the territory of the cooperative district.

(3) A statement of the educational program the board of education of the cooperative education school district will conduct, including but not necessarily limited to the type of educational program, the grade levels proposed for inclusion in the program, the timetable for commencing

operation of the program, and the facilities proposed to be used or constructed to be used by the program;

(4) A statement of the annual amount, or the method for determining that amount, of funds or services or facilities that each city, local, and exempted village school district within the territory of the cooperative district is required to pay to or provide for the use of the board of education of the cooperative education school district;

(5) Provision for adopting amendments to the provisions of ~~division~~ divisions (B)(2) to (4) of this section.

(C) If the resolutions adopted under division (A) of this section provide for a board of education of the cooperative education school district that is not the governing board of the educational service center that created the county school financing district, each board of education of each city, local, or exempted village school district and the governing board of the educational service center within the territory of the cooperative district shall, within thirty days after the date on which the last resolution is filed with the educational service center governing board under division (A) of this section, select one or more members of the board of education of the cooperative district as provided in the resolutions filed with the educational service center governing board. Each such board shall immediately notify the educational services center governing board of each such selection.

(D) Except for the powers and duties in this chapter and Chapters 124., 3317., 3318., 3323., and 3331. of the Revised Code, a cooperative education school district established pursuant to divisions (A) to (C) of this section or pursuant to section 3311.521 of the Revised Code has all the powers of a city school district and its board of education has all the powers and duties of a board of education of a city school district with respect to the educational program specified in the resolutions adopted under division (A) of this section. All laws applicable to a city school district or the board of education or the members of the board of education of a city school district, except such laws in this chapter and Chapters 124., 3317., 3318., 3323., and 3331. of the Revised Code, are applicable to a cooperative education school district and its board.

The treasurer and superintendent of a cooperative education school district shall have the same respective duties and powers as a treasurer and superintendent of a city school district, except for any powers and duties in this chapter and Chapters 124., 3317., 3318., 3323., and 3331. of the Revised Code.

(E) For purposes of this title, any student included in the ~~average daily membership~~ formula ADM certified for any city, exempted village, or local

school district under section 3317.03 of the Revised Code by virtue of being counted, in whole or in part, in the average daily membership of a cooperative education school district under division (A)~~(4)(2)(f)~~ of that section shall be construed to be enrolled both in that city, exempted village, or village school district and in that cooperative education school district. This division shall not be construed to mean that any such individual student may be counted more than once for purposes of determining the average daily membership of any one school district.

Sec. 3313.21. Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this section does not apply to any joint vocational or cooperative education school district.

(A) The board of education of each city, local, and exempted village school district shall formulate a written policy detailing procedures for the identification of gifted children as defined by rule of the state board of education. Annually, in accordance with the policy, the school board shall identify those students enrolled in the district who are gifted children.

(B) The board of each such district shall annually report, at such time and in such manner as the state board may prescribe, the number of students identified as gifted and the number of students receiving services in units approved in accordance with division ~~(C)~~(F) of section 3317.05 of the Revised Code.

Sec. 3313.29. The treasurer of each board of education shall keep an account of all school funds of the district. The treasurer shall receive all vouchers for payments and disbursements made to and by the board and preserve such vouchers for a period of ten years unless copied or reproduced according to the procedure prescribed in section 9.01 of the Revised Code. Thereafter, such vouchers may be destroyed by the treasurer upon applying to and obtaining an order from the school district records commission in the manner prescribed by section 149.41 of the Revised Code, except that it shall not be necessary to copy or reproduce such vouchers before their destruction. The treasurer shall render a statement to the board and to the superintendent of the school district, monthly, or more often if required, showing the revenues and receipts from whatever sources derived, the various appropriations made by the board, the expenditures and disbursements therefrom, the purposes thereof, the balances remaining in each appropriation, and the assets and liabilities of the school district. At the end of the fiscal year such statement shall be a complete exhibit of the financial affairs of the school district which may be published and distributed with the approval of the board. All monthly and yearly statements as required in this section shall be available for examination by

the public.

On request of the principal or other chief administrator of any nonpublic school located within the school district's territory, the treasurer shall provide such principal or administrator with an account of the moneys received by the district under division ~~(P)~~(L) of section 3317.024 of the Revised Code as reported to the district's board in the treasurer's most recent monthly statement.

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

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

Sec. 3313.534. No later than July 1, 1998, the board of education of each city, exempted village, and local school district shall adopt a policy of zero tolerance for violent, disruptive, or inappropriate behavior, including excessive truancy, and establish strategies to address such behavior that range from prevention to intervention.

No later than July 1, 1999, each of the big eight school districts, as defined in section ~~3317.02~~ 3314.02 of the Revised Code, shall establish under section 3313.533 of the Revised Code at least one alternative school to meet the educational needs of students with severe discipline problems, including, but not limited to, excessive truancy, excessive disruption in the classroom, and multiple suspensions or expulsions. Any other school district that attains after that date a significantly substandard graduation rate, as defined by the department of education, shall also establish such an alternative school under that section.

Sec. 3313.64. (A) As used in this section and in section 3313.65 of the Revised Code:

(1) "Parent" 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. When a child is in the legal custody of a government agency or a person other than the child's natural or adoptive parent, "parent" means the parent with residual parental rights, privileges, and responsibilities. When a child is in the permanent custody of a government agency or a person other

than the child's natural or adoptive parent, "parent" means the parent who was divested of parental rights and responsibilities for the care of the child and the right to have the child live with the parent and be the legal custodian of the child and all residual parental rights, privileges, and responsibilities.

(2) "Legal custody," "permanent custody," and "residual parental rights, privileges, and responsibilities" have the same meanings as in section 2151.011 of the Revised Code.

(3) "School district" or "district" means a city, local, or exempted village school district and excludes any school operated in an institution maintained by the department of youth services.

(4) Except as used in division (C)(2) of this section, "home" means a home, institution, family foster home, group home, or other residential facility in this state that receives and cares for children, to which any of the following applies:

(a) The home is licensed, certified, or approved for such purpose by the state or is maintained by the department of youth services.

(b) The home is operated by a person who is licensed, certified, or approved by the state to operate the home for such purpose.

(c) The home accepted the child through a placement by a person licensed, certified, or approved to place a child in such a home by the state.

(d) The home is a children's home created under section 5153.21 or 5153.36 of the Revised Code.

(5) "Agency" means all of the following:

(a) A public children services agency;

(b) An organization that holds a certificate issued by the Ohio department of human services in accordance with the requirements of section 5103.03 of the Revised Code and assumes temporary or permanent custody of children through commitment, agreement, or surrender, and places children in family homes for the purpose of adoption;

(c) Comparable agencies of other states or countries that have complied with applicable requirements of section 2151.39, or sections 5103.20 to 5103.28 of the Revised Code.

(6) A child is placed for adoption if either of the following occurs:

(a) An agency to which the child has been permanently committed or surrendered enters into an agreement with a person pursuant to section 5103.06 of the Revised Code for the care and adoption of the child.

(b) The child's natural parent places the child pursuant to section 5103.16 of the Revised Code with a person who will care for and adopt the child.

(7) "Handicapped preschool child" means a handicapped child, as

defined by division (A) of section 3323.01 of the Revised Code, who is at least three years of age but is not of compulsory school age, as defined in section 3321.01 of the Revised Code, and who has not entered kindergarten.

(8) "Child," unless otherwise indicated, includes handicapped preschool children.

(B) Except as otherwise provided in section 3321.01 of the Revised Code for admittance to kindergarten and first grade, a child who is at least five but under twenty-two years of age and any handicapped preschool child shall be admitted to school as provided in this division.

(1) A child shall be admitted to the schools of the school district in which the child's parent resides.

(2) A child who does not reside in the district where the child's parent resides shall be admitted to the schools of the district in which the child resides if any of the following applies:

(a) The child is in the legal or permanent custody of a government agency or a person other than the child's natural or adoptive parent.

(b) The child resides in a home.

(c) The child requires special education.

(3) A child who is not entitled under division (B)(2) of this section to be admitted to the schools of the district where the child resides and who is residing with a resident of this state with whom the child has been placed for adoption shall be admitted to the schools of the district where the child resides unless either of the following applies:

(a) The placement for adoption has been terminated.

(b) Another school district is required to admit the child under division (B)(1) of this section.

Division (B) of this section does not prohibit the board of education of a school district from placing a handicapped child who resides in the district in a special education program outside of the district or its schools in compliance with Chapter 3323. of the Revised Code.

(C) A district shall not charge tuition for children admitted under division (B)(1) or (3) of this section. If the district admits a child under division (B)(2) of this section, tuition shall be paid to the district that admits the child as follows:

(1) If the child receives special education in accordance with Chapter 3323. of the Revised Code, tuition shall be paid in accordance with section 3323.091, 3323.13, 3323.14, or 3323.141 of the Revised Code regardless of who has custody of the child or whether the child resides in a home.

(2) Except as otherwise provided in division (C)(2)(d) of this section, if the child is in the permanent or legal custody of a government agency or

person other than the child's parent, tuition shall be paid by:

(a) The district in which the child's parent resided at the time the court removed the child from home or at the time the court vested legal or permanent custody of the child in the person or government agency, whichever occurred first; or

(b) If the parent's residence at the time the court removed the child from home or placed the child in the legal or permanent custody of the person or government agency is unknown, tuition shall be paid by the district in which the child resided at the time the child was removed from home or placed in legal or permanent custody, whichever occurred first; or

(c) If a school district cannot be established under division (C)(2)(a) or (b) of this section, tuition shall be paid by the district determined as required by section 2151.357 of the Revised Code by the court at the time it vests custody of the child in the person or government agency.

(d) If at the time the court removed the child from home or vested legal or permanent custody of the child in the person or government agency, whichever occurred first, one parent was in a residential or correctional facility or a juvenile residential placement and the other parent, if living and not in such a facility or placement, was not known to reside in this state, tuition shall be paid by the district determined under division (D) of section 3313.65 of the Revised Code as the district required to pay any tuition while the parent was in such facility or placement.

(3) If the child is not in the permanent or legal custody of a government agency or person other than the child's parent and the child resides in a home, tuition shall be paid by one of the following:

(a) The school district in which the child's parent resides;

(b) If the child's parent is not a resident of this state, the home in which the child resides.

(D) Tuition required to be paid under divisions (C)(2) and (3)(a) of this section shall be computed in accordance with section 3317.08 of the Revised Code. Tuition required to be paid under division (C)(3)(b) of this section shall be computed in accordance with section 3317.081 of the Revised Code. If a home fails to pay the tuition required by division (C)(3)(b) of this section, the board of education providing the education may recover in a civil action the tuition and the expenses incurred in prosecuting the action, including court costs and reasonable attorney's fees. If the prosecuting attorney or city director of law represents the board in such action, costs and reasonable attorney's fees awarded by the court, based upon the prosecuting attorney's, director's, or one of their designee's time spent preparing and presenting the case, shall be deposited in the county or

city general fund.

(E) A board of education may enroll a child free of any tuition obligation for a period not to exceed sixty days, on the sworn statement of an adult resident of the district that the resident has initiated legal proceedings for custody of the child.

(F) In the case of any individual entitled to attend school under this division, no tuition shall be charged by the school district of attendance and no other school district shall be required to pay tuition for the individual's attendance. Notwithstanding division (B), (C), or (E) of this section:

(1) All persons at least eighteen but under twenty-two years of age who live apart from their parents, support themselves by their own labor, and have not successfully completed the high school curriculum or the individualized education program developed for the person by the high school pursuant to section 3323.08 of the Revised Code, are entitled to attend school in the district in which they reside.

(2) Any child under eighteen years of age who is married is entitled to attend school in the child's district of residence.

(3) A child is entitled to attend school in the district in which either of the child's parents is employed if the child has a medical condition that may require emergency medical attention. The parent of a child entitled to attend school under division (F)(3) of this section shall submit to the board of education of the district in which the parent is employed a statement from the child's physician certifying that the child's medical condition may require emergency medical attention. The statement shall be supported by such other evidence as the board may require.

(4) Any child residing with a person other than the child's parent is entitled, for a period not to exceed twelve months, to attend school in the district in which that person resides if the child's parent files an affidavit with the superintendent of the district in which the person with whom the child is living resides stating all of the following:

(a) That the parent is serving outside of the state in the armed services of the United States;

(b) That the parent intends to reside in the district upon returning to this state;

(c) The name and address of the person with whom the child is living while the parent is outside the state.

(5) Any child under the age of twenty-two years who, after the death of a parent, resides in a school district other than the district in which the child attended school at the time of the parent's death is entitled to continue to attend school in the district in which the child attended school at the time of

the parent's death for the remainder of the school year, subject to approval of that district board.

(6) A child under the age of twenty-two years who resides with a parent who is having a new house built in a school district outside the district where the parent is residing is entitled to attend school for a period of time in the district where the new house is being built. In order to be entitled to such attendance, the parent shall provide the district superintendent with the following:

(a) A sworn statement explaining the situation, revealing the location of the house being built, and stating the parent's intention to reside there upon its completion;

(b) A statement from the builder confirming that a new house is being built for the parent and that the house is at the location indicated in the parent's statement.

(7) A child under the age of twenty-two years residing with a parent who has a contract to purchase a house in a school district outside the district where the parent is residing and who is waiting upon the date of closing of the mortgage loan for the purchase of such house is entitled to attend school for a period of time in the district where the house is being purchased. In order to be entitled to such attendance, the parent shall provide the district superintendent with the following:

(a) A sworn statement explaining the situation, revealing the location of the house being purchased, and stating the parent's intent to reside there;

(b) A statement from a real estate broker or bank officer confirming that the parent has a contract to purchase the house, that the parent is waiting upon the date of closing of the mortgage loan, and that the house is at the location indicated in the parent's statement.

The district superintendent shall establish a period of time not to exceed ninety days during which the child entitled to attend school under division (F)(6) or (7) of this section may attend without tuition obligation. A student attending a school under division (F)(6) or (7) of this section shall be eligible to participate in interscholastic athletics under the auspices of that school, provided the board of education of the school district where the student's parent resides, by a formal action, releases the student to participate in interscholastic athletics at the school where the student is attending, and provided the student receives any authorization required by a public agency or private organization of which the school district is a member exercising authority over interscholastic sports.

(8) A child whose parent is a full-time employee of a city, local, or exempted village school district may be admitted to the schools of the

district where the child's parent is employed, provided the board of education establishes such an admission policy by resolution adopted by a majority of its members. Any such policy shall take effect on the first day of the school year and the effective date of any amendment or repeal may not be prior to the first day of the subsequent school year. The policy shall be uniformly applied to all such children and shall provide for the admission of any such child upon request of the parent. No child may be admitted under this policy after the first day of classes of any school year.

(9) A child who is with the child's parent under the care of a shelter for victims of domestic violence, as defined in section 3113.33 of the Revised Code, is entitled to attend school free in the district in which the child is with his parent, and no other school district shall be required to pay tuition for the child's attendance in that school district.

The enrollment of a child in a school district under this division shall not be denied due to a delay in the school district's receipt of any records required under section 3313.672 of the Revised Code or any other records required for enrollment. Any days of attendance and any credits earned by a child while enrolled in a school district under this division shall be transferred to and accepted by any school district in which the child subsequently enrolls. The state board of education shall adopt rules to ensure compliance with this division.

(10) Any child under the age of twenty-two years whose parent has moved out of the school district after the commencement of classes in the child's senior year of high school is entitled, subject to the approval of that district board, to attend school in the district in which the child attended school at the time of the parental move for the remainder of the school year and for one additional semester or equivalent term. A district board may also adopt a policy specifying extenuating circumstances under which a student may continue to attend school under division (F)(10) of this section for an additional period of time in order to successfully complete the high school curriculum for the individualized education program developed for the student by the high school pursuant to section 3323.08 of the Revised Code.

(11) As used in this division, "grandparent" means a parent of a parent of a child. A child under the age of twenty-two years who is in the custody of the child's parent, resides with a grandparent, and does not require special education is entitled to attend the schools of the district in which the child's grandparent resides, provided that, prior to such attendance in any school year, the board of education of the school district in which the child's grandparent resides and the board of education of the school district in which the child's parent resides enter into a written agreement specifying

that good cause exists for such attendance, describing the nature of this good cause, and consenting to such attendance.

In lieu of a consent form signed by a parent, a board of education may request the grandparent of a child attending school in the district in which the grandparent resides pursuant to division (F)(11) of this section to complete any consent form required by the district, including any authorization required by sections 3313.712 and 3313.713 of the Revised Code. Upon request, the grandparent shall complete any consent form required by the district. A school district shall not incur any liability solely because of its receipt of a consent form from a grandparent in lieu of a parent.

Division (F)(11) of this section does not create, and shall not be construed as creating, a new cause of action or substantive legal right against a school district, a member of a board of education, or an employee of a school district. This section does not affect, and shall not be construed as affecting, any immunities from defenses to tort liability created or recognized by Chapter 2744. of the Revised Code for a school district, member, or employee.

(12) A child under the age of twenty-two years is entitled to attend school in a school district other than the district in which the child is entitled to attend school under division (B), (C), or (E) of this section provided that, prior to such attendance in any school year, both of the following occur:

(a) The superintendent of the district in which the child is entitled to attend school under division (B), (C), or (E) of this section contacts the superintendent of another district for purposes of this division;

(b) The superintendents of both districts enter into a written agreement that consents to the attendance and specifies that the purpose of such attendance is to protect the student's physical or mental well-being or to deal with other extenuating circumstances deemed appropriate by the superintendents.

While an agreement is in effect under this division for a student who is not receiving special education under Chapter 3323. of the Revised Code and notwithstanding Chapter 3327. of the Revised Code, the board of education of neither school district involved in the agreement is required to provide transportation for the student to and from the school where the student attends.

A student attending a school of a district pursuant to this division shall be allowed to participate in all student activities, including interscholastic athletics, at the school where the student is attending on the same basis as any student who has always attended the schools of that district while of

compulsory school age.

(G) A board of education, after approving admission, may waive tuition for students who will temporarily reside in the district and who are either of the following:

(1) Residents or domiciliaries of a foreign nation who request admission as foreign exchange students;

(2) Residents or domiciliaries of the United States but not of Ohio who request admission as participants in an exchange program operated by a student exchange organization.

(H) Pursuant to sections 3311.211, 3313.90, 3319.01, 3323.04, 3327.04, and 3327.06 of the Revised Code, a child may attend school or participate in a special education program in a school district other than in the district where the child is entitled to attend school under division (B) of this section.

(I) This division does not apply to a child receiving special education.

A school district required to pay tuition pursuant to division (C)(2) or (3) of this section or section 3313.65 of the Revised Code shall have an amount deducted under division ~~(G)~~(F) of section 3317.023 of the Revised Code equal to its own tuition rate for the same period of attendance. A school district entitled to receive tuition pursuant to division (C)(2) or (3) of this section or section 3313.65 of the Revised Code shall have an amount credited under division ~~(G)~~(F) of section 3317.023 of the Revised Code equal to its own tuition rate for the same period of attendance. If the tuition rate credited to the district of attendance exceeds the rate deducted from the district required to pay tuition, the department of education shall pay the district of attendance the difference from amounts deducted from all districts' payments under division ~~(G)~~(F) of section 3317.023 of the Revised Code but not credited to other school districts under such division and from appropriations made for such purpose. The treasurer of each school district shall, by the fifteenth day of January and July, furnish the superintendent of public instruction a report of the names of each child who attended the district's schools under divisions (C)(2) and (3) of this section or section 3313.65 of the Revised Code during the preceding six calendar months, the duration of the attendance of those children, the school district responsible for tuition on behalf of the child, and any other information that the superintendent requires.

Upon receipt of the report the superintendent, pursuant to division ~~(G)~~(F) of section 3317.023 of the Revised Code, shall deduct each district's tuition obligations under divisions (C)(2) and (3) of this section or section 3313.65 of the Revised Code and pay to the district of attendance that amount plus any amount required to be paid by the state.

(J) In the event of a disagreement, the superintendent of public instruction shall determine the school district in which the parent resides.

(K) Nothing in this section requires or authorizes, or shall be construed to require or authorize, the admission to a public school in this state of a pupil who has been permanently excluded from public school attendance by the superintendent of public instruction pursuant to sections 3301.121 and 3313.662 of the Revised Code.

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

(B) No board of education of a school district that receives funds under ~~division (B) of section 3317.023~~ 3317.029 of the Revised Code shall charge a fee to a recipient of aid under Chapter 5107. or 5115. of the Revised Code for any materials needed to enable the recipient to participate fully in a course of instruction. The prohibition in this division against charging a fee does not apply to any fee charged for any materials needed to enable a recipient to participate fully in extracurricular activities or in any pupil enrichment program that is not a course of instruction.

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

Sec. 3313.646. (A) The board of education of a school district, except a cooperative education district established pursuant to section 3311.521 of the Revised Code, may establish and operate a preschool program except that no such program shall be established after March 17, 1989, unless both of the following apply at the time the program is established:

(1) The board has demonstrated a need for the program.

(2) Unless it is a cooperative education district established pursuant to

divisions (A) to (C) of section 3311.52 of the Revised Code, the school district is eligible for moneys distributed by the department of education pursuant to ~~division (B) of section 3317.023~~ 3317.029 of the Revised Code. A board may use school funds in support of preschool programs. The board shall maintain, operate, and admit children to any such program pursuant to rules adopted by such board and the rules of the state board of education adopted under sections 3301.52 to 3301.57 of the Revised Code.

A board of education may establish fees or tuition, which may be graduated in proportion to family income, for participation in a preschool program. In cases where payment of fees or tuition would create a hardship for the child's parent or guardian, the board may waive any such fees or tuition.

(B) No board of education that is not receiving funds under the "Head Start Act," 95 Stat. 489 (1981), 42 U.S.C.A. 9831, on March 17, 1989, shall compete for funds under the "Head Start Act" with any grantee receiving funds under that act.

(C) A board of education may contract with any of the following preschool providers to provide preschool programs, other than programs for units described by division (E) of section 3317.05 of the Revised Code, for children of the school district:

- (1) Any organization receiving funds under the "Head Start Act";
- (2) Any nonsectarian eligible nonpublic school as defined in division (H) of section 3301.52 of the Revised Code;
- (3) Any child day-care provider licensed under Chapter 5104. of the Revised Code.

Boards may contract to provide preschool programs only with such organizations whose staff meet the requirements of rules adopted under section 3301.53 of the Revised Code or those of the child development associate credential established by the national association for the education of young children.

(D) A contract entered into under division (C) of this section may provide for the board of education to lease school facilities to the preschool provider or to furnish transportation, utilities, or staff for the preschool program.

(E) The treasurer of any board of education operating a preschool program pursuant to this section shall keep an account of all funds used to operate the program in the same manner as he would any other funds of the district pursuant to this chapter.

Sec. 3313.647. As used in this division, "graduate" means a person who has received a diploma from a district pursuant to section 3313.61 of the

Revised Code.

Pursuant to rules adopted by the state board of education, a city, local, exempted village, or joint vocational school district may establish a policy guaranteeing a specific level of competency of certain graduates of the district. The guarantee policy shall specify that any graduate meeting specified criteria established by the board is capable of performing specified functions at a level established in the policy. Any employer or potential employer of a graduate who is guaranteed under such a policy may submit a written statement to the board of education stating the guaranteed graduate of its district does not meet the level of competency specified in the district's guarantee policy. Upon receipt of such statement the board of education shall provide an opportunity for additional education to the graduate, regardless of the graduate's age or place of residence, until such individual attains the competency level specified in the policy. No fee shall be charged to any person or government entity for such additional education. A school board may expend school funds for a guarantee program; however, no student participating in the program shall be included in the ~~average daily membership formula~~ ADM of the district as determined under section 3317.03 of the Revised Code or included as a participant in any other program, if such inclusion would result in additional state funds to the school district.

The state board of education shall adopt rules for the adoption of a policy under this section and for the additional education program described under this section.

Sec. 3313.841. The boards of education and governing boards of two or more city, local, joint vocational, or exempted village school districts or educational service centers may contract in accordance with the terms of this section for the sharing on a cooperative basis of the services of supervisory teachers, special instruction teachers, special education teachers, and other licensed personnel necessary to conduct approved cooperative classes of the type described in ~~divisions~~ division (B), ~~(C), and (E)~~ of section 3317.05 of the Revised Code for handicapped pupils.

The boards of two or more districts or service centers desiring to enroll students in such classes shall each adopt resolutions indicating such desire and designating one of the participating districts or service centers as the funding agent for purposes of this section. The district or service center designated as the funding agent shall enter into an employment contract with each licensed teacher whose services are to be shared among the participating districts and service centers. In turn, the funding agent shall enter into contracts with each of the districts and service centers which have

adopted resolutions agreeing to participate in the cooperative program upon terms agreed to by all parties to such contract. Such contracts between districts and service centers shall set forth the services to be provided by the licensed teacher employed by the funding agent whose services are to be shared by the participating districts and service centers and the basis for computing the amounts to be paid for such services to the funding agent by the participating districts and service centers.

For purposes of ~~divisions~~ division (B), ~~(C), and (E)~~ of section 3317.05 of the Revised Code, the funding agent shall count all pupils enrolled in cooperative programs for handicapped pupils as pupils enrolled in such programs in the funding agent district. Upon receipt of payment for such programs, the funding agent district shall credit the account of districts participating in the cooperative program for the amounts due under contracts entered into under the terms of this section in proportion to the number of resident students enrolled in the cooperative program from each participating district and service center.

In determining the terms of the contract entered into by the funding agent district or service center and the participating districts and service centers, the superintendent of schools of each participating board of education and governing board shall serve as a committee which shall recommend such terms to such boards.

Sec. 3313.842. The boards of education of any two or more school districts may enter into an agreement for joint or cooperative establishment and operation of any educational program including any class, course, or program that may be included in a school district's graded course of study and staff development programs for teaching and nonteaching school employees. Each school district that is party to such an agreement may contribute funds of the district in support of the agreement and for the establishment and operation of any educational program established under the agreement. The agreement shall designate one of the districts as the district responsible for receiving and disbursing the funds contributed by the districts that are parties to the agreement.

A student participating in an educational program established pursuant to this section shall be included in the ~~average daily membership~~ formula ADM certified under section 3317.03 of the Revised Code of the district in which ~~he~~ the student is enrolled.

Sec. 3313.843. ~~(A)~~ Notwithstanding division (D) of section 3311.52 of the Revised Code, this section does not apply to either of the following:

- ~~(A)(1)~~ Any cooperative education school district;
- ~~(B)(2)~~ Any city or exempted village school district with an ~~average~~

~~daily membership~~ a total student count of thirteen thousand or more ~~reported~~ determined pursuant to ~~division (A)~~ of section 3317.03 of the Revised Code that has not entered into one or more agreements pursuant to this section prior to July 1, 1993, unless the district's ~~average daily membership~~ total student count did not exceed thirteen thousand at the time it entered into an initial agreement under this section.

(B) The board of education of a city or exempted village school district and the governing board of an educational service center with territory in a county in which the city or exempted village school district also has territory may enter into an agreement, through adoption of identical resolutions, under which the educational service center governing board will provide services to the city or exempted village school district.

Services provided under the agreement shall be specified in the agreement, and may include any one or a combination of the following: supervisory teachers; in-service and continuing education programs for city or exempted village school district personnel; curriculum services as provided to the local school districts under the supervision of the service center governing board; research and development programs; academic instruction for which the governing board employs teachers pursuant to section 3319.02 of the Revised Code; and assistance in the provision of special accommodations and classes for handicapped students. Services included in the agreement shall be provided to the city or exempted village district in the same manner they are provided to local school districts under the governing board's supervision, unless otherwise specified in the agreement. The city or exempted village board of education shall reimburse the educational service center governing board pursuant to section 3317.11 of the Revised Code.

(C)(1) If an educational service center received funding under division (B) of section 3317.11 of the Revised Code for an agreement under this section involving a city school district whose ~~average daily membership~~ total student count was less than thirteen thousand, the service center may continue to receive funding under that division for such an agreement in any subsequent year if the city district's ~~average daily membership~~ total student count exceeds thirteen thousand. However, only the first thirteen thousand pupils in the ~~average daily membership~~ formula ADM of such district shall be included in determining the amount of the per pupil subsidy the service center shall receive under division (B) of section 3317.11 of the Revised Code.

(2) If, prior to the effective date of this amendment, an educational service center received funding under division (B) of section 3317.11 Of the

Revised Code for a period of at least three years, for a good faith agreement under this section involving a city school district with no territory in the county in which the educational service center has territory, that educational service center and that city school district may enter into an agreement under this section, and the service center shall receive funding under division (B) of section 3317.11 Of the Revised Code for any such agreement, notwithstanding the territorial boundaries of the service center and the city school district.

(D) Any agreement entered into pursuant to this section shall be valid only if a copy is filed with the department of education by the first day of the school year for which the agreement is in effect.

Sec. 3313.90. As used in this section, "formula ADM" has the same meaning as in section 3317.02 Of the Revised Code. Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, the provisions of this section that apply to a city school district do not apply to any joint vocational or cooperative education school district.

(A) Each city, local, and exempted village school district shall, by one of the following means, provide vocational education adequate to prepare a pupil enrolled therein for an occupation:

(1) Establishing and maintaining a vocational education program that meets standards adopted by the state board of education;

(2) Being a member of a joint vocational school district that meets standards adopted by the state board;

(3) Contracting for vocational education with a joint vocational school district or another school district that meets the standards adopted by the state board.

The standards of the state board of education shall include criteria for the participation by nonpublic students in vocational education programs without financial assessment, charge, or tuition to such student except such assessments, charges, or tuition paid by resident public school students in such programs. Such nonpublic school students shall be included in the ~~average daily membership~~ formula ADM of the school district maintaining the vocational education program as part-time students in proportion to the time spent in the vocational education program.

By the thirtieth day of October of each year, the superintendent of public instruction shall determine and certify to the superintendent of each school district subject to this section either that the district is in compliance with the requirements of this section for the current school year or that the district is not in compliance. If the superintendent certifies that the district is

not in compliance, he shall notify the board of education of the district of the actions necessary to bring the district into compliance with this section.

In meeting standards established by the state board of education, school districts, where practicable, shall provide vocational programs in high schools. A minimum enrollment of fifteen hundred pupils in grades nine through twelve is established as a base for comprehensive vocational course offerings. A school district may meet this requirement alone, through a cooperative arrangement pursuant to section 3313.92 of the Revised Code, through school district consolidation, by membership in a joint vocational school district, by contract with a school district, by contract with a school licensed by any state agency established by the Revised Code which school operates its courses offered for contracting with public schools under standards as to staffing and facilities comparable to those prescribed by the state board of education for public schools provided no instructor in such courses shall be required to be certificated by the state department of education, or in a combination of such ways. Exceptions to the minimum requirement of fifteen hundred pupils may be made by the state board of education based on sparsity of population or other factors indicating that comprehensive educational and vocational programs as required by this section can be provided through an alternate plan.

(B) Approval of state funds for the construction and operation of vocational facilities in any city, local, or exempted village school district shall be contingent upon a comprehensive vocational program plan approved by the state board of education no later than July 1, 1970. The state board of education shall not approve a school district plan unless the plan proposed reasonably meets the vocational needs of other school districts in the general area of the school districts in the general area of the school district submitting the plan. The plan shall be submitted to the state board of education no later than April 1, 1970. Such plan shall contain:

(1) The organization for vocational education pursuant to the requirements of this section;

(2) Vocational programs to be offered in the respective comprehensive high schools, in specialized schools or skill centers, and in joint vocational schools;

(3) Remodeled, additional, and new vocational facilities required at the respective locations.

In approving the organization for vocational education the state board of education shall provide that no city, local, or exempted village school district is excluded in the statewide plan.

Sec. 3313.98. Notwithstanding division (D) of section 3311.19 and

division (D) of section 3311.52 of the Revised Code, the provisions of this section and sections 3313.981 to 3313.983 of the Revised Code that apply to a city school district do not apply to a joint vocational or cooperative education school district unless expressly specified.

(A) As used in this section and sections 3313.981 to 3313.983 of the Revised Code:

(1) "Parent" means either of the natural or adoptive parents of a student, except under the following conditions:

(a) When the marriage of the natural or adoptive parents of the student has been terminated by a divorce, dissolution of marriage, or annulment or the natural or adoptive parents of the student are living separate and apart under a legal separation decree and the court has issued an order allocating the parental rights and responsibilities with respect to the student, "parent" means the residential parent as designated by the court except that "parent" means either parent when the court issues a shared parenting decree.

(b) When a court has granted temporary or permanent custody of the student to an individual or agency other than either of the natural or adoptive parents of the student, "parent" means the legal custodian of the child.

(c) When a court has appointed a guardian for the student, "parent" means the guardian of the student.

(2) "Native student" means a student entitled under section 3313.64 or 3313.65 of the Revised Code to attend school in a district adopting a resolution under this section.

(3) "Adjacent district" means a city, exempted village, or local school district having territory that abuts the territory of a district adopting a resolution under this section.

(4) "Adjacent district student" means a student entitled under section 3313.64 or 3313.65 of the Revised Code to attend school in an adjacent district.

(5) "Adjacent district joint vocational student" means an adjacent district student who enrolls in a city, exempted village, or local school district pursuant to this section and who also enrolls in a joint vocational school district that does not contain the territory of the district for which that student is a native student and does contain the territory of the city, exempted village, or local district in which the student enrolls.

(6) "Adjusted formula amount" means the ~~dollar~~ formula amount ~~specified~~ defined in division (B) of section 3317.02 ~~3317.022~~ 3317.02 of the Revised Code multiplied by the cost-of-doing-business factor for a district defined in division ~~(E)(N)~~ (N) of section 3317.02 of the Revised Code.

(7) "Poverty line" means the poverty line established by the director of

the United States office of management and budget as revised by the director of the office of community services in accordance with section 673(2) of the "Community Services Block Grant Act," 95 Stat. 1609, 42 U.S.C.A. 9902, as amended.

(8) "IEP" means an individualized education program defined by division (E) of section 3323.01 of the Revised Code.

(9) "Other district" means a city, exempted village, or local school district having territory outside of the territory of a district adopting a resolution under this section.

(10) "Other district student" means a student entitled under section 3313.64 or 3313.65 of the Revised Code to attend school in an other district.

(11) "Other district joint vocational student" means a student who is enrolled in any city, exempted village, or local school district and who also enrolls in a joint vocational school district that does not contain the territory of the district for which that student is a native student in accordance with a policy adopted under section 3313.983 of the Revised Code.

(B) The board of education of each city, local, and exempted village school district may adopt a resolution that entirely prohibits the enrollment of students from adjacent districts or other districts, other than students for whom tuition is paid in accordance with section 3317.08 of the Revised Code, that permits enrollment of students from all adjacent districts in accordance with a policy contained in the resolution, or that permits enrollment of students from all other districts in accordance with a policy contained in the resolution.

A policy permitting enrollment of students from adjacent or from other districts, as applicable, shall provide for all of the following:

(1) Application procedures, including deadlines for application and for notification of students and the superintendent of the applicable district whenever an adjacent or other district student's application is approved.

(2) Procedures for admitting adjacent or other district applicants free of any tuition obligation to the district's schools, including, but not limited to:

(a) The establishment of district capacity limits by grade level, school building, and education program;

(b) A requirement that all native students wishing to be enrolled in the district will be enrolled and that any adjacent or other district students previously enrolled in the district shall receive preference over first-time applicants;

(c) Procedures to ensure that an appropriate racial balance is maintained in the district schools.

(C) Except as provided in section 3313.982 of the Revised Code, the

procedures for admitting adjacent or other district students, as applicable, shall not include:

(1) Any requirement of academic ability, or any level of athletic, artistic, or other extracurricular skills;

(2) Limitations on admitting applicants because of handicapping conditions, except that a board may refuse to admit a student receiving services under Chapter 3323. of the Revised Code, if the services described in the student's IEP are not available in the district's schools;

(3) A requirement that the student be proficient in the English language;

(4) Rejection of any applicant because the student has been subject to disciplinary proceedings, except that if an applicant has been suspended or expelled by the student's district for ten consecutive days or more in the term for which admission is sought or in the term immediately preceding the term for which admission is sought, the procedures may include a provision denying admission of such applicant.

(D)(1) Each school board permitting only enrollment of adjacent district students shall provide information about the policy adopted under this section, including the application procedures and deadlines, to the superintendent and the board of education of each adjacent district and, upon request, to the parent of any adjacent district student.

(2) Each school board permitting enrollment of other district students shall provide information about the policy adopted under this section, including the application procedures and deadlines, upon request, to the board of education of any other school district or to the parent of any student anywhere in the state.

(E) Any school board shall accept all credits toward graduation earned in adjacent or other district schools by an adjacent or other district student or a native student.

(F)(1) No board of education may adopt a policy discouraging or prohibiting its native students from applying to enroll in the schools of an adjacent or any other district that has adopted a policy permitting such enrollment, except that:

(a) A district may object to the enrollment of a native student in an adjacent or other district in order to maintain an appropriate racial balance.

(b) The board of education of a district receiving funds under 64 Stat. 1100 (1950), 20 U.S.C.A. 236 et seq., as amended, may adopt a resolution objecting to the enrollment of its native students in adjacent or other districts if at least ten per cent of its students are included in the determination of the United States secretary of education made under section 20 U.S.C.A. 238(a).

(2) If a board objects to enrollment of native students under this

division, any adjacent or other district shall refuse to enroll such native students unless tuition is paid for the students in accordance with section 3317.08 of the Revised Code. An adjacent or other district enrolling such students may not receive funding for those students in accordance with section 3313.981 of the Revised Code.

(G) The state board of education shall monitor school districts to ensure compliance with this section and the districts' policies. The board may adopt rules requiring uniform application procedures, deadlines for application, notification procedures, and record-keeping requirements for all school boards that adopt policies permitting the enrollment of adjacent or other district students, as applicable. If the state board adopts such rules, no school board shall adopt a policy that conflicts with those rules.

(H) A resolution adopted by a board of education under this section that entirely prohibits the enrollment of students from adjacent and from other school districts does not abrogate any agreement entered into under section 3313.841 or 3313.92 of the Revised Code or any contract entered into under section 3313.90 of the Revised Code between the board of education adopting the resolution and the board of education of any adjacent or other district or prohibit these boards of education from entering into any such agreement or contract.

(I) Nothing in this section shall be construed to permit or require the board of education of a city, exempted village, or local school district to exclude any native student of the district from enrolling in the district.

Sec. 3313.981. (A) The state board shall adopt rules requiring both of the following:

(1) The board of education of each city, exempted village, and local school district to annually report the number of adjacent district or other district students, as applicable, and adjacent district or other district joint vocational students, as applicable, enrolled in the district and the number of native students enrolled in adjacent or other districts, in accordance with a policy adopted under division (B) of section 3313.98 of the Revised Code; each adjacent district or other district student's or adjacent district or other district joint vocational student's date of enrollment in the district; and each native student's date of enrollment in an adjacent or other district;

(2) The board of education of each joint vocational school district to annually report the number of adjacent district or other district joint vocational students, as applicable, enrolled in the district and, for each such student, the city, exempted village, or local school district in which the student is also enrolled.

The rules shall provide for the method of counting students who are

enrolled for part of a school year in an adjacent or other district or as an adjacent district or other district joint vocational student.

(B) From the payments made to a city, exempted village, or local school district under Chapter 3317. of the Revised Code, the department of education shall annually subtract both of the following:

(1) An amount equal to the number of the district's native students reported under division (A)(1) of this section who are enrolled in adjacent or other school districts pursuant to policies adopted by such districts under division (B) of section 3313.98 of the Revised Code multiplied by the adjusted formula amount for the district;

(2) The excess costs computed in accordance with division (E) of this section for any such native students receiving special education and related services in adjacent or other school districts or as an adjacent district or other district joint vocational student.

(C) To the payments made to a city, exempted village, or local school district under Chapter 3317. of the Revised Code, the department of education shall annually add all of the following:

(1) An amount equal to the adjusted formula amount for the district multiplied by the remainder obtained by subtracting the number of adjacent district or other district joint vocational students from the number of adjacent district or other district students enrolled in the district, as reported under division (A)(1) of this section;

(2) The excess costs computed in accordance with division (E) of this section for any adjacent district or other district students, except for any adjacent or other district joint vocational students, receiving special education and related services in the district;

(3) An amount equal to the number of adjacent district or other district joint vocational students reported under division (A)(1) of this section multiplied by an amount equal to one-fourth of the adjusted formula amount for the district.

(D) To the payments made to a joint vocational school district under Chapter 3317. of the Revised Code, the department of education shall add, for each adjacent district or other district joint vocational student reported under division (A)(2) of this section, an amount equal to three-fourths of the adjusted formula amount of the city, exempted village, or local school district in which the student is also enrolled.

(E)(1) A city, exempted village, or local school board providing special education and related services to an adjacent or other district student in accordance with an IEP shall, pursuant to rules of the state board, compute the excess costs to educate such student as follows:

(a) Subtract the adjusted formula amount for the district from the actual costs to educate the student;

(b) From the amount computed under division (E)(1)(a) of this section subtract the amount of any funds received by the district under Chapter 3317. of the Revised Code to provide special education and related services to the student.

(2) The board shall report the excess costs computed under this division to the department of education.

(3) If any student for whom excess costs are computed under division (E)(1) of this section is an adjacent or other district joint vocational student, the department of education shall add the amount of such excess costs to the payments made under Chapter 3317. of the Revised Code to the joint vocational school district enrolling the student.

(F) Notwithstanding section 3317.03 of the Revised Code:

~~(1) No city, exempted village, or local school district shall count any adjacent or other district student reported under division (A) of this section in its ADM certified under section 3317.03 of the Revised Code.~~

~~(2) Each city, exempted village, and local school district shall count in its ADM certified under such section, any native student enrolled in the schools of an adjacent or an other district under section 3313.98 of the Revised Code.~~

~~(3) No, no joint vocational school district shall count any adjacent or other district joint vocational student enrolled in the district in its ADM average daily membership certified under section 3317.03 of the Revised Code.~~

(G) No city, exempted village, or local school district shall receive a payment under division (C) of this section for a student, and no joint vocational school district shall receive a payment under division (D) of this section for a student, if for the same school year that student is counted in the district's formula ADM or average daily membership certified under section 3317.03 of the Revised Code.

(H) Upon request of a parent, and provided the board offers transportation to native students of the same grade level and distance from school under section 3327.01 of the Revised Code, a city, exempted village, or local school board enrolling an adjacent or other district student shall provide transportation for the student within the boundaries of the board's district, except that the board shall be required to pick up and drop off a nonhandicapped student only at a regular school bus stop designated in accordance with the board's transportation policy. Pursuant to rules of the state board of education, such board may reimburse the parent from funds

received under division ~~(K)(D)~~ of section ~~3317.024~~ 3317.022 of the Revised Code for the reasonable cost of transportation from the student's home to the designated school bus stop if the student's family has an income below the federal poverty line.

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

(1) "Sponsor" means a city, local, exempted village, or joint vocational board of education or the state board of education with which the governing authority of the proposed community school enters into a contract pursuant to this section.

(2) "Pilot project district" means a school district included in the territory of a community school pilot project established by Section 50.52 of Am. Sub. H.B. No. 215 of the 122nd general assembly.

(3) "Big eight school district" means ~~any of the same districts described in section 3317.02, except for a pilot project district~~ a school district that for fiscal year 1997 had both of the following:

(a) A percentage of children residing in the district and participating in the predecessor of Ohio works first greater than thirty per cent, as reported pursuant to section 3317.10 of the Revised Code;

(b) An average daily membership greater than twelve thousand, as reported pursuant to former division (A) of section 3317.03 of the Revised Code.

(4) "New start-up school" means a community school other than one created by converting all or part of an existing public school, as designated in the school's contract pursuant to division (A)(17) of section 3314.03 of the Revised Code.

(B) Any person or group of individuals may initially propose under this division the conversion of all or a portion of a public school to a community school. The proposal shall be made to the board of education of a city, local, or exempted village school district, other than a pilot project district, in which the public school is proposed to be converted. Upon receipt of a proposal, a board may enter into a preliminary agreement with the person or group proposing the conversion of the public school, indicating the intention of the board of education to support the conversion to a community school. A proposing person or group that has a preliminary agreement under this division may proceed to finalize plans for the school, establish a governing authority for the school, and negotiate a contract with the board of education. Provided the proposing person or group adheres to the preliminary agreement and all provisions of this chapter, the board of education shall negotiate in good faith to enter into a contract in accordance with section 3314.03 of the Revised Code and division (C) of this section.

(C)(1) Any person or group of individuals may propose under this division the establishment of a new start-up school to be located in a big eight school district other than a pilot project district. Such proposal may be made to any of the following public entities:

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

(b) The board of education of any joint vocational school district with territory in the county in which the majority of the territory of that big eight district is located;

(c) The board of education of any other city, local, or exempted village school district having territory in the same county in which that big eight district has the major portion of its territory;

(d) The state board of education.

Such big eight district board, joint vocational board, other school district board, or state board may enter into a preliminary agreement pursuant to division (C)(2) of this section with the proposing person or group.

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

(D) A majority vote of a sponsoring school district board and a majority vote of the members of the governing authority of a community school shall be required to adopt a contract and convert the public school to a community school or establish the new start-up school. An unlimited number of community schools may be established in any school district provided that a contract is entered into for each community school pursuant to this chapter.

Sec. 3314.03. (A) Each contract entered into under section 3314.02 of the Revised Code between a sponsor and the governing authority of a community school shall specify the following:

(1) That the school shall be established as a nonprofit corporation established under Chapter 1702. of the Revised Code;

(2) The education program of the school, including the school's mission, the characteristics of the students the school is expected to attract, the ages and grades of students, and the focus of the curriculum;

(3) The academic goals to be achieved and the method of measurement

that will be used to determine progress toward those goals, which shall include the statewide proficiency tests;

(4) Performance standards by which the success of the school will be evaluated by the sponsor;

(5) The admission standards of section 3314.06 of the Revised Code;

(6) Dismissal procedures;

(7) The ways by which the school will achieve racial and ethnic balance reflective of the community it serves;

(8) Requirements and procedures for program and financial audits, including audits by the auditor of state and the department of education. The contract shall require financial records of the school to be maintained in the same manner as are financial records of school districts, pursuant to rules of the auditor of state.

(9) The facility to be used and its location;

(10) Qualifications of teachers, including a requirement that the school's classroom teachers be licensed in accordance with sections 3319.22 to 3319.31 of the Revised Code, except that a community school may engage noncertificated persons to teach up to twelve hours per week pursuant to section 3319.301 of the Revised Code;

(11) That the school will comply with the following requirements:

(a) The school will provide learning opportunities to a minimum of twenty-five students for a minimum of nine hundred twenty hours per school year;

(b) The governing authority will purchase liability insurance, or otherwise provide for the potential liability of the school;

(c) The school will be nonsectarian in its programs, admission policies, employment practices, and all other operations, and will not be operated by a sectarian school or religious institution;

(d) The school will comply with sections 9.90, 9.91, 109.65, 121.22, 149.43, 2151.358, 2151.421, 2313.18, 3301.0710, 3301.0711, 3301.0714, 3313.50, 3313.643, 3313.66, 3313.661, 3313.662, 3313.67, 3313.672, 3313.673, 3313.69, 3313.71, 3313.80, 3313.96, 3319.321, 3319.39, 3321.01, 3327.10, 4111.17, and 4113.52 and Chapters 117., 1347., 2744., 4112., 4123., 4141., and 4167. of the Revised Code as if it were a school district;

(e) The school shall comply with Chapter 102. of the Revised Code except that nothing in that chapter shall prohibit a member of the school's governing board from also being an employee of the school and nothing in that chapter or section 2921.42 of the Revised Code shall prohibit a member of the school's governing board from having an interest in a contract into which the governing board enters;

(f) The school will comply with sections 3313.61 and 3313.611 of the Revised Code, except that the requirement in those sections that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma may be met by completing the curriculum adopted by the governing authority of the community school rather than the curriculum specified in Title XXXIII of the Revised Code or any rules of the state board of education;

(g) The school governing authority will submit an annual report of its activities and progress in meeting the goals and standards of divisions (A)(3) and (4) of this section and its financial status to the sponsor and to the parents of all students enrolled in the school.

(12) Arrangements for providing health and other benefits to employees;

(13) The length of the contract, which shall begin at the beginning of an academic year and shall not exceed three years;

(14) The governing authority of the school, which shall be responsible for carrying out the provisions of the contract;

(15) A financial plan detailing an estimated school budget for each year of the period of the contract and specifying the total estimated per pupil expenditure amount for each such year. The plan shall specify for each year the base formula amount that will be used for purposes of funding calculations under section 3314.08 of the Revised Code. This base formula amount for any year shall not exceed the ~~dollar~~ formula amount ~~specified for the year defined~~ under section ~~3317.022~~ 3317.02 of the Revised Code. The plan may also specify for any year a percentage figure to be used for reducing the per pupil amount of disadvantaged pupil impact aid calculated pursuant to section 3317.029 Of the Revised Code the school is to receive that year under section 3314.08 of the Revised Code.

(16) Requirements and procedures regarding the disposition of employees of the school in the event the contract is terminated or not renewed pursuant to section 3314.07 of the Revised Code;

(17) Whether the school is to be created by converting all or part of an existing public school or is to be a new start-up school, and if it is a converted public school, specification of any duties or responsibilities of an employer that the board of education that operated the school before conversion is delegating to the governing board of the community school with respect to all or any specified group of employees provided the delegation is not prohibited by a collective bargaining agreement applicable to such employees;

(18) Provisions establishing procedures for resolving disputes or differences of opinion between the sponsor and the governing authority of

the community school.

(B) The community school shall also submit to the sponsor a comprehensive plan for the school. The plan shall specify the following:

(1) The process by which the governing authority of the school will be selected in the future;

(2) The management and administration of the school;

(3) If the community school is a currently existing public school, alternative arrangements for current public school students who choose not to attend the school and teachers who choose not to teach in the school after conversion;

(4) The instructional program and educational philosophy of the school;

(5) Internal financial controls.

(C) A contract entered into under section 3314.02 of the Revised Code between a sponsor and the governing authority of a community school may provide for the community school governing authority to make payments to the sponsor, which is hereby authorized to receive such payments as set forth in the contract between the governing authority and the sponsor.

Sec. 3314.08. (A) As used in this section:

(1) "Base formula amount" means the amount specified as such in a community school's financial plan for a school year pursuant to division (A)(15) of section 3314.03 of the Revised Code.

(2) "Cost-of-doing-business factor" has the same meaning as in ~~division (E) of~~ section 3317.02 of the Revised Code.

(3) "IEP" means an individualized education program defined by division (E) of section 3323.01 of the Revised Code.

(4) "Actual cost" means the actual cost of providing special education and related services to a special education student pursuant to an IEP in the school district where that student is entitled to attend school pursuant to section 3313.64 ~~and~~ or 3313.65 of the Revised Code, as calculated in a manner acceptable to the superintendent of public instruction.

(5) "DPIA reduction factor" means the percentage figure, if any, specified for reducing the per pupil amount of disadvantaged pupil impact aid a community school is entitled to receive pursuant to division (D)(3) of this section in any year, as specified in the school's financial plan for the year pursuant to division (A)(15) of section 3314.03 of the Revised Code.

(B) The state board of education shall adopt rules requiring both of the following:

(1) The board of education of each city, exempted village, and local school district to annually report the number of students entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised

Code who are enrolled in grades one through twelve and one-half of the kindergarten students enrolled in a community school established under this chapter and for each child the community school in which the child is enrolled. In addition, for each such child receiving special education and related services enrolled in grades kindergarten through twelve or in a preschool handicapped unit in a community school pursuant to an IEP, the board shall report the actual cost for such child and, if the district receives disadvantaged pupil impact aid pursuant to section ~~3317.023~~ 3317.029 of the Revised Code, it shall report the amount received for each such child.

(2) The governing authority of each community school established under this chapter to annually report the number of students enrolled in grades one through twelve and one-half the number of kindergarten students in the school who are not receiving special education and related services pursuant to an IEP; the number of enrolled students in grades one through twelve and one-half the number of kindergarten students who are receiving special education and related services pursuant to an IEP ~~and; the number of such enrolled preschool handicapped students counted in a unit approved by the state board of education and funded under division (N) of section 3317.024 of the Revised Code, receiving special education services in a state-funded unit;~~ the community school's base formula amount; and the city, exempted village, or local school district in which the school is located. Each governing authority shall also report any DPIA reduction factor that applies to a school year.

(C) From the payments made to a city, exempted village, or local school district under Chapter 3317. ~~Of the Revised Code~~ and, if necessary, sections 321.14 and 323.156 of the Revised Code, the department of education shall annually subtract all of the following:

(1) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the number of the district's students reported under division (B)(2) of this section who are enrolled in grades one through twelve and one-half the number of kindergarten students in that community school and are not receiving special education and related services pursuant to an IEP is multiplied by the base formula amount of that community school as adjusted by the school district's cost-of-doing-business factor.

(2) The sum of the actual costs for all district students reported under division (B)(2) of this section who are to be receiving special education and related services pursuant to an IEP in their respective community schools, less the sum of the prorated share for each such student of any amounts received from state preschool handicapped unit funding or from federal

funds to provide special education and related services to students in the respective community schools. This prorated share of state or federal funds received for each such student shall be determined on the basis of all such funds received by a community school for students receiving similar services, as calculated in a manner acceptable to the superintendent of public instruction.

(3) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the number of the district's students enrolled in that community school and residing in the district in a family ~~receiving assistance under Title IV-A of the "Social Security Act," 110 Stat. 2113 (1996), 42 U.S.C.A. 601, as amended~~ participating in Ohio works first under Chapter 5107. Of the Revised Code is multiplied by the per pupil amount of disadvantaged pupil impact aid the school district receives that year pursuant to section 3317.029 Of the Revised Code, as adjusted by any DPIA reduction factor of that community school.

(D) The department shall annually pay to a community school established under this chapter all of the following:

(1) An amount equal to the sum of the amounts obtained when the number of students enrolled in grades one through twelve plus one-half of the kindergarten students in the school as reported under division (B)(2) of this section who are not receiving special education and related services pursuant to an IEP is multiplied by the community school's base formula amount, as adjusted by the cost-of-doing-business factor of the school district in which the school is located;

(2) For each student enrolled in the school receiving special education and related services pursuant to an IEP, an amount equal to the actual cost for such student, less a prorated share for the student of any amount received from state preschool handicapped unit funding or federal funds to provide special education and related services to students in the community school. This prorated share shall be determined as described under division (C)(2) of this section.

(3) An amount equal to the number of students enrolled in the community school and residing in the school district in a family ~~receiving assistance under Title IV-A of the "Social Security Act"~~ participating in Ohio works first is multiplied by the per pupil amount of disadvantaged pupil impact aid that school district receives that year pursuant to section 3317.029 Of the Revised Code, as adjusted by any DPIA reduction factor of the community school.

(E) ~~Each city, exempted village, and local school district shall count in~~

~~its ADM certified under division (A)(1) of section 3317.03 of the Revised Code, any student entitled to attend school in the district enrolled in a community school, except that a school district may instead count a student enrolled in a community school in its ADM certified under division (A)(3) of that section if the district had counted the student under division (A)(3) of that section immediately prior to the student's enrollment in the community school.~~

~~(F)~~ A community school may apply to the department of education for preschool handicapped or gifted unit funding the school would receive if it were a school district. Upon request of its governing authority, a community school that received unit funding as a school district-operated school before it became a community school shall retain any units awarded to it as a school district-operated school provided the school continues to meet eligibility standards for the unit.

A community school shall be considered a school district and its governing authority shall be considered a board of education for the purpose of applying to any state or federal agency for grants that a school district may receive under federal or state law or any appropriations act of the general assembly. The governing authority of a community school may apply to any private entity for additional funds.

~~(G)~~~~(F)~~ A board of education sponsoring a community school may utilize local funds to make enhancement grants to the school or may agree, either as part of the contract or separately, to provide any specific services to the community school at no cost to the school.

~~(H)~~~~(G)~~ A community school may not levy taxes or issue bonds secured by tax revenues.

~~(I)~~~~(H)~~ No community school shall charge tuition for the enrollment of any student.

~~(J)~~~~(I)~~ A community school may borrow money to pay any necessary and actual expenses of the school in anticipation of the receipt of any portion of the payments to be received by the school pursuant to division (D) of this section. The school may issue notes to evidence such borrowing to mature no later than the end of the fiscal year in which such money was borrowed. The proceeds of the notes shall be used only for the purposes for which the anticipated receipts may be lawfully expended by the school.

~~(K)~~~~(J)~~ For purposes of determining the number of students for which division (D)(3) of this section applies in any school year, a community school may submit to the state department of human services, no later than the first day of March, a list of the students enrolled in the school. For each student on the list, the community school shall indicate the student's name,

address, and date of birth and the school district where the student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code. Upon receipt of a list under this division, the department of human services shall determine, for each school district where one or more students on the list is entitled to attend school under section 3313.64 or 3313.65 Of the Revised Code, the number of students residing in that school district ~~in a family receiving assistance pursuant to Title IV-A of the "Social Security Act."~~ who were included in the department's report under section 3317.10 Of the Revised Code. The department shall make this determination on the basis of information readily available to it. Upon making this determination and no later than ninety days after submission of the list by the community school, the department shall report to the state department of education the number of students on the list who reside in the each school district ~~in a family receiving assistance under Title IV-A of the "Social Security Act."~~ who were included in the department's report under section 3317.10 Of the Revised Code. In complying with this division, the department of human services shall not report to the state department of education any personally identifiable information on any student.

~~(L)~~(K) The department of education shall adjust the amounts subtracted and paid under divisions (C) and (D) of this section to reflect any enrollment of students in community schools for less than the equivalent of a full school year.

Sec. 3314.20. This section does not apply to any school district declared to be effective pursuant to division (B)(1) of section 3302.03 of the Revised Code.

(A) The department of education shall recommend rules to the general assembly requiring school districts with ~~average daily memberships~~ a total student count of over five thousand, as ~~reported~~ determined pursuant to ~~division (A) of~~ section 3317.03 of the Revised Code, to designate one school building to be operated by a site-based management council. The rules shall specify the composition of the council and the manner in which members of the council are to be selected and removed.

(B) The rules adopted under division (A) of this section shall specify those powers, duties, functions, and responsibilities that shall be vested in the management council and that would otherwise be exercised by the district board of education. The rules shall also establish a mechanism for resolving any differences between the council and the district board if there is disagreement as to their respective powers, duties, functions, and responsibilities.

(C) The board of education of any school; district described by division

(A) of this section may, in lieu of complying with the rules adopted under this section, file with the department of education an alternative structure for a district site-based management program in at least one of its school buildings. The proposal shall specify the composition of the council, which shall include an equal number of parents and teachers and the building principal, and the method of selection and removal of the council members. The proposal shall also clearly delineate the respective powers, duties, functions, and responsibilities of the district board and the council. The district's proposal shall comply substantially with the rules approved by the general assembly.

(D) The rules recommended under this section shall take effect upon approval of the general assembly through the passage of a joint resolution.

Sec. 3315.01. (A) Except as provided in division (B) of this section and notwithstanding sections 3315.12 and 3315.14 of the Revised Code, the board of education of any school district may adopt a resolution requiring the treasurer of the district to credit the earnings made on the investment of the principal of the moneys specified in the resolution to the fund from which the earnings arose or any other fund of the district as the board specifies in its resolution.

(B) This section does not apply to the earnings made on the investment of the bond retirement fund, the sinking fund, or the payments received by school districts pursuant to division ~~(P)~~(L) of section 3317.024 of the Revised Code.

Sec. 3316.03. (A) The auditor of state shall declare a school district to be in a state of fiscal watch if the auditor of state determines that division (A)(1), (2), or (3) of this section applies to the school district:

(1) All of the following conditions are satisfied with respect to the school district:

(a) An operating deficit has been certified for the current fiscal year by the auditor of state under section 3313.483 of the Revised Code, and the certified operating deficit exceeds eight per cent of the school district's general fund revenue for the preceding fiscal year;

(b) The unencumbered cash balance in the school district's general fund at the close of the preceding fiscal year, less any advances of property taxes, was less than eight per cent of the expenditures made from the general fund for the preceding fiscal year;

(c) A majority of the voting electors have not voted in favor of levying a tax under section 5705.194 or 5705.21 or Chapter 5748. of the Revised Code that the auditor of state expects will raise enough additional revenue in the next succeeding fiscal year that divisions (A)(1)(a) and (b) of this

section will not apply to the district in such next succeeding fiscal year.

(2) The school district has outstanding securities issued under division (A)(4) of section 3316.06 of the Revised Code and its financial planning and supervision commission has been terminated under section 3316.16 of the Revised Code.

(3) The school district has received an advancement under section 3316.20 of the Revised Code.

(B) The auditor of state, after consulting with the superintendent of public instruction, shall issue an order declaring a school district to be in a state of fiscal emergency if the auditor of state determines that division (B)(1), (2), (3), or (4) of this section applies to the school district:

(1) All of the following conditions are satisfied with respect to the school district:

(a) The board of education of the school district is not able to demonstrate, to the auditor of state's satisfaction, the district's ability to repay outstanding loans received pursuant to section 3313.483 of the Revised Code or to repay securities issued pursuant to section 133.301 of the Revised Code in accordance with applicable repayment schedules unless the board requests additional loans under section 133.301 of the Revised Code in an aggregate principal amount exceeding fifty per cent of the sum of the following:

(i) The aggregate original principal amount of loans received in the preceding fiscal year under section 3313.483 of the Revised Code;

(ii) The aggregate amount borrowed by the district under section 133.301 of the Revised Code, excluding any additional amount borrowed as authorized under division (C) of that section.

(b) An operating deficit has been certified for the current fiscal year by the auditor of state under section 3313.483 of the Revised Code, and the certified operating deficit exceeds fifteen per cent of the school district's general fund revenue for the preceding fiscal year. In determining the amount of an operating deficit under division (B)(1)(b) of this section, the auditor of state shall credit toward the amount of that deficit only the amount that may be borrowed from the spending reserve balance as determined under section 133.301 and division (G) of section 5705.29 of the Revised Code.

(c) A majority of the voting electors have not voted in favor of levying a tax under section 5705.194 or 5705.21 or Chapter 5748. of the Revised Code that the auditor of state expects will raise enough additional revenue in the next succeeding fiscal year that divisions (A)(1)(a) and (b) of this section will not apply to the district in such next succeeding fiscal year.

(d) The school district is one that, at the time of the auditor of state's determination under this section, had ~~an average daily membership~~ a total student count of more than ten thousand students as most recently ~~reported to~~ determined by the department of education pursuant to ~~division (A) of~~ section 3317.03 of the Revised Code.

(2) The school district board fails, pursuant to section 3316.04 of the Revised Code, to submit a plan acceptable to the state superintendent of public instruction within one hundred twenty days of the ~~auditor's~~ auditor of state's declaration under division (A) of this section;

(3) A declaration of fiscal emergency is required by division (D) of section 3316.04 of the Revised Code;

(4) The school district has received more than one advancement under section 3316.20 of the Revised Code within a two-year period, or has received only one such advancement but also has an operating deficit as described in division (B)(1)(b) of this section.

(C) In making the determinations under this section, the auditor of state may use financial reports required under section 117.43 of the Revised Code; tax budgets, certificates of estimated resources and amendments thereof, annual appropriating measures and spending plans, and any other documents or information prepared pursuant to Chapter 5705. of the Revised Code; and any other documents, records, or information available to the auditor of state that indicate the conditions described in divisions (A) and (B) of this section.

(D) The auditor of state shall certify the action taken under division (A) or (B) of this section to the board of education of the school district, the director of budget and management, the mayor or county auditor who could be required to act pursuant to division (B)(1) of section 3316.05 of the Revised Code, and to the superintendent of public instruction.

(E) A determination by the auditor of state under this section that a fiscal emergency condition does not exist is final and conclusive and not appealable. A determination by the auditor of state under this section that a fiscal emergency exists is final, except that the board of education of the school district affected by such a determination may appeal the determination of the existence of a fiscal emergency condition to the court of appeals having territorial jurisdiction over the school district. The appeal shall be heard expeditiously by the court of appeals and for good cause shown shall take precedence over all other civil matters except earlier matters of the same character. Notice of such appeal must be filed with the auditor of state and such court within thirty days after certification by the auditor of state to the board of education of the school district provided for

in division (D) of this section. In such appeal, determinations of the auditor of state shall be presumed to be valid and the board of education shall have the burden of proving, by clear and convincing evidence, that each of the determinations made by the auditor of state as to the existence of a fiscal emergency condition under this section was in error. If the board of education fails, upon presentation of its case, to prove by clear and convincing evidence that each such determination by the auditor of state was in error, the court shall dismiss the appeal. The board of education and the auditor of state may introduce any evidence relevant to the existence or nonexistence of such fiscal emergency conditions. The pendency of any such appeal shall not affect or impede the operations of this chapter; no restraining order, temporary injunction, or other similar restraint upon actions consistent with this chapter shall be imposed by the court or any court pending determination of such appeal; and all things may be done under this chapter that may be done regardless of the pendency of any such appeal. Any action taken or contract executed pursuant to this chapter during the pendency of such appeal is valid and enforceable among all parties, notwithstanding the decision in such appeal. If the court of appeals reverses the determination of the existence of a fiscal emergency condition by the auditor of state, the determination no ~~long~~ longer has any effect, and any procedures undertaken as a result of the determination shall be terminated.

Sec. 3317.01. As used in this section and section 3317.011 of the Revised Code, "school district," unless otherwise specified, means any city, local, exempted village, joint vocational, or cooperative education school district and ~~also includes any educational service centers unless otherwise specified center.~~

~~As used in sections 3317.02 to 3317.64 of the Revised Code, "school district," unless otherwise specified, means city, local, and exempted village school districts; "county MR/DD board" means a county board of mental retardation and developmental disabilities; and "handicapped preschool child" means a handicapped child, as defined by division (A) of section 3323.01 of the Revised Code, who is at least three years of age but is not of compulsory school age, as defined in section 3321.01 of the Revised Code, and who has not entered kindergarten.~~

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 provided by this chapter. 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, except that moneys to meet the financial obligations of section 3301.17 of the Revised Code shall be supplemented from funds available to the state from the United States or any agency or department thereof for a driver education course of instruction.

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. The moneys appropriated for each fiscal year shall be distributed at least monthly to each school district unless otherwise provided for. With each payment, the state board shall submit to each school district a detailed statement of state special education support indicating the amount of the payment calculated under division (A) of section 3317.022 Of the Revised Code as basic aid that is attributable to the district's category one, two, and three special education ADMs plus the amount of the distribution computed under division (C) of section 3317.022 Of the Revised Code. 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 made during the first six months of the fiscal year may be based on an estimate of the amounts payable for the entire year. Payments made in the last six months shall be based on the final calculation of the amounts payable to each school district for that fiscal year. Payments made in the last six months may be adjusted, if necessary, to correct the amounts distributed in the first six months, and to reflect enrollment increases when such are at least three per cent. Except as otherwise provided, payments under this chapter shall be made only to those school districts in which:

(A) The school district, except for any educational service center and any joint vocational or cooperative education school district, levies 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 (C) of section 3317.021 of the Revised Code.

(B) The school year next preceding the fiscal year for which such payments are authorized meets 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. This requirement shall be waived by the superintendent of public instruction if 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, provided that for those school districts operating pursuant to section 3313.48 of the Revised Code the number of days the school was actually open for instruction with pupils in attendance and for individualized parent-teacher conference and reporting periods is not less than one hundred seventy-five, or for those school districts operating on a trimester plan the number of days the school was actually open for instruction with pupils in attendance not less than seventy-nine days in any trimester, for those school districts operating on a quarterly plan the number of days the school was actually open for instruction with pupils in attendance not less than fifty-nine days in any quarter, or for those school districts operating on a pentameter plan the number of days the school was actually open for instruction with pupils in attendance not less than forty-four days in any pentameter.

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 school must be in session 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 such a district beginning with the school year commencing the second July succeeding the

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

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

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

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

Sec. 3317.012. (A) The general assembly, having analyzed school district expenditure and cost data for fiscal year 1996, performed the calculation described in division (B) of this section, and adjusted the results for inflation, hereby determines that the base cost of an adequate education per pupil for the fiscal year beginning July 1, 1998, is \$4,063. For the five following fiscal years, the base cost per pupil for each of those years, reflecting an annual rate of inflation of two and eight-tenths per cent, is \$4,177 for fiscal year 2000, \$4,294 for fiscal year 2001, \$4,414 for fiscal year 2002, \$4,538 for fiscal year 2003, and \$4,665 for fiscal year 2004.

(B) In determining the base cost stated in division (A) of this section, capital and debt costs, costs paid for by federal funds, and costs covered by funds provided pursuant to sections 3317.023 and 3317.024 Of the Revised Code as they existed prior to July 1, 1998, for disadvantaged pupil impact aid and transportation were excluded, as were the effects on the districts' state funds of the application of the cost-of-doing-business factors, assuming an eighteen per cent variance.

The base cost for fiscal year 1996 was calculated as the unweighted average cost per student, on a school district basis, of educating students who were not receiving vocational education or services pursuant to Chapter 3323. of the Revised Code and who were enrolled in a city, exempted village, or local school district that in fiscal year 1994 met all of the following criteria:

(1) The district met at least all but one of the following performance standards:

(a) A three per cent or lower dropout rate;

(b) At least seventy-five per cent of fourth graders proficient on the mathematics test prescribed under division (A)(1) of section 3301.0710 of the Revised Code;

(c) At least seventy-five per cent of fourth graders proficient on the reading test prescribed under division (A)(1) of section 3301.0710 of the Revised Code;

(d) At least seventy-five per cent of fourth graders proficient on the writing test prescribed under division (A)(1) of section 3301.0710 of the Revised Code;

(e) At least seventy-five per cent of fourth graders proficient on the citizenship test prescribed under division (A)(1) of section 3301.0710 of the Revised Code;

(f) At least seventy-five per cent of ninth graders proficient on the mathematics test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(g) At least seventy-five per cent of ninth graders proficient on the reading test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(h) At least seventy-five per cent of ninth graders proficient on the writing test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(i) At least seventy-five per cent of ninth graders proficient on the citizenship test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(j) At least eighty-five per cent of tenth graders proficient on the mathematics test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(k) At least eighty-five per cent of tenth graders proficient on the reading test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(l) At least eighty-five per cent of tenth graders proficient on the writing test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(m) At least eighty-five per cent of tenth graders proficient on the citizenship test prescribed under former division (B) of section 3301.0710 of the Revised Code;

(n) At least sixty per cent of twelfth graders proficient on the

mathematics test prescribed under division (A)(3) of section 3301.0710 of the Revised Code;

(o) At least sixty per cent of twelfth graders proficient on the reading test prescribed under division (A)(3) of section 3301.0710 of the Revised Code;

(p) At least sixty per cent of twelfth graders proficient on the writing test prescribed under division (A)(3) of section 3301.0710 of the Revised Code;

(q) At least sixty per cent of twelfth graders proficient on the citizenship test prescribed under division (A)(3) of section 3301.0710 of the Revised Code;

(r) An attendance rate for the year of at least ninety-three per cent as defined in section 3302.01 of the Revised Code.

(2) The district was not among the ten per cent of all districts with the highest income factors, as defined in section 3317.02 of the Revised Code, nor among the ten per cent of all districts with the lowest income factors.

(3) The district was not among the five per cent of all districts with the highest valuation per pupil in ADM, as reported under division (A) of section 3317.03 of the Revised Code as it existed prior to July 1, 1998, nor among the five per cent of all districts with the lowest valuation per pupil.

(C) In July of 2001, and in July of every six years thereafter, the speaker of the house of representatives and the president of the senate shall each appoint three members to a committee to reexamine the cost of an adequate education. no more than two members from any political party shall represent each house. The director of budget and management and the superintendent of public instruction shall serve as nonvoting ex officio members of the committee.

The committee shall select a rational methodology for calculating the costs of an adequate education system for the ensuing six-year period, and shall report the methodology and the resulting costs to the general assembly. in performing its function, the committee is not bound by any method used by previous general assemblies to examine and calculate costs and instead may utilize any rational method it deems suitable and reasonable given the educational needs and requirements of the state at that time.

the methodology for determining the cost of an adequate education system shall take into account the basic educational costs that all districts incur in educating regular students, the unique needs of special categories of students, and significant special conditions encountered by certain classifications of school districts.

any committee appointed pursuant to this section shall make its report to

the office of budget and management and the general assembly within one year of its appointment so that the information is available for use by the office and the general assembly in preparing the next biennial appropriations act.

Sec. 3317.013. this section does not apply to preschool handicapped students.

analysis of special education cost data has resulted in a finding that the average special education excess cost per pupil, including the costs of related services, can be expressed as a multiple of the base cost per pupil calculated under section 3317.012 Of the Revised Code. The multiples for the following categories of special education programs, as these programs are defined for purposes of Chapter 3323. Of the Revised Code, are as follows:

(A) A multiple of 0.22 for students identified as specific learning disabled, other health handicapped, or developmentally handicapped, as these terms are defined pursuant to Chapter 3323. of the Revised Code;

(B) A multiple of 3.01 for students identified as hearing handicapped, orthopedically handicapped, vision impaired, multihandicapped, and severe behavior handicapped, as these terms are defined pursuant to Chapter 3323. of the Revised Code.

Further analysis indicates that approximately one-eighth of special education costs consist of the furnishing of related services specified in division (A) of section 3317.024 Of the Revised Code.

Sec. 3317.02. As used in sections 3317.02 to 3317.023 and section 3317.16 of the Revised Code this chapter:

(A) Except as used in division (B) of section 3317.023 of the Revised Code, "ADM" means the average daily membership determined pursuant to section 3317.03 of the Revised Code, including the average daily membership certified under division (A)(4) of section 3317.03 of the Revised Code but not including the average daily membership of pupils attending a joint vocational school or counted in a unit funded under division (M) or (N) of section 3317.024 of the Revised Code; minus one-half of the kindergarten average daily membership in the case of any school district other than an urban or big eight district; minus one-fourth of the extended kindergarten average daily membership and one-half of the traditional kindergarten average daily membership in the case of any big eight district; minus one-fourth of the all-day and extended kindergarten average daily membership and one-half of the traditional kindergarten average daily membership in the case of any urban district; plus one-fourth of the average daily membership of pupils enrolled in the district and

~~attending a joint vocational school, or a vocational school, or a compact or contract vocational school. Except for purposes of divisions (C), (D), and (E) of section 3317.023 of the Revised Code, if the average of the average daily membership of a district for the current year and the two immediately preceding years is larger than the sum for the current year, such average shall be used as the ADM for that district for the current year after: deducting the number of pupils attending a joint vocational school or counted in division (M) or (N) of section 3317.024 of the Revised Code; and, in the case of any school district other than an urban or big eight district, deducting one half of the kindergarten average daily membership; and, in the case of any big eight district, deducting one fourth of the extended kindergarten average daily membership and one half of the traditional kindergarten average daily membership, and in the case of any urban district, deducting one fourth of the all-day and extended kindergarten average daily membership and one half of the traditional kindergarten average daily membership; and adding one fourth of the pupils residing in the district and attending a joint vocational school. Unless otherwise specified, "school district" means city, local, and exempted village school districts.~~

(B) ~~"Per pupil" means the amount to which the term refers divided by the district's ADM for the fiscal year for which the amount was computed~~ Formula amount" means the base cost for the fiscal year specified in section 3317.012 of the Revised Code, except that to allow for the orderly phase-in of the increased funding specified in that section, the formula amount for fiscal year 1999 shall be \$3,851; the formula amount for fiscal year 2000 shall be \$4,038; and the formula amount for fiscal year 2001 shall be \$4,226. Thereafter, the formula amount shall be as specified in that section.

(C) "FTE basis" means a count of students based on full-time equivalency, in accordance with rules adopted by the department of education pursuant to section 3317.03 of the Revised Code.

(D) "Formula ADM" means the greater of the number reported pursuant to division (A) of section 3317.03 of the Revised Code or the three-year average of that number and the number reported under that division for the preceding two fiscal years. However, as applicable in Fiscal years 1999 and 2000, the three-year average specified in this division shall be determined utilizing the FY 1997 or FY 1998 ADM in lieu of a number reported under division (a) of section 3317.03 of the Revised Code.

(E) "Preschool special education ADM" means the sum of the average daily membership of handicapped preschool children receiving services in preschool special education units approved pursuant to division (B) of

section 3317.05 of the Revised Code.

(E)(1) "Category one special education ADM" means the average daily membership of handicapped children receiving special education services for those handicaps specified in division (A) of section 3317.013 of the Revised Code and reported under division (B) of section 3317.03 of the Revised Code.

(2) "Category two special education ADM" means the average daily membership of handicapped children receiving special education services for those handicaps specified in division (B) of section 3317.013 of the Revised Code and reported under division (B) of section 3317.03 of the Revised Code.

(3) "Category three special education ADM" means the average daily membership of students receiving special education services for students identified as autistic, having traumatic brain injuries, or as both visually and hearing disabled as these terms are defined pursuant to Chapter 3323. Of the Revised Code, and reported under division (B) of section 3317.03 of the Revised Code.

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

(H) "DPIA ADM" means the five-year average of the number of children ages five to seventeen years residing in the school district and living in a family receiving family assistance, as certified or adjusted under section 3317.10 of the Revised Code.

(I)(1) "DPIA percentage" means a school district's DPIA ADM for the fiscal year divided by the district's three-year average formula ADM for that fiscal year.

(2) "Three-year average formula ADM" means the average of the district's formula ADM for the current and preceding two fiscal years, provided that in fiscal years 1999 and 2000, the department shall calculate this average utilizing the district's ADM reported for fiscal years 1997 and 1998 pursuant to division (A) of section 3317.03 of the Revised Code, minus one-half the kindergarten students.

(J) "Transportation ADM" means the number of children reported under division (B)(9) of section 3317.03 of the Revised Code.

(K) "Most efficient transportation use cost per student" for a district means the most efficient cost per transported student for that district as developed under division (D) of section 3317.022 of the Revised Code.

(L) "Taxes charged and payable" means the taxes charged and payable against real and public utility property after making the reduction required by section 319.301 of the Revised Code, plus the taxes levied against tangible personal property.

~~(D)~~ Except as provided in division ~~(B)~~(2) of section 3317.022 of the Revised Code, "total

(M) "Total taxable value" means the sum of the amounts certified for a city, local, exempted village, or joint vocational school district under divisions (A)(1) and (2) of section 3317.021 of the Revised Code.

~~(E)~~(N)(1) "Cost-of-doing-business factor" means the amount indicated in this division for the county in which the district is located, adjusted in accordance with division ~~(E)~~(N)(2) of this section. If the district is located in more than one county, the factor is the amount indicated for the county to which the district is assigned by the state department of education.

COST-OF-DOING-BUSINESS	
COUNTY	FACTOR AMOUNT
Adams	1.0100
Allen	1.0272
Ashland	1.0362
Ashtabula	1.0540
Athens	1.0040
Auglaize	1.0300
Belmont	1.0101
Brown	1.0218
Butler	1.0662
Carroll	1.0180
Champaign	1.0432
Clark	1.0489
Clermont	1.0498
Clinton	1.0287
Columbiana	1.0320
Coshocton	1.0224
Crawford	1.0174
Cuyahoga	1.0725
Darke	1.0360
Defiance	1.0214
Delaware	1.0512
Erie	1.0414
Fairfield	1.0383
Fayette	1.0281

Franklin	1.0548
Fulton	1.0382
Gallia	1.0000
Geauga	1.0608
Greene	1.0418
Guernsey	1.0091
Hamilton	1.0750
Hancock	1.0270
Hardin	1.0384
Harrison	1.0111
Henry	1.0389
Highland	1.0177
Hocking	1.0164
Holmes	1.0275
Huron	1.0348
Jackson	1.0176
Jefferson	1.0090
Knox	1.0276
Lake	1.0627
Lawrence	1.0154
Licking	1.0418
Logan	1.0376
Lorain	1.0573
Lucas	1.0449
Madison	1.0475
Mahoning	1.0465
Marion	1.0289
Medina	1.0656
Meigs	1.0016
Mercer	1.0209
Miami	1.0456
Monroe	1.0152
Montgomery	1.0484
Morgan	1.0168
Morrow	1.0293
Muskingum	1.0194
Noble	1.0150
Ottawa	1.0529
Paulding	1.0216
Perry	1.0185

Pickaway	1.0350
Pike	1.0146
Portage	1.0595
Preble	1.0523
Putnam	1.0308
Richland	1.0232
Ross	1.0111
Sandusky	1.0361
Scioto	1.0082
Seneca	1.0265
Shelby	1.0274
Stark	1.0330
Summit	1.0642
Trumbull	1.0465
Tuscarawas	1.0109
Union	1.0488
Van Wert	1.0181
Vinton	1.0065
Warren	1.0678
Washington	1.0124
Wayne	1.0446
Williams	1.0316
Wood	1.0431
Wyandot	1.0227

(2) As used in this division, "multiplier" means the number for the corresponding fiscal year as follows:

FISCAL YEAR OF THE
COMPUTATION

MULTIPLIER

1998	9.6/7.5
1999	10.3/7.5
	<u>11.0/7.5</u>
2000	11.0/7.5
	<u>12.4/7.5</u>
2001	11.7/7.5
	<u>13.8/7.5</u>
2002	12.4/7.5
	<u>15.2/7.5</u>
2003	13.1/7.5
	<u>16.6/7.5</u>
2004	13.8/7.5

2005	14.5/7.5
2006	15.2/7.5
2007	15.9/7.5
2008	16.6/7.5
2009	17.3/7.5
2010 and thereafter	18.0/7.5

Beginning in fiscal year 1998, the department shall annually adjust the cost-of-doing-business factor for each county in accordance with the following formula:

[(The cost-of-doing-business factor specified under division ~~(E)~~(N)(1) of this section - 1) X (the multiplier for the fiscal year of the calculation)] + 1

The result of such formula shall be the adjusted cost-of-doing-business factor for that fiscal year.

~~(F)~~(O) "Tax exempt value" of a school district means the amount certified for a school district under division (A)(4) of section 3317.021 of the Revised Code.

~~(G)~~(P) "Potential value" of a school district means the adjusted total taxable value of a school district plus the tax exempt value of the district.

~~(H)~~(Q) "District median income" means the median Ohio adjusted gross income certified for a school district. On or before the first day of July of each year, the tax commissioner shall certify to the department of education for each city, exempted village, and local school district the median Ohio adjusted gross income of the residents of the school district determined on the basis of tax returns filed for the second preceding tax year by the residents of the district.

~~(I)~~(R) "Statewide median income" means the median district median income of all city, exempted village, and local school districts in the state.

~~(J)~~(S) "Income factor" for a city, exempted village, or local school district means the quotient obtained by dividing that district's median income by the statewide median income.

~~(K)~~(T) "Valuation per pupil" for a city, exempted village, or local school district means the district's recognized valuation divided by the district's formula ADM.

~~(L)~~ Adjusted (U) Except as provided in section 3317.0213 of the Revised Code, "adjusted valuation per pupil" means the amount calculated in accordance with the following formula:

District valuation per pupil - [\$60,000 X (1 - district income factor)]

If the result of such formula is negative, the adjusted valuation per pupil shall be zero.

~~(M)~~(V) "Adjusted total taxable value Income adjusted valuation" means

one of the following:

~~(1) In any fiscal year that a district's income factor is less than or equal to one, the product obtained by multiplying the district's adjusted valuation per pupil by the district's formula ADM except that the adjusted total taxable value for such a district in fiscal years 1998 through 2009 shall be recalculated in accordance with the following formula:~~

~~(Adjusted total taxable value X multiple) + [recognized valuation X (1 - multiple)].~~

~~(W) "Adjusted total taxable value" means one of the following:~~

~~(1) In any fiscal year that a district's income factor is less than or equal to one, the amount calculated under the following formula:~~

~~(Income adjusted valuation X 1/5) + (recognized valuation X 4/5)~~

~~(2) In any fiscal year that 1999, if a district's income factor is greater than one, the product obtained by multiplying the district's adjusted valuation per pupil by the district's ADM, except that the adjusted total taxable value for such a district in that fiscal year shall be recalculated in accordance with the amount calculated under the following formula:~~

~~(Adjusted total taxable value Income adjusted valuation X 2/15 1/15) + (recognized valuation X 13/15 14/15)~~

~~Thereafter, the adjusted total taxable value of a district with an income factor greater than one shall be its recognized valuation.~~

~~(N) "Multiple" means the number for the corresponding fiscal year as follows:~~

FISCAL YEAR OF THE COMPUTATION	MULTIPLE
1998	1/5
1999	4/15
2000	1/3
2001	2/5
2002	7/15
2003	8/15
2004	3/5
2005	2/3
2006	11/15
2007	4/5
2008	13/15
2009	14/15

~~(O) "Urban school district" means a school district that in fiscal year 1997 met either of the following conditions:~~

~~(1) Had a percentage of children residing in the district and participating~~

~~in Ohio works first greater than fifteen and one-half per cent, as reported pursuant to section 3317.10 of the Revised Code, and had an average daily membership greater than five thousand five hundred, as reported pursuant to division (A) of section 3317.03 of the Revised Code;~~

~~(2) Had a percentage of children residing in the district and participating in Ohio works first greater than five per cent, as reported pursuant to section 3317.10 of the Revised Code, and had an average daily membership greater than twelve thousand, as reported pursuant to division (A) of section 3317.03 of the Revised Code.~~

~~(P) "Big eight school district" means a school district that for fiscal year 1997 had a percentage of children residing in the district and participating in Ohio works first greater than thirty per cent, as reported pursuant to section 3317.10 of the Revised Code, and had an average daily membership greater than twelve thousand, as reported pursuant to division (A) of section 3317.03 of the Revised Code.~~

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

~~(R) "Extended kindergarten" means a kindergarten class that is in session five days per week for not less than one hour longer each day than the number of clock hours required for kindergarten by the minimum standards adopted under section 3301.07 of the Revised Code.~~

~~(S) "Traditional kindergarten" means kindergarten that is neither all day kindergarten nor extended kindergarten.~~

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

(Y) "County MR/DD board" means a county board of mental retardation and developmental disabilities.

(Z) "Handicapped preschool child" means a handicapped child, as defined in section 3323.01 of the Revised Code, who is at least age three but is not of compulsory school age, as defined in section 3321.01 of the Revised Code, and who has not entered kindergarten.

(AA) "FY 1997 or FY 1998 ADM" means for either fiscal year, as applicable, the district's average daily membership as described by division (A) of former section 3317.02 of the Revised Code, plus the district's average daily membership based upon full-time equivalency in approved vocational units as certified by the district under division (a)(2) of former section 3317.03 of the Revised Code and the district's average daily membership of all handicapped children, except for preschool handicapped children, in classes in the district as certified under division (a)(3) of former

section 3317.03 of the Revised Code, as those divisions and sections existed in the applicable fiscal year.

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

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

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

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

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

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

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

(5) The total effective operating tax rate for the district.

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

(C) If on the basis of the information certified under division (A) of this section, the department determines that any district fails in any year to meet the qualification requirement specified in division (A) of section 3317.01 of the Revised Code, the department shall immediately request the tax commissioner to determine the extent to which any school district income

tax levied by the district under Chapter 5748. of the Revised Code shall be included in meeting that requirement. Within five days of receiving such a request from the department, the tax commissioner shall make the determination required by this division and report the quotient obtained under division (C)(3) of this section to the department. This quotient represents the number of mills that the department shall include in determining whether the district meets the qualification requirement of division (A) of section 3317.01 of the Revised Code.

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

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

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

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

(D) As used in this section:

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

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

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

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

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

(6) "State taxable value per pupil" means the quotient obtained by dividing the total taxable value of all city, local, and exempted village school districts in this state by the sum of the formula ADMs of all city, local, and exempted village school districts in this state.

Sec. 3317.022. (A) ~~As used in the computation under this section, the~~

~~"formula amount for fiscal year 1998" equals \$3,663.~~ (1) The department of education shall compute and distribute state basic aid to each school district for the fiscal year in accordance with the following formula, using adjusted total taxable value as defined under division ~~(M)~~(W) of section 3317.02 of the Revised Code and the information obtained under section 3317.021 of the Revised Code in ~~1997~~ the calendar year: in which the fiscal year begins.

Compute the following for each eligible district:

(cost-of-doing-business factor X the formula amount X formula ADM)-
(.023 X adjusted total taxable value)

If the difference obtained is a negative number, the district's computation shall be zero.

~~(B)(1)(2)(a)~~ For each school district for which the tax exempt value of the district equals or exceeds twenty-five per cent of the potential value of the district, the department of education shall calculate the difference between the district's tax exempt value and twenty-five per cent of the district's potential value.

~~(2)(b)~~ For each school district to which division ~~(B)(1)(A)(2)(a)~~ of this section applies, the adjusted total taxable value used in the calculation under division ~~(A)(1)~~ of this section shall be the adjusted total taxable value modified by subtracting the amount calculated under division ~~(B)(1)(A)(2)(a)~~ of this section.

~~(C) If in any fiscal year insufficient funds are appropriated to provide each school district the amount of money calculated under the formula in division (A) of this section and pursuant to other sections of this chapter, such calculated amounts shall be reduced in accordance with any formula provided for that purpose by the general assembly in its main biennial appropriations act.~~

(B) As used in division (C) of this section and in section 3317.024 of the Revised Code:

(1) The "total special education weight" for a district means the sum of the following amounts:

(a) The district's category one special education ADM multiplied by the multiple specified under division (A) of section 3317.013 Of the Revised Code;

(b) The sum of the district's category two and category three special education ADMs multiplied by the multiple specified under division (B) of section 3317.013 Of the Revised Code.

(2) "State share percentage" means the percentage calculated for a district as follows:

(a) Calculate the basic aid amount for the district for the fiscal year

under division (A) of this section. If the district would not receive any state basic aid for that year under that division, the district's state share percentage is zero.

(b) If the district would receive basic aid under that division, divide that basic aid amount by an amount equal to the following:

Cost-of-doing-business factor X The formula amount X formula ADM

The resultant number is the district's state share percentage.

(C)(1) The department shall compute and distribute state basic special education funds to each school district in accordance with the following formula:

the district's state share percentage
x seven-eighths of the formula amount for the year
for which the aid is calculated
x the district's total special education weight

(2) The department shall compute and pay in accordance with this division additional state aid to school districts for students in category three special education ADM. If a district's costs for the fiscal year for a student in its category three special education ADM are twenty-five thousand dollars or more, the district may submit to the superintendent of public instruction documentation, as prescribed by the superintendent, of all its costs for that student. Upon submission of documentation for a student of the type and in the manner prescribed, the department shall pay to the district an amount equal to the district's costs for the student in excess of twenty-five thousand dollars multiplied by the district's state share percentage.

(D)(1) As used in this division, "log density" means a statistical representation of the most efficient transportation use cost per transported student for each district based on a statewide analysis of each district's transportation ADM per linear mile.

(2) In addition to funds paid under divisions (A) and (C) of this section, each district shall receive a payment equal to sixty per cent of the district's transportation ADM times the district's most efficient transportation use cost per transported student.

(3) In fiscal years 1999 through 2002, notwithstanding the amount calculated for each district under division (D)(2) of this section, each district shall receive in the corresponding fiscal year the following percentage of the district's transportation ADM times the district's most efficient transportation use cost per transported student:

<u>FISCAL YEAR</u>	<u>PERCENTAGE</u>
1999	50%

2000	52.5%
2001	55%
2002	57.5%

(4) For purposes of funding the student transportation portion, the department of education shall determine the most efficient transportation use cost per transported student for each school district. This cost per student shall be an amount equal to the number ten to a power calculated in accordance with the following formula:

$$(-0.413148 \times \log \text{ density}) + 2.493129$$

(5) The department of education shall biennially update the most efficient transportation use cost per transported student for each district in accordance with the formula in division (D)(4) of this section, including the figures and log density component of that formula, based on a statewide analysis of each district's transportation ADM per linear mile, and shall notify the office of budget and management of such update by September of each even-numbered year.

Sec. 3317.023. (A) Notwithstanding section 3317.022 of the Revised Code, the amounts required to be paid to a district under that section shall be adjusted by the amount of the computations made under divisions (B) to ~~(E)~~(J) of this section.

As used in this section:

(1) "Classroom teacher" means a licensed employee who provides direct instruction to pupils, excluding teachers funded from money paid to the district from federal sources; educational service personnel; and vocational and special education teachers.

(2) "Educational service personnel" shall not include such specialists funded from money paid to the district from federal sources or assigned full-time to vocational or special education students and classes and may only include those persons employed in the eight specialist areas in a pattern approved by the department of education under guidelines established by the state board of education.

(3) "Annual salary" means the annual base salary stated in the state minimum salary schedule for the performance of the teacher's regular teaching duties that the teacher earns for services rendered for the first full week of October of the fiscal year for which the adjustment is made under division ~~(D)~~(C) of this section. It shall not include any salary payments for supplemental teachers contracts.

(4) ~~As used in division (B) of this section, "average daily membership" means the three-year average number of pupils in grades one through twelve plus one-half the kindergarten average daily membership certified under~~

~~section 3317.03 of the Revised Code for the current and preceding two fiscal years, except that:~~

~~(a) In the case of a big eight district "average daily membership" means the three-year average number of pupils in grades one through twelve, plus the three-year average number of pupils in all-day kindergarten, plus three-fourths of the three-year average number of pupils in extended kindergarten, plus one-half of the three-year average number of pupils in traditional kindergarten, all certified under division (A) of that section for the current and preceding two fiscal years;~~

~~(b) In the case of an urban district, "average daily membership" means the three-year average number of pupils in grades one through twelve, plus three-fourths of the three-year average number of pupils in all-day or extended kindergarten, plus one-half of the three-year average number of pupils in traditional kindergarten, all as certified under division (A) of that section for the current and preceding two fiscal years.~~

~~(5) As used in division (B) of this section, "per cent figure" means a school district's three-year average number of children participating in Ohio works first (OWF) under Chapter 5107. of the Revised Code divided by the average daily membership, multiplied by one hundred.~~

~~(6) As used in divisions (A)(5) and (B) of this section, "aid to dependent children" and "ADC" mean:~~

~~(a) Aid provided under Chapter 5107. of the Revised Code prior to October 1, 1996;~~

~~(b) Cash assistance provided on or after October 1, 1996, under a state program operated pursuant to Title IV-A of the "Social Security Act," 110 Stat. 2113 (1996), 42 U.S.C.A. 601, as amended, regardless of the name used to designate that assistance.~~

~~(B)(1)(a) If the three-year average of the number of children ages five to seventeen residing in the district and living in a family participating in Ohio works first, as certified or adjusted under section 3317.10 of the Revised Code for the current and preceding two fiscal years, is equal to five per cent or more of the number of pupils in the average daily membership, add the amount computed for the district in accordance with the following schedule, as adjusted by division (B)(1)(b) of this section:~~

~~THREE-YEAR AVERAGE NUMBER
OF~~

~~OWF CHILDREN DIVIDED BY~~

~~THE AVERAGE DAILY
MEMBERSHIP~~

~~PAYMENT PER OWF
CHILD IN
THE THREE-YEAR
AVERAGE~~

At least 5%, but less than 10%	\$198.00 OWF
At least 10%, but less than 20%	(\$101.50 x per cent figure) minus \$817.00 OWF
At least 20%, but less than 30%	(\$7.50 x per cent figure) plus \$1,063.00 OWF
At least 30%	\$1,288.00 OWF

(b) In fiscal year 1998, for school districts with a per cent figure of at least five, increase the amount determined under division (B)(1)(a) of this section by four per cent. In fiscal year 1999, determine the per ADC child amount the district would have received in fiscal year 1998 under divisions (B)(1)(a) and (b) of this section, based on its per cent figure for fiscal year 1999, and increase that amount by five per cent.

(2) If in any year the sum of the additions made under this division is less than ninety seven per cent of the amount appropriated for this division for that year, the department of education shall increase the amount added for each district under this division. The amount so added for each district shall equal (1) the difference between ninety seven per cent of the amount appropriated and the total amount of the additions prior to such increase; times (2) the percentage that the amount added for the district prior to the increase was of the total of such amount added for all districts.

(3) Except as provided in division (B)(4) of this section, a district shall expend at least seventy per cent of any addition received under this division for any of the following:

- (a) The purchase of technology for instructional purposes;
- (b) All-day kindergarten;
- (c) Reduction of class sizes;
- (d) Summer school remediation or other remedial programs;
- (e) Dropout prevention programs;
- (f) Guaranteeing that all third graders are ready to progress to more advanced work;
- (g) Summer education and work programs;
- (h) Adolescent pregnancy programs;
- (i) Head start or preschool programs;
- (j) Reading improvement programs described by the department of education;
- (k) Programs designed to ensure that schools are free of drugs and violence and have a disciplined environment conducive to learning;
- (l) Furnishing free of charge materials used in courses of instruction, except for the necessary textbooks required to be furnished without charge

~~pursuant to section 3329.06 of the Revised Code, to pupils living in families participating in Ohio works first in accordance with section 3313.642 of the Revised Code;~~

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

~~(4) Except as provided in division (B) of section 3301.0719 of the Revised Code, each at risk school district, as defined in division (A)(3) of section 3301.0719 of the Revised Code, that receives at least three hundred thousand dollars under divisions (B)(1) and (2) of this section shall expend at least one-tenth of the amount described in division (B)(3) of this section for either all-day kindergarten classes with a student teacher ratio of fifteen to one or for reduction of class sizes in grades kindergarten to four to a fifteen to one student teacher ratio, or both. Such districts shall also expend such funds to provide training for teachers participating in such programs on an ongoing basis, including at least six days of training each school year. Amounts expended for all-day kindergarten under this section shall only be expended to provide additional all-day kindergarten classes not in existence on July 26, 1991. Upon the request of a board of education, the state board of education may grant an exemption from the requirement of division (B)(4) of this section if the district board satisfies the state board that the district has insufficient physical facilities to implement this requirement.~~

~~(5) Each district shall maintain the portion required to be spent under division (B)(3) of this section in a separate district account. Each district shall submit to the department, in such format and at such time as the department shall specify, a report on the programs for which it expended funds under this division.~~

~~(C) "Regular student population" means the formula ADM minus the number of students reported under division (A)(2) of section 3317.03 of the Revised Code and minus the FTE of students reported under division (B)(5), (6), (7), or (8) of that section who are enrolled in a vocational education class or receiving special education, and minus one-fourth of the students enrolled concurrently in a joint vocational school district.~~

~~(B) If the district employs less than one full-time equivalent classroom teacher for each twenty-five pupils in ADM the regular student population in any school district, deduct the sum of the amounts obtained from the following computations:~~

~~(1) Divide the number of the district's full-time equivalent classroom teachers employed by one twenty-fifth;~~

~~(2) Subtract the quotient in (1) from the district's ADM regular student population;~~

(3) Multiply the difference in (2) by seven hundred fifty-two dollars.

~~(D)~~(C) If a positive amount, add one-half of the amount obtained by multiplying the number of full-time equivalent classroom teachers by:

(1) The mean annual salary of all full-time equivalent classroom teachers employed by the district at their respective training and experience levels minus;

(2) The mean annual salary of all such teachers at their respective levels in all school districts receiving payments under this section.

The number of full-time equivalent classroom teachers used in this computation shall not exceed one twenty-fifth of the district's ~~ADM~~ regular student population. In calculating the district's mean salary under this division, those full-time equivalent classroom teachers with the highest training level shall be counted first, those with the next highest training level second, and so on, in descending order. Within the respective training levels, teachers with the highest years of service shall be counted first, the next highest years of service second, and so on, in descending order.

~~(E)~~(D) This division does not apply to a school district that has entered into an agreement under division (A) of section 3313.42 of the Revised Code. Deduct the amount obtained from the following computations if the district employs fewer than five full-time equivalent educational service personnel, including elementary school art, music, and physical education teachers, counselors, librarians, visiting teachers, school social workers, and school nurses for each one thousand pupils in ~~ADM~~ the regular student population:

(1) Divide the number of full-time equivalent educational service personnel employed by the district by five one-thousandths;

(2) Subtract the quotient in (1) from the district's ~~ADM~~ regular student population;

(3) Multiply the difference in (2) by ninety-four dollars.

~~(F)~~(E) If a local school district, or a city or exempted village school district to which a governing board of an educational service center provides services pursuant to section 3313.843 of the Revised Code, deduct the amount of the payment required for the reimbursement of the governing board under section 3317.11 of the Revised Code.

~~(G)~~(F)(1) If the district is required to pay to or entitled to receive tuition from another school district under division (C)(2) or (3) of section 3313.64 or section 3313.65 of the Revised Code, or if the superintendent of public instruction is required to determine the correct amount of tuition and make a deduction or credit under section 3317.08 of the Revised Code, deduct and credit such amounts as provided in division (I) of section 3313.64 or section

3317.08 of the Revised Code.

(2) For each child for whom the district is responsible for tuition or payment under division (A)(1) of section 3317.082 or ~~under division (B)(1) of section 3323.091~~ of the Revised Code, deduct the amount of tuition or payment for which the district is responsible.

~~(H)(G)~~ If the district has been certified by the superintendent of public instruction under section 3313.90 of the Revised Code as not in compliance with the requirements of that section, deduct an amount equal to ten per cent of the amount computed for the district under section 3317.022 of the Revised Code.

~~(I) If the amount computed by the department of education under division (I)(1) of this section is less than the amount computed under division (I)(2) of this section, add an amount equal to the result obtained by subtracting the amount computed under division (I)(1) from the amount computed under division (I)(2) of this section.~~

~~The department of education shall compute both of the following for each district:~~

~~(1) The sum of the amounts computed for the district under section 3317.022 and division (N) of section 3317.024 of the Revised Code for units approved under division (B) of section 3317.05 of the Revised Code.~~

~~(2) The amount the district would be entitled to receive under section 3317.022 of the Revised Code if the ADM used in the computation required by that section included the number of full-time equivalent pupils enrolled in the units for handicapped children approved under division (B) of section 3317.05 of the Revised Code that are used to make the computation required by division (N)(1)(a) of section 3317.024 of the Revised Code.~~

~~(J)(H)~~ If the district has received a loan from a commercial lending institution for which payments are made by the superintendent of public instruction pursuant to division (E)(3) of section 3313.483 of the Revised Code, deduct an amount equal to such payments.

~~(K)(I)~~(1) If the district is a party to an agreement entered into under division (D), (E), or (F) of section 3311.06 or division (B) of section 3311.24 of the Revised Code and is obligated to make payments to another district under such an agreement, deduct an amount equal to such payments if the district school board notifies the department in writing that it wishes to have such payments deducted.

(2) If the district is entitled to receive payments from another district that has notified the department to deduct such payments under division ~~(K)(I)~~(1) of this section, add the amount of such payments.

~~(L)(J)~~ If the district is required to pay an amount of funds to a

cooperative education district pursuant to a provision described by division (B)(4) of section 3311.52 or division (B)(8) of section 3311.521 of the Revised Code, deduct such amounts as provided under that provision and credit those amounts to the cooperative education district for payment to the district under division (B)(1) of section 3317.19 of the Revised Code.

Sec. 3317.024. In addition to the moneys paid to eligible school districts ~~and educational service centers pursuant to section 3317.02 or 3317.11 3317.022~~ of the Revised Code, moneys appropriated for the education programs in divisions (A) to ~~(P); (S); (L), and (T)(O) to (Q)~~ of this section shall be distributed to school districts meeting the requirements of section 3317.01 of the Revised Code ~~and, in the case of divisions (I) and (J) of this section,~~ to educational service centers as provided in section 3317.11 of the Revised Code; in the case of division (E) of this section, to county MR/DD boards; in the case of division (I) of this section, to joint vocational and cooperative education school districts; in the case of division ~~(L)(K)~~ of this section, to cooperative education school districts; ~~in the case of division (M) of this section, to state institutions providing vocational education programs that are under the supervision of the division of vocational education of the department of education and meet such standards and rules for such programs as are established by the state board of education, including licensure of professional staff involved in such programs;~~ in the case of divisions (N) and (O)(1) of this section, to county MR/DD boards and to institutions providing special education programs under section 3323.091 of the Revised Code that are under the supervision of the division of special education of the department and meet such standards and rules for such programs as are established by the state board of education including licensure of all professional staff involved in such programs; in the case of divisions ~~(Q)(M)~~ and ~~(R)(N)~~ of this section, to county MR/DD boards; and in the case of division ~~(U)(R)~~ of this section, to the institutions defined under section 3317.082 of the Revised Code providing elementary or secondary education programs to children other than children receiving special education under section 3323.091 of the Revised Code. The following shall be distributed monthly, quarterly, or annually as may be determined by the state board of education:

(A)~~(1)~~ An amount, ~~distributed on the basis of standards adopted by the state board of education, for each of the following:~~

- ~~(1) The approved cost of board and transportation required for orthopedically handicapped, other health handicapped, or severe behavior handicapped children attending regular school or special education classes;~~
- ~~(2) The cost of teacher training contracted under section 3323.06 of the~~

Revised Code;

~~(3) Home instruction for orthopedically handicapped, other health handicapped, or severe behavior handicapped children;~~

~~(4) Special instructional services for orthopedically handicapped, other health handicapped, or severe behavior handicapped children for related services equal to one-eighth of the district's total special education weight times the formula amount times the district's state share percentage.~~

(2) In any fiscal year, a school district receiving funds under this division shall spend on related services at least the lesser of:

(a) The amount the district spent on related services in the preceding fiscal year;

(b) The sum of the amount it receives under this division in state funds plus an amount equal to the local share of related services costs.

(3) As used in this division:

(a) "Local share of related services costs" equals the amount calculated under the following formula:

$$[(1 \text{ minus the district's state share}) \times 1/8 \text{ of the district's total special education weight} \times \text{the formula amount}]$$

(b) "Related services" means programs and services related to the provision of special education to handicapped students, and includes child study; special education supervisors and coordinators; speech and hearing services; adaptive physical development services; and occupational or physical therapy, as those terms are defined by the department of education.

(B) 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.

(C) 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.

(D) 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.

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

(F) 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.

(G) An amount to each school district for supplemental salary allowances for each licensed employee except those licensees serving as superintendents, assistant superintendents, principals, or assistant principals, whose term of service in any year is extended beyond the term of service of regular classroom teachers, as described in section 3301.0725 of the Revised Code;

(H) 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.

(I) Notwithstanding section 3317.01 of the Revised Code, to each city, local, and exempted village school district, an amount pursuant to section 3301.17 of the Revised Code for conducting driver education courses at high schools for which the state board of education prescribes minimum standards and to joint vocational and cooperative education school districts and educational service centers, an amount pursuant to such section for conducting driver education courses to pupils enrolled in a high school for which the state board prescribes minimum standards;

(J) An amount for the approved cost of transporting developmentally handicapped pupils 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 ~~for whom it receives a subsidy under division (K) of this section~~ 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.

~~(K) An amount for transportation operating costs for each school district in which transportation of pupils is necessary. The amount of the payment shall be determined on the basis of a formula adopted by the state board of education and in accordance with the rules prescribed by it to secure an efficient and economical program of pupil transportation. The number of pupils transported, the total number of miles traveled, and other factors beyond the control of each board of education shall be considered in the~~

~~formulation of the rules and in the adoption and application of the formula in determining the amount of money to be included for pupil transportation in each district.~~

~~(L)~~ 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.

~~(M)~~ An amount for approved vocational units in the district, educational service center, or institution.

~~(1)~~ For a school district or educational service center, the amount shall be the greater of:

~~(a)~~ The total of all of the amounts calculated for all approved vocational units in the district or for the educational service center. The amount for each vocational unit shall equal 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 section 3317.13 of the Revised Code, fifteen per cent of that minimum salary amount, and nine thousand five hundred ten dollars;

~~(b)~~ One hundred five per cent of the amount per pupil paid during the current fiscal year under section 3317.022, divisions (A) and (C) to (F) of section 3317.023, and sections 3317.025, 3317.027, and 3317.028 of the Revised Code times the number of full-time equivalent pupils enrolled in all approved vocational units in the district.

~~(2)~~ For an institution, the amount shall equal the total of all of the amounts calculated for all approved vocational units in the institution. The amount for each vocational unit shall be calculated as specified under division (M)(1)(a) of this section.

~~(3)~~ For pupils enrolled in approved vocational classes in licensed proprietary schools pursuant to sections 3313.90, 3313.91, and 3317.03 of the Revised Code, a payment shall be made to each eligible school district for each full-time equivalent pupil in an amount equal to the average payment for all full-time equivalent pupils in the state for the previous year as determined by the superintendent of public instruction.

~~(N)~~ An amount for units approved under division (B) or (E) of section 3317.05 of the Revised Code for classes for handicapped children in the district, educational service center, institution, or operated by a county MR/DD board.

~~(1)(a)~~ For a school district or educational service center, the amount

shall be the greater of:

~~(i) The total of all of the amounts calculated for all such units in the district or for the educational service center. The amount for each unit shall equal 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 section 3317.13 of the Revised Code, fifteen per cent of that minimum salary amount, and eight thousand twenty three dollars;~~

~~(ii) One hundred five per cent of the amount per pupil paid during the current fiscal year under section 3317.022, divisions (A) and (C) to (F) of section 3317.023, and sections 3317.025, 3317.027, and 3317.028 of the Revised Code times the number of full-time equivalent pupils enrolled in all such units in the district.~~

~~(b) For an institution or a county MR/DD board, the amount shall equal the total of all of the amounts calculated for all such units in the institution or operated by the county MR/DD board. The amount for each unit shall be calculated as specified under division (N)(1)(a)(i) of this section.~~

~~(2) If a school district or educational service center has had additional units approved for the year under division (D)(2) of section 3317.03 of the Revised Code, or if a county MR/DD board has had additional units approved for the year under division (E)(3) of section 3317.03 of the Revised Code, the district, educational service center, or board shall receive an additional amount during the last half of the fiscal year.~~

~~(a) For a school district or educational service center, the additional amount shall equal the difference between the following amounts:~~

~~(i) Fifty per cent of the amount computed for the unit in the manner prescribed by division (N)(1)(a)(i) of this section;~~

~~(ii) Fifty per cent of the per pupil payments required to be paid to the district for the year under section 3317.022, divisions (C) to (F) of section 3317.023, and sections 3317.025, 3317.027, and 3317.028 of the Revised Code for each child who was included in the district's ADM that was used to compute the amount of such payments and who is in an additional unit provided for in division (D)(2) of section 3317.03 of the Revised Code.~~

~~(b) For a county MR/DD board, the additional amount shall equal fifty per cent of the amount computed for the unit in the manner prescribed by division (N)(1)(a)(i) of this section.~~

~~(O)(1) An amount for each approved unit for child study, occupational or physical therapy, speech and hearing, adaptive physical development, special education supervisors, and special education coordinators. The amount 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 section 3317.13 of the Revised Code, fifteen per cent of that minimum salary amount, and two thousand one hundred thirty-two dollars.~~

~~(2) An amount for each approved unit for the gifted. The amount 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 section 3317.13 of the Revised Code, fifteen per cent of that minimum salary amount, and two thousand six hundred seventy-eight dollars.~~

~~(P)(L)~~ 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.

~~(Q)(M)~~ An amount for each county MR/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 MR/DD board under section 3323.09 of the Revised Code;

~~(R)(N)~~ An amount for each county MR/DD board, distributed on the basis of standards adopted by the state board of education, for supportive home services for preschool children;

~~(S)(O)~~ 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.

~~(T)(P)~~ A per pupil amount to each school district that establishes a summer school remediation program that complies with rules of the state board of education;

~~(U) 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.~~

(Q)(1) For fiscal year 1999 only, 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 section 3317.13 Of the Revised Code, plus fifteen per cent of that minimum salary amount, plus two thousand six hundred seventy-eight dollars.

(2) Beginning with fiscal year 2000, an amount for each school district for programs for gifted students calculated under the following formula:

[.10 (formula ADM) multiplied by .10 (formula amount)]

No money shall be distributed to a school district under division (Q)(2) of this section in any fiscal year unless the superintendent has on file by the first day of that year a district plan specifying the manner in which funds will be utilized to serve gifted students and the method for selecting students to participate in gifted programs and activities.

(3) Prior to October 1, 1998, the general assembly shall begin a review and revision of the funding formula for gifted education services. The analysis and any resulting calculations shall be based upon a rational methodology for calculating the cost of adequate gifted education services. The analysis shall use data generated by a study funded through the department of education.

(R) 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.

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. 3317.025. On or before the first day of June of each year, the tax commissioner shall certify the following information to the department of education, for each school district in which the value of the property described under division (A) of this section exceeds one per cent of the taxable value of all real and tangible personal property in the district or in which is located tangible personal property designed for use or used in strip mining operations, whose taxable value exceeds five million dollars, and the taxes upon which the district is precluded from collecting by virtue of legal proceedings to determine the value of such property:

(A) The total taxable value of all property in the district owned by a public utility or railroad that has filed a petition for reorganization under the "Bankruptcy Act," 47 Stat. 1474 (1898), 11 U.S.C. 205, as amended, and all tangible personal property in the district designed for use or used in strip mining operations whose taxable value exceeds five million dollars upon which have not been paid in full on or before the first day of April of that calendar year all real and tangible personal property taxes levied for the preceding calendar year and which the district was precluded from collecting by virtue of proceedings under section 205 of said act or by virtue of legal proceedings to determine the tax liability of such strip mining equipment;

(B) The percentage of the total operating taxes charged and payable for school district purposes levied against such valuation for the preceding calendar year which have not been paid by such date;

(C) The product obtained by multiplying the value certified under division (A) of this section by the percentage certified under division (B) of this section. If the value certified under division (A) of this section includes taxable property owned by a public utility or railroad that has filed a petition for reorganization under the bankruptcy act, the amount used in making the calculation under this division shall be reduced by one per cent of the total value of all real and tangible personal property in the district or the value of the ~~utility~~ utility's or railroad's property, whichever is less.

Upon receipt of the certification, the department shall recompute the payments required under ~~sections~~ section 3317.022 ~~and 3317.023~~ of the Revised Code in the manner the payments would have been computed if:

(1) The amount certified under division (C) of this section was not subject to taxation by the district and was not included in the certification made under division (A)(1), (2), or (C) of section 3317.021 of the Revised Code.

(2) The amount of taxes charged and payable and unpaid and used to make the computation under division (B) of this section had not been levied and had not been used in the computation required by division (B) of section 3317.021 of the Revised Code. The department shall pay the district that amount in the ensuing fiscal year in lieu of the amounts computed under ~~sections~~ section 3317.022 ~~and 3317.023~~ of the Revised Code.

Sec. 3317.027. On or before the fifteenth day of May of each year, the tax commissioner shall certify to the department of education:

(A) The amount by which applications filed under section 5713.38 of the Revised Code or complaints filed under section 5715.19 of the Revised Code resulted in a reduction in the second preceding year's taxable value in

each school district in which such a reduction occurred and the amount by which such reduction reduced the district's taxes charged and payable for such year; and

(B) The taxes charged and payable for the second preceding tax year that were remitted under section 5713.081 of the Revised Code and the taxable value against which such taxes were imposed.

Upon receipt of such certifications, the department shall recompute the state aid for such year under ~~sections~~ section 3317.022 ~~and 3317.023~~ of the Revised Code and determine the amount of aid that would have been paid had the taxable value not been used in the computation made under division (A)(1) of section 3317.021 of the Revised Code and the taxes charged and payable not been included in the certification made under division (A)(3) of such section. The department shall adjust the remainder of the fiscal year's payments so the district's total payments for the fiscal year equal the amount of the recomputation.

Sec. 3317.028. On or before the fifteenth day of May in each calendar year, the tax commissioner shall determine for each school district whether the taxable value of all tangible personal property, including utility tangible personal property, subject to taxation by the district in the preceding tax year was less or greater than the taxable value of such property during the second preceding tax year. If any such decrease exceeds five per cent of the district's tangible personal property taxable value included in the total taxable value used in the district's state aid computation for the fiscal year that ends in the current calendar year or if any such increase exceeds five per cent of the district's total taxable value used in the district's state aid computation for the fiscal year that ends in the current calendar year, the tax commissioner shall certify to the department of education:

(A) The taxable value of the tangible personal property increase or decrease, including utility tangible personal property increase or decrease, which shall be considered a change in valuation; and

(B) The decrease or increase in taxes charged and payable on such change in taxable value calculated in the same manner as in division (A)(3) of section 3317.021 of the Revised Code.

Upon receipt of such certification, the department of education shall reduce or increase by the respective amounts certified, the taxable value and the taxes charged and payable that were used in the district's state aid computation under ~~sections~~ section 3317.022 ~~and 3317.023~~ of the Revised Code for the fiscal year that ends in the current calendar year and shall recompute the state aid for such fiscal year. During the last six months of the fiscal year, the department shall pay the district a sum equal to one-half of

the recomputed payments in lieu of the payments otherwise required under such sections.

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

(1) "Statewide DPIA percentage" means the five-year average of the total number of children ages five to seventeen years residing in the state and receiving family assistance, divided by the average of the sum of the formula ADMs reported for all school districts in the state for the current and preceding two fiscal years, provided that in fiscal years 1999 and 2000, the department shall calculate this three-year average utilizing district ADMs reported pursuant to the version of division (A) of section 3317.03 of the Revised Code in effect in fiscal years 1997 and 1998;

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

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

(4) "Kindergarten through third grade ADM" means the sum obtained by multiplying the kindergarten ADM by two, adding the number of students in grades one through three, and subtracting the number of special education students in grades one through three;

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

(6) "Statewide formula ADM" means the sum total of the formula ADM for all school districts in the state;

(7) "All-day kindergarten percentage" means the percentage of a district's actual total number of students enrolled in kindergarten who are in classes that are in session five days per week for not less than the same number of clock hours each day as for pupils in grades one through six;

(8) "Buildings with the highest concentration of need" means the school buildings in a district with percentages of students receiving family assistance in grades kindergarten through three at least as high as the district-wide percentage of students receiving family assistance.

(B) In addition to the amounts required to be paid to a school district under section 3317.022 of the Revised Code, a school district shall receive the greater of the amount the district received in fiscal year 1998 pursuant to division (B) of section 3317.023 Of the Revised Code as it existed at that time or the amount of the sum of the following computations made under divisions (C) to (E) of this section.

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

follows:

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

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

(D) A payment for all-day kindergarten if the DPIA index of the school district is greater than or equal to one OR IF THE DISTRICT'S THREE-YEAR AVERAGE FORMULA ADM EXCEEDED SEVENTEEN THOUSAND FIVE HUNDRED, calculated by multiplying the all-day kindergarten percentage by the kindergarten ADM and multiplying that product by the formula amount.

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

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

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

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

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

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

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

(2) Multiply the formula number of teachers determined or calculated in division (E)(1) of this section by the kindergarten through third grade ADM for the district and divide that product by one thousand;

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

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

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

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

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

(1) Each school district subject to this division shall first utilize funds received under this section to provide all-day kindergarten to at least the number of children in the district's all-day kindergarten percentage.

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

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

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

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

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

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

(b) Employing full-time educational aides or educational paraprofessionals issued a permit or license under section 3319.088 Of the Revised Code;

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

Districts may extend the school day either by increasing the amount of

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

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

(G) Each district subject to division (F) of this section shall not expend any funds received under division (E) of this section in any school buildings that are not buildings with the highest concentration of need, unless there is a ratio of instructional personnel to students of no more than fifteen to one in each kindergarten and first grade class in all buildings with the highest concentration of need.

(H)(1) by the first day of August of each fiscal year, each school district wishing to receive any funds under division (D) of this section shall certify to the department of education its all-day kindergarten percentage.

(2) annually by the end of December, the department of education, utilizing data from the information system established under section 3301.0714 Of the Revised Code and after consultation with the legislative office of education oversight, shall determine for each school district subject to division (F) of this section whether in the preceding fiscal year the district's ratio of instructional personnel to students; and its number of kindergarten students receiving all-day kindergarten appear reasonable, given the amounts of money the district received for that fiscal year pursuant to divisions (D) and (E) of this section. if the department is unable to verify from the data available that students are receiving reasonable amounts of instructional attention and all-day kindergarten, given the funds the district has received under this section and that class-size reduction funds are being used in school buildings with the highest concentration of need as required by division (G) of this section, the department shall conduct a more intensive investigation to ensure that funds have been expended as required by this section. The department shall file an annual report of its findings under this division with the chairpersons of the committees in each house of the general assembly dealing with finance and

education.

(I) any school district with a DPIA index less than one shall expend at least seventy per cent of the funds received under this section for any of the following purposes:

- (1) The purchase of technology for instructional purposes;
- (2) All-day kindergarten;
- (3) Reduction of class sizes;
- (4) Summer school remediation;
- (5) Dropout prevention programs;
- (6) Guaranteeing that all third graders are ready to progress to more advanced work;
- (7) Summer education and work programs;
- (8) Adolescent pregnancy programs;
- (9) Head start or preschool programs;
- (10) Reading improvement programs described by the department of education;
- (11) Programs designed to ensure that schools are free of drugs and violence and have a disciplined environment conducive to learning;
- (12) Furnishing, free of charge, materials used in courses of instruction, except for the necessary textbooks required to be furnished without charge pursuant to section 3329.06 Of the Revised Code, to pupils living in families participating in Ohio works first in accordance with section 3313.642 of the Revised Code;
- (13) School breakfasts provided pursuant to section 3313.813 of the Revised Code.

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

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

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

this section.

Sec. 3317.0210. (A) As used in this section:

(1) "Bankruptcy Reform Act" means the "Bankruptcy Reform Act of 1978," 92 Stat. 2558, 11 U.S.C. 301, as amended.

(2) "Chapter 11 corporation" means a corporation, company, or other business organization that has filed a petition for reorganization under Chapter 11 of the "Bankruptcy Reform Act," 92 Stat. 2626, 11 U.S.C. 1101, as amended.

(3) "Real property" includes public utility real property and "personal property" includes public utility personal property.

(4) "Uncollectable taxes" means property taxes owed by a Chapter 11 corporation on its property for a tax year that a school district is precluded from collecting by virtue of proceedings under the Bankruptcy Reform Act.

(5) "Basic state aid" means the state aid calculated for a school district under ~~sections~~ section 3317.022 ~~and 3317.023~~ of the Revised Code.

(6) "Effective value" means the sum of the residential/agricultural real property value, the effective nonresidential/agricultural real property value, and the effective personal value.

(7) "Effective nonresidential/agricultural real property value" means, for a tax year, the amount obtained by multiplying the value for that year of nonresidential/agricultural real property subject to taxation in the district by a fraction, the numerator of which is the total taxes charged and payable for that year against the nonresidential/agricultural real property subject to taxation in the district, exclusive of the uncollectable taxes for that year on all real property subject to taxation in the district, and the denominator of which is the total taxes charged and payable for that year against the nonresidential/agricultural real property subject to taxation in the district.

(8) "Effective personal value" means, for a tax year, the amount obtained by multiplying the value for that year certified under division (A)(2) of section 3317.021 of the Revised Code by a fraction, the numerator of which is the total taxes charged and payable for that year against personal property subject to taxation in the district, exclusive of the uncollectable taxes for that year on that property, and the denominator of which is the total taxes charged and payable for that year against personal property subject to taxation in the district.

(9) "Nonresidential/agricultural real property value" means, for a tax year, the sum of the values certified for a school district for that year under ~~divisions~~ division (B)(2)(a) of this section, and "residential/agricultural real property value" means, for a tax year, the sum of the values certified for a school district under division (B)(2)(b) of this section.

(10) "Taxes charged and payable against real property" means the taxes charged and payable against that property after making the reduction required by section 319.301 of the Revised Code.

(11) "Total taxes charged and payable" has the same meaning given "taxes charged and payable" in section 3317.02 of the Revised Code.

(B)(1) By the first day of August of any calendar year, a school district shall notify the department of education if it has uncollectable taxes from one Chapter 11 corporation for the second preceding tax year whose total taxes charged and payable represent at least one-half of one per cent of the district's total taxes charged and payable for that tax year.

(2) The department shall verify whether the district has such uncollectable taxes from such a corporation by the first day of September, and if the district does, shall immediately request the county auditor of each county in which the school district has territory to certify the following information concerning the district's property values and taxes for the second preceding tax year, and each such auditor shall certify that information to the department within thirty days of receiving the request:

(a) The value of the property subject to taxation in the district that was classified as nonresidential/agricultural real property pursuant to section 5713.041 of the Revised Code, and the taxes charged and payable on that property; and

(b) The value of the property subject to taxation in the district that was classified as residential/agricultural real property under section 5713.041 of the Revised Code.

(C) By the fifteenth day of November, the department shall compute the district's effective nonresidential/agricultural real property value, residential/agricultural real property value, effective personal value, and effective value, and shall determine whether the school district's effective value for the second preceding tax year is at least one per cent less than its total value for that year certified under divisions (A)(1) and (2) of section 3317.021 of the Revised Code. If it is, the department shall recompute the basic state aid payable to the district for the immediately preceding fiscal year using the effective value in lieu of the amounts previously certified under section 3317.021 of the Revised Code. The difference between the original basic state aid amount computed for the district for the preceding fiscal year and the recomputed amount shall be paid to the district from the lottery profits education fund before the end of the current fiscal year.

(D) Amounts received by a school district under division (C) of this section shall be repaid to the department of education ~~within two years of the end of the fiscal year in which such amounts were received. Beginning~~

~~on the first day of each month following the date on which the amount is required to be paid, a penalty of one per cent per month shall be charged against any portion of such balance remaining unpaid on the last day of the preceding month. All moneys collected from a district under this section shall be deposited to the credit of the lottery profits education fund in any future year to the extent the district receives payments of uncollectable taxes in such future year. The department shall notify a district of any amount owed under this division.~~

Sec. 3317.0211. (A) As used in this section:

(1) "Port authority" means any port authority as defined in section 4582.01 or 4582.21 of the Revised Code.

(2) "Real property" includes public utility real property and "personal property" includes public utility personal property.

(3) "Uncollected taxes" means property taxes charged and payable against the property of a port authority for a tax year that a school district has not collected.

(4) "Basic state aid" means the state aid calculated for a school district under ~~sections section~~ 3317.022 ~~and 3317.023~~ of the Revised Code.

(5) "Effective value" means the sum of the effective residential/agricultural real property value, the effective nonresidential/agricultural real property value, and the effective personal value.

(6) "Effective residential/agricultural real property value" means, for a tax year, the amount obtained by multiplying the value for that year of residential/agricultural real property subject to taxation in the district by a fraction, the numerator of which is the total taxes charged and payable for that year against the residential/agricultural real property subject to taxation in the district, exclusive of the uncollected taxes for that year on all real property subject to taxation in the district, and the denominator of which is the total taxes charged and payable for that year against the residential/agricultural real property subject to taxation in the district.

(7) "Effective nonresidential/agricultural real property value" means, for a tax year, the amount obtained by multiplying the value for that year of nonresidential/agricultural real property subject to taxation in the district by a fraction, the numerator of which is the total taxes charged and payable for that year against the nonresidential/agricultural real property subject to taxation in the district, exclusive of the uncollected taxes for that year on all real property subject to taxation in the district, and the denominator of which is the total taxes charged and payable for that year against the nonresidential/agricultural real property subject to taxation in the district.

(8) "Effective personal value" means, for a tax year, the amount obtained by multiplying the value for that year certified under division (A)(2) of section 3317.021 of the Revised Code by a fraction, the numerator of which is the total taxes charged and payable for that year against personal property subject to taxation in the district, exclusive of the uncollected taxes for that year on that property, and the denominator of which is the total taxes charged and payable for that year against personal property subject to taxation in the district.

(9) "Nonresidential/agricultural real property value" means, for a tax year, the sum of the values certified for a school district for that year under ~~divisions~~ DIVISION (B)(2)(a) of this section, and "residential/agricultural real property value" means, for a tax year, the sum of the values certified for a school district under ~~divisions~~ DIVISION (B)(2)(b) of this section.

(10) "Taxes charged and payable against real property" means the taxes charged and payable against that property after making the reduction required by section 319.301 of the Revised Code.

(11) "Total taxes charged and payable" has the same meaning given "taxes charged and payable" in section 3317.02 of the Revised Code.

(B)(1) By the first day of August of any calendar year, a school district shall notify the department of education if it has any uncollected taxes from one port authority for the second preceding tax year whose taxes charged and payable represent at least one-half of one per cent of the district's total taxes charged and payable for that tax year.

(2) The department shall verify whether the district has such uncollected taxes by the first day of September, and if the district does, shall immediately request the county auditor of each county in which the school district has territory to certify the following information concerning the district's property values and taxes for the second preceding tax year, and each such auditor shall certify that information to the department within thirty days of receiving the request:

(a) The value of the property subject to taxation in the district that was classified as nonresidential/agricultural real property pursuant to section 5713.041 of the Revised Code, and the taxes charged and payable on that property; and

(b) The value of the property subject to taxation in the district that was classified as residential/agricultural real property under section 5713.041 of the Revised Code.

(C) By the fifteenth day of November, the department shall compute the district's effective nonresidential/agricultural real property value, effective residential/agricultural real property value, effective personal value, and

effective value, and shall determine whether the school district's effective value for the second preceding tax year is at least one per cent less than its total value for that year certified under divisions (A)(1) and (2) of section 3317.021 of the Revised Code. If it is, the department shall recompute the basic state aid payable to the district for the immediately preceding fiscal year using the effective value in lieu of the amounts previously certified under section 3317.021 of the Revised Code. The difference between the original basic state aid amount computed for the district for the preceding fiscal year and the recomputed amount shall be paid to the district from the lottery profits education fund before the end of the current fiscal year.

(D) Amounts received by a school district under division (C) of this section shall be repaid to the department of education ~~within two years of the end of the fiscal year in which such amounts were received. Beginning on the first day of each month following the date on which the amount is required to be paid, a penalty of one per cent per month shall be charged against any portion of such balance remaining unpaid on the last day of the preceding month. All moneys collected from a district under this section shall be deposited to the credit of the lottery profits education fund in any future year to the extent the district receives payments of uncollectable taxes in such future year. The department shall notify a district of any amount owed under this division.~~

Sec. 3317.0212. Divisions (B) and (C) of this section do not apply to a school district with a formula ADM of one hundred fifty or less.

(A) As used in this section:

(1) "Fundamental FY 1998 state aid" for a district means the total amount of state money received by the district under sections 3317.022 and 3317.023 of the Revised Code before any deductions required by division (G), (J), (K), or (L) of section 3317.023 of the Revised Code, plus any amounts for which the district was eligible pursuant to divisions (M), (N), and (O) of section 3317.024 and sections 3317.0212 and 3317.0213 of the Revised Code, as those divisions and sections existed in fiscal year 1998, plus the district's share of state funds for service center units.

(2) "Enhanced FY 1998 state aid" for a district means its fundamental FY 1998 state aid plus any amounts for which the district was eligible pursuant to division (K) of section 3317.024 of the Revised Code, as that division existed in fiscal year 1998.

(3) "State basic aid" for a district in any fiscal year after 1998 means the amount computed for the district for basic formula aid and Special education aid under divisions (A) and (C) of section 3317.022 of the Revised Code and DPIA aid under section 3317.029 of the Revised Code in the current

fiscal year but after any deduction required by division (E) of section 3317.023 of the Revised Code, plus any amounts for which the district is eligible pursuant to divisions (G) and (Q) of section 3317.024 of the Revised Code, plus any amounts for which the district is eligible under section 3317.0213 Of the Revised Code.

(4) "FY 1998 ADM" for a district means the district's average daily membership as described by division (A) of section 3317.02 of the Revised Code, for fiscal year 1998, plus the district's average daily membership based upon full-time equivalency in approved vocational units as certified by the district in fiscal year 1998 under division (A)(2) of section 3317.03 of the Revised Code and the district's average daily membership of all handicapped children, except for preschool handicapped children, in classes in the district as certified in fiscal year 1998 under division (A)(3) of section 3317.03 of the Revised Code, as those divisions and sections existed in fiscal year 1998.

(5) "District's share of state funds for service center units" means an estimated portion of the state money distributed to educational service centers for approved units in fiscal year 1998 attributable to the costs of providing services in such units to students, other than preschool handicapped students, residing in the district.

(6) "Fundamental FY 1997 state aid" for a district means the total amount of state money received by the district under sections 3317.022 and 3317.023 Of the Revised Code before any deductions required by division (G), (J), (K), or (L) of section 3317.023 Of the Revised Code, plus any amounts for which the district was eligible pursuant to divisions (M), (N), and (O) of section 3317.024 and sections 3317.0212 and 3317.0213 Of the Revised Code, as those divisions and sections existed in fiscal year 1997, plus the district's share of state funds for service center units.

(B) The department of education shall compute the state basic aid guarantee for each school district for the fiscal year as follows:

(1) Subtract the amount of state basic aid from the amount of fundamental FY 1998 state aid. If a negative number, this computation shall be deemed to be zero;

(2) Compute the following amounts:

(a) Formula ADM X (state basic aid/formula ADM);

(b) Formula ADM X (fundamental FY 1998 state aid/FY 1998 ADM).

(3) If the amount computed under division (B)(2)(b) of this section is greater than the amount computed under division (B)(2)(a) of this section, determine the amount by which it is greater. If the amount computed under division (B)(2)(b) of this section is not greater than the amount computed

under division (B)(2)(a) of this section, this computation shall be deemed to be zero.

(4) Except as provided in division (C) of this section, the department shall determine for each district the lesser of the amounts computed in divisions (B)(1) and (2) of this section and, if greater than zero, pay the district that amount.

(C)(1) In fiscal year 1999, if a district's amount under division (B)(4) of this section is zero, the department shall determine for each such district the following:

(2) Add to the district's state basic aid for fiscal year 1999 the sum of the transportation portion of state aid computed under division (D) of section 3317.022 of the Revised Code for the district for fiscal year 1999;

(3) If a district's enhanced FY 1998 state aid is greater than the district's amount calculated in division (C)(2) of this section, then the department shall pay the district one hundred per cent of the difference.

(D)(1) The state basic aid guarantee in any fiscal year for a school district with a formula ADM of one hundred fifty or less shall be the greatest of the following amounts:

- (a) The district's state basic aid for the fiscal year;
- (b) The district's fundamental FY 1998 state aid;
- (c) The district's fundamental FY 1997 state aid;

(2) If in any fiscal year the state basic aid for a school district with a formula ADM of one hundred fifty or less is less than the guarantee amount determined for the district under division (D)(1) of this section, the department of education shall pay the district the amount of the difference.

Sec. 3317.0213. No money shall be distributed under this section after fiscal year 2001.

(A) As used in this section:

(1) "ADM" for any school district means:

(a) In fiscal year 1999, the average daily membership described by reported in fiscal year 1998 under division (A) of section 3317.02 3317.03 of the Revised Code as that section existed in fiscal year 1998, as finally determined by the department of education in calculating the district's payments under section 3317.022 of the Revised Code for the preceding fiscal year less one-half of the kindergarten students, less three-quarters of the students enrolled in a joint vocational school district, and less any students enrolled in preschool handicapped units approved under division (E) of section 3317.05 Of the Revised Code, as that section existed in fiscal year 1998;

(b) In fiscal years 2000 and 2001, the formula ADM reported for the

previous fiscal year.

(2) "~~Total~~ Average taxable value" means the ~~sum of the~~ average of the amounts certified for a district in the second, third, and fourth preceding fiscal years under divisions (A)(1) and (2) of section 3317.021 of the Revised Code.

(3) "~~District median income~~" means the ~~median Ohio adjusted gross income certified for a district under division (B) of this section.~~

(4) "~~Statewide median income~~" means the ~~median district median income of all school districts in the state.~~

(5) "~~Income factor~~" for a district means the ~~quotient obtained by dividing that district's median income by the statewide median income.~~

(6)(a) "Valuation per pupil" for a district in fiscal year 1999 means the district's ~~total~~ average taxable value, divided by the district's ~~ADM~~ average daily membership for fiscal year 1998, as described in division (A)(1)(a) of this section.

(b) "Valuation per pupil" for a district in a fiscal year that occurs after fiscal year 1999 means the district's average taxable value, divided by the district's formula ADM for the preceding fiscal year.

(7)(4) "Threshold valuation" means:

(a) In fiscal year 1999, the adjusted valuation per pupil of the school district with the two hundred ~~ninety-third~~ twenty-ninth lowest adjusted valuation per pupil in the state, according to data available at the time of the computation under division ~~(C)~~(B) of this section;

(b) In fiscal year 2000, the adjusted valuation per pupil of the district with the one hundred sixty-third lowest such valuation in the state;

(c) In fiscal year 2001, the adjusted valuation per pupil of the district with the one hundred eighteenth lowest such valuation in the state.

(8)(5) "Adjusted valuation per pupil" for a district means an amount calculated in accordance with the following formula:

The district's valuation per pupil - (\$30,000 X (one minus the district's income factor))

(6) "Millage rate" means .012 in fiscal year 1999, .011 in fiscal year 2000, and .010 in fiscal year 2001.

(B) ~~On or before the first day of July of each year, the tax commissioner shall certify to the department of education for each city, exempted village, and local school district the median Ohio adjusted gross income of the residents of the school district determined on the basis of tax returns filed for the second preceding tax year by the residents of the district. The amount certified shall be used in calculating the district's income factor.~~

(C) Beginning in fiscal year 1993, during August of each fiscal year, the

department of education shall distribute to each school district meeting the requirements of section 3317.01 of the Revised Code whose adjusted valuation per pupil is less than the threshold valuation, an amount calculated in accordance with the following formula:

(The threshold valuation - the district's adjusted valuation per pupil) X ~~.013~~
millage rate X ADM

Sec. 3317.0214. As used in this section, "~~ADM~~" ~~means the average daily membership reported for a district under division (A) of section 3317.03 of the Revised Code, as finally determined by the department of education for the preceding fiscal year and "total~~ "Average taxable value" has the same meaning as in division (A)(2) of section 3317.0213 of the Revised Code.

Beginning in fiscal year 1993, during each August, the department of education shall distribute to each school district with ~~an a formula~~ ADM less than one thousand and ~~a total an average~~ taxable value per pupil in ADM equal to or less than eighty-five thousand dollars per pupil in formula ADM, an amount equal to fifty dollars multiplied by any amount by which one thousand exceeds the district's formula ADM.

Sec. 3317.0215. (A) As used in this section, "total effective operating tax rate" has the same meaning as in section 3317.021 Of the Revised Code, and "equalized tax rate" of a school district means the amount by which a district's total effective operating tax rate exceeds two and three-tenths per cent.

(B) Upon receiving the certifications under division (A) of section 3317.021 of the Revised Code, the department of education shall determine the equalized tax rate for each city, local, and exempted village school district. If the total effective operating tax rate of a district is greater than two and three-tenths per cent, the district shall receive a payment computed by multiplying the lesser of two-tenths of one per cent or the equalized tax rate by the amount by which the state taxable value per pupil exceeds the district's total taxable value per pupil.

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

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

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

for the preceding fiscal year.

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

(4) "Local share percentage" means a percentage equal to one minus the state share percentage.

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

(6) "Local share of special education expenses" means the district's local share percentage X the formula amount for the year for which the aid is calculated X the district's total special education weight.

(7) "State share percentage" and "total special education weight" have the same meanings as in section 3317.022 of the Revised Code.

(B) Upon receiving the certifications under section 3317.021 of the Revised Code, the department of education shall determine for each city, local, and exempted village school district whether the district's charge-off amount is greater than the district's total receipts available for current expenses, and if it is, shall pay the district the amount of the difference. A payment shall not be made to any school district for which the computation under division (A) of section 3317.022 of the Revised Code equals zero.

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

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

~~Sec. 3317.03. Except for handicapped preschool children in units approved by the state board of education under division (E) of section 3317.05 of the Revised Code, handicapped preschool children shall not be counted in any calculation under this section or included in any determination of average daily membership under this section. Notwithstanding divisions (A)(1), (B)(1), and (C) of this section, any student enrolled in kindergarten more than half time shall be reported as one-half student under this section.~~

(A) ~~Except as otherwise provided in this section, the~~ The superintendent of each city and exempted village school district and of each educational service center shall, for the schools under the superintendent's supervision,

~~certify each of the following~~ to the state board of education on or before the fifteenth day of October in each year for the first full school week in October the formula ADM, which shall consist of the average daily membership during such week of the sum of the following:

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

(a) students enrolled in adult education classes;

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

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

(2) on an FTE basis, the number of students entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code, but receiving educational services in grades kindergarten through twelve from one or more of the following entities:

(a) A community school pursuant to Chapter 3314. of the Revised Code or Section 50.52 of Amended Substitute House Bill No. 215 of the 122nd general assembly;

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

(c) A college pursuant to Chapter 3365. of the Revised Code;

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

(e) An educational service center or cooperative education district;

(f) Another school district under a cooperative education agreement.

(3) One-fourth of the number of students enrolled both in a joint vocational school district and in the district, but who are not receiving regular education services in the school district.

(B) to enable the department of education to obtain the data needed to complete the calculation of payments pursuant to this chapter, in addition to the formula ADM, each superintendent shall report separately the following student counts:

(1) The total average daily membership in regular day classes for the first full school week in the month of October included in the report under division (A)(1) or (2) of this section for all-day kindergarten, extended kindergarten, and traditional kindergarten, all as defined in section 3317.02 of the Revised Code; and each of grades one through six; and grades seven through twelve in each school schools under the superintendent's

supervision;

~~(2) The average daily membership based upon full-time equivalency in approved vocational units and in joint vocational school districts;~~

~~(3) The average daily membership of all handicapped children in classes in the district and in the educational service center's territory that are eligible for approval by the state board of education under division (B) or (E) of section 3317.05 of the Revised Code and the number of such classes;~~

~~(4) The average daily membership based upon full-time equivalency in schools of a cooperative education school district~~ The average daily membership of all handicapped preschool children included in a unit approved for the district under section 3317.05 of the Revised Code, in accordance with rules adopted under that section;

(3) The number of children entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code who are participating in a pilot project scholarship program established under sections 3313.974 to 3313.979 of the Revised Code as described in division (I)(2)(a) or (b) of this section, are enrolled in a college under Chapter 3365. of the Revised Code, are enrolled in an adjacent or other school district under section 3313.98 of the Revised Code, are enrolled in a community school established under Chapter 3314. of the Revised Code or Section 50.52 of Amended Substitute House Bill No. 215 of the 122nd general assembly, or are participating in a program operated by a county MR/DD board or a state institution;

(4) The number of pupils enrolled both in schools under the superintendent's supervision and in joint vocational schools, but who are not in regular day classes in the school district;

(5) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section receiving category one special education services, described in division (A) of section 3317.013 of the Revised Code;

(6) The average daily membership of handicapped children reported under division (A)(1) or (2) of this section receiving category two special education services, described in division (B) of section 3317.013 of the Revised Code;

(7) the average daily membership of handicapped children reported under division (A)(1) or (2) of this section identified as having any of the handicaps specified in division (F)(3) of section 3317.02 of the Revised Code;

(8) the average daily membership of pupils reported under division (A)(1) or (2) of this section enrolled in vocational education programs or

classes operated by the school district or by another district other than a joint vocational school district or by an educational service center;

(9) The average number of children transported by the school district, reported in accordance with rules adopted by the department of education.

The (C) Except as otherwise provided in this section for kindergarten students, the average daily membership in vocational units, in approved classes in licensed proprietary schools, and in joint vocational and cooperative education districts divisions (B)(1) to (8) of this section shall be based upon the number of full-time equivalent students in attendance in such units and districts. The state board of education shall adopt rules defining full-time equivalent students and for determining the average daily membership therefrom. The average daily membership of pupils enrolled in approved vocational classes in licensed proprietary schools may be counted, pursuant to section 3313.90 of the Revised Code, only where standards as to facilities and staffing are comparable, as determined by the superintendent of public instruction, to those established by the state board of education for public schools for the purposes of divisions (A) and (B) of this section. No child shall be counted as more than one a total of one child in the sum of the average daily membership memberships of a school district under division (A) or under divisions (B)(1) to (8) of this section. Based on the information reported under this section, the department of education shall determine the total student count, as defined in section 3301.011 Of the Revised Code, for each school district. The

(D) The superintendent of each joint vocational and cooperative education school district shall similarly certify to the superintendent of public instruction, in a manner prescribed by the state board of education, the applicable average daily membership memberships for all classes students in the joint vocational or cooperative education school district, also indicating the city, local, or exempted village school district of residence for each pupil.

(B) The superintendent of each city, exempted village, joint vocational, or cooperative education school district, and the superintendent of the educational service center on behalf of local districts, operating on a trimester plan, on a quarterly plan, or on a pentameter plan shall estimate the number of students for all day kindergarten, extended kindergarten, traditional kindergarten, grades one through six, and grades seven through twelve in each school under the superintendent's supervision; the average daily membership based upon full-time equivalency in approved vocational units and in joint vocational and cooperative education school districts; and the average daily membership of all handicapped children in classes

~~approved annually by the state board of education under division (B) or (E) of section 3317.05 of the Revised Code under the superintendent's supervision not actually enrolled in the first full week of October, but whose enrollment is anticipated in the next succeeding trimester, quarter, or pentamester and shall certify this estimate to the state board of education in addition to the certification of total average daily membership of those students actually enrolled during the first full week in October. For the purposes of this report and for the purpose of the calculation of classroom units under section 3317.05 of the Revised Code, the estimates so certified shall be interpreted as though the number of students contained therein were actually enrolled during the first full week of October. In no case shall such estimate exceed fifty per cent of the total average daily membership calculated on those students actually enrolled during the first week in October for districts operating on a trimester plan. In no case shall such estimate exceed thirty-three and one-third per cent of the total average daily membership calculated on those students actually enrolled during the first full week of October for districts operating on a quarterly plan. In no case shall such estimate exceed twenty-five per cent of the total average daily membership calculated on those students actually enrolled during the first week in October for districts operating on a pentamester plan. Within ten days after the conclusion of the third full week of the next succeeding trimester for those districts operating on a trimester plan or the next succeeding quarter for those districts operating on a quarterly plan, or the next succeeding pentamester for those districts operating on a pentamester plan, the appropriate superintendent shall certify to the state board of education the actual number of students for all-day kindergarten, extended kindergarten, traditional kindergarten, grades one through six, and grades seven through twelve in each school under such superintendent's supervision; the average daily membership based upon full-time equivalency in approved vocational units and in joint vocational and cooperative education school districts; and the average daily membership of all handicapped children in classes approved annually by the state board of education under division (B) or (E) of section 3317.05 of the Revised Code under such superintendent's supervision who were not actually enrolled during the first full week of October but who are enrolled in the third full week of the subsequent trimester, quarter, or pentamester. The average daily membership figures so certified plus the average daily membership figures calculated on those students actually enrolled during the first full week of October shall be considered as the total average daily membership figures for the district for the school year and the calculation of classroom units~~

~~under section 3317.05 of the Revised Code shall be adjusted accordingly.~~

~~The certification of average daily membership required by this section for districts operating one or more schools in accordance with section 3313.481 of the Revised Code on other than a trimester, quarter, or pentameter plan shall be due on or before the fifteenth day of October and shall be the sum of:~~

~~(1) The number of students actually in average daily membership during the first full school week in October; and~~

~~(2) An estimate of the number of students that are not in average daily membership during the first full school week in October but who are anticipated to be in attendance prior to the end of the school year.~~

~~The figure so obtained shall be used to calculate classroom units under section 3317.05 of the Revised Code.~~

~~On or before the first week in January, a district operating a school under section 3313.481 of the Revised Code on other than a trimester, quarter, or pentameter plan shall certify to the state board of education the number of pupils enrolled in the district as of that date who were not enrolled upon the date of the first certification of average daily membership required by this division for such districts. This figure plus the number of students certified under division (B)(1) of this section, shall be the average daily membership of that district for the school year, and the calculation of average daily membership shall be adjusted accordingly.~~

~~(C)(E)~~ In each school of each city, local, exempted village, joint vocational, and cooperative education school district there shall be maintained a record of school membership, which record shall accurately show, for each day the school is in session, the actual membership enrolled in regular day classes. For the purpose of determining average daily membership, the membership figure of any school shall not include any pupils except those who are entitled by division (B) or (F) of section 3313.64 or section 3313.65 of the Revised Code to attend school in that school district, those pupils described by division (G)(A) of this section, and those who are attending the school in the capacity of tuition pupils, other than those pupils for whom tuition is calculated pursuant to section 3317.081 or 3323.141 of the Revised Code. Part-time pupils may be included on a pro rata basis, as defined by the superintendent of public instruction, as regular day class students in average daily membership. The record of membership for each school shall be maintained in such manner that no pupil shall be counted as in membership prior to the actual date of entry in the school and also in such manner that where for any cause a pupil permanently withdraws from the school that pupil shall not be counted as in

membership from and after the date of such withdrawal. There shall not be included in the membership of any school any of the following:

(1) Any pupil who has graduated from the twelfth grade of a public high school; ~~any~~

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

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

(4) Any pupil who has attained the age of twenty-two years, except for the following:

~~(1)(a)~~ Persons suffering from tuberculosis and receiving treatment in any approved state, county, district, or municipal tuberculosis hospital who have not graduated from the twelfth grade of a public high school;

~~(2)(b)~~ Veterans of the armed services whose attendance was interrupted before completing the recognized twelve-year course of the public schools by reason of induction or enlistment in the armed forces and who apply for reenrollment in the public school system of their residence not later than four years after termination of war or their honorable discharge. ~~If~~

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

Notwithstanding division ~~(C)~~(E)~~(3)~~ of this section, the membership of any school may include a pupil who did not take a test required by section 3301.0711 of the Revised Code if the superintendent of public instruction grants a waiver from the requirement to take the test to the specific pupil. The superintendent may grant such a waiver only for good cause in accordance with rules adopted by the state board of education.

The average daily membership figure of any local, city, or exempted village school district shall be determined by dividing the figure representing the sum of the number of pupils enrolled during each day the school of attendance is actually open for instruction during the first full school week in October by the total number of days the school was actually open for instruction during that week. For purposes of state funding, "enrolled" persons are only those pupils who are attending school, those who have attended school during the current school year and are absent for authorized reasons, ~~those students described by division (G) of this section,~~ and those handicapped children currently receiving home instruction.

The average daily membership figure of any joint vocational or cooperative education school district shall be determined in accordance with rules adopted by the state board of education ~~pursuant to division (A) of this section.~~

~~(D)~~(E)(1) If the ~~total average daily membership in regular day classes~~ formula ADM for the first full school week in February is at least three per cent greater than that certified for the first full school week in the preceding October, the superintendent of schools of any city or exempted village school district or educational service center shall certify such increase to the superintendent of public instruction. Such certification shall be submitted no later than the fifteenth day of February. For the balance of the fiscal year, beginning with the February payments, the superintendent of public instruction shall use the increased ~~membership~~ formula ADM in calculating or recalculating the amounts to be allocated in accordance with ~~sections~~ section 3317.022 ~~and 3317.023~~ of the Revised Code. In no event shall the superintendent use an increased membership certified to the superintendent after the fifteenth day of February.

(2) If during the first full school week in February the total number of ~~classes or~~ units for preschool handicapped children that are eligible for approval under division (B) of section 3317.05 of the Revised Code exceeds the number of such ~~classes or~~ units that have been approved for the year under such division, the superintendent of schools of any city, exempted village, ~~joint vocational~~, or cooperative education school district or educational service center shall make the certifications required by ~~division (A)(3) of this section~~ for such week. If the state board of education determines additional ~~classes or~~ units can be approved for the fiscal year within any limitations set forth in the acts appropriating moneys for the funding of such ~~classes and~~ units, the board shall approve additional units for the fiscal year on the basis of such average daily membership. For each unit so approved, the department of education shall pay an amount computed in the manner prescribed in ~~division (N)(2) of section 3317.024, 3317.16, 3317.161 or 3317.19 of the Revised Code, as applicable.~~

~~(E)~~(3) If during the first full school week in February the total number of special education units that are eligible for approval under division (D)(1) of section 3317.05 Of the Revised Code for a joint vocational school district exceeds the number of those units that have been approved for the year under that division, the superintendent of the district shall make the certifications required by this section for that week. If the state board of education determines additional units can be approved for the fiscal year within any limitations set forth in the acts appropriating moneys for the

funding of such units, the state board shall approve additional units for the fiscal year on the basis of the average daily membership certified. For each unit approved, the department of education shall pay an amount computed in the manner prescribed by section 3317.16 Of the Revised Code.

(G)(1)(a) The superintendent of an institution operating a special education program pursuant to section 3323.091 of the Revised Code shall, for the programs under such superintendent's supervision, certify to the state board of education the average daily membership of all handicapped children in classes or programs approved annually by the state board of education, in accordance with divisions (A), (C), and (D)(1) of this section in the manner prescribed by the superintendent of public instruction.

(b) The superintendent of an institution with vocational education units approved under division (A) of section 3317.05 of the Revised Code shall, for the units under the superintendent's supervision, certify to the state board of education the average daily membership in those units, in the manner prescribed by the superintendent of public instruction.

(2) The superintendent of each county MR/DD board that maintains special education classes or units approved by the state board of education pursuant to ~~division (B) or (E)~~ of section 3317.05 of the Revised Code shall do both of the following:

(a) ~~In accordance with divisions (A), (C), and (D)(1) of this section, certify~~ Certify to the state board, ~~in the manner prescribed by the board, the average daily membership in classes and units described in approved under division (B)(D)(1) of section 3317.05 of the Revised Code for each school district that has placed children in the classes or units;~~

(b) ~~Certify to the state board, in the manner prescribed by the board, the average daily membership in preschool handicapped units described in approved under division (E)(B) of section 3317.05 of the Revised Code.~~

(3) If during the first full school week in February the average daily membership of the classes or units maintained by the county MR/DD board that are eligible for approval under division ~~(B)(D)(1)~~ of section 3317.05 of the Revised Code is greater than the average daily membership for the preceding October, the superintendent of the board shall make the certifications required by ~~division (A)(3)~~ of this section for such week and, if during the first full school week in February the average daily membership of the units maintained by the county MR/DD board that are eligible for approval under division ~~(E)(B)~~ of section 3317.05 of the Revised Code is greater than the average daily membership for the preceding October, the superintendent shall certify the average daily membership for the first full school week in February for such units to the state board of

education. If the state board determines that additional classes or units can be approved for the fiscal year within any limitations set forth in the acts appropriating moneys for the funding of such classes and units ~~under division (N)(1) of section 3317.024 of the Revised Code~~, the board shall approve and fund additional units for the fiscal year on the basis of such average daily membership. For each unit so approved, the department of education shall pay an amount computed in the manner prescribed in ~~division (N)(2) of section 3317.024~~ 3317.161 of the Revised Code.

~~(F)~~(H) Except as provided in division ~~(G)~~(I) of this section, when any city, local, or exempted village school district provides instruction for a nonresident pupil whose attendance is unauthorized attendance as defined in section 3327.06 of the Revised Code, that pupil's membership shall not be included in that district's membership figure used in the calculation of ~~approved classroom units as provided by section 3317.05 of the Revised Code or in the calculation of that district's average daily membership under this section~~ formula ADM or included in the determination of any unit approved for the district under section 3317.05 Of the Revised Code. The reporting official shall report separately the average daily membership of all pupils whose attendance in the district is unauthorized attendance, and the membership of each such pupil shall be credited to the school district in which the pupil is entitled to attend school under division (B) of section 3313.64 or section 3313.65 of the Revised Code as determined by the department of education.

~~(G)~~(I)(1) A school district admitting a scholarship student of a pilot project district pursuant to division (C) of section 3313.976 of the Revised Code may count such student in its average daily membership.

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

(a) All children residing in the district and utilizing a scholarship to attend kindergarten in any alternative school, as defined in division (A)(9) of section 3313.974 of the Revised Code;

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

Sec. 3317.031. A membership record shall be kept by grade level in each city, local, exempted village, joint vocational, and cooperative education school district and such a record shall be kept by grade level in each educational service center that provides academic instruction to pupils, classes for handicapped pupils, or any other direct instructional services to

pupils. Such membership record shall show the following information for each pupil enrolled: Name, date of birth, name of parent, date entered school, date withdrawn from school, days present, days absent, and the number of days school was open for instruction while the pupil was enrolled. At the end of the school year this membership record shall show the total days present, the total days absent, and the total days due for all pupils in each grade. Such membership record shall show the pupils that are transported to and from school and it shall also show the pupils that are transported living within one mile of the school attended. This membership record shall also show any other information prescribed by the state board of education.

This membership record shall be kept intact for at least five years and shall be made available to the state board of education or its representative in making an audit of the average daily membership or the transportation of the district or educational service center. The membership records of local school districts shall be filed at the close of each school year in the office of the educational service center superintendent.

The state board of education may withhold any money due any school district or educational service center under sections 3317.022 to ~~3317.0211~~ 3317.0212, 3317.11, 3317.16, 3317.17, or 3317.19 of the Revised Code until it has satisfactory evidence that the board of education or educational service center governing board has fully complied with all of the provisions of this section.

Nothing in this section shall require any person to release, or to permit access to, public school records in violation of section 3319.321 of the Revised Code.

Sec. 3317.032. (A) Each city, local, exempted village, and cooperative education school district ~~and~~, each educational service center, each county MR/DD board, and each institution operating a special education program pursuant to section 3323.091 of the Revised Code shall, in accordance with procedures adopted by the state board of education, maintain a record of district membership of both of the following:

(1) All handicapped preschool children in units approved under division ~~(E)~~(B) of section 3317.05 of the Revised Code;

(2) All handicapped preschool children who are not in units approved by the state board under division ~~(E)~~(B) of section 3317.05 of the Revised Code but who are otherwise served by a special education program.

(B) The superintendent of each district, board, or institution subject to division (A) of this section shall certify to the state board of education, in accordance with procedures adopted by that board, membership figures of

all handicapped preschool children whose membership is maintained under division (A)(2) of this section. The figures certified under this division shall be used in the determination of ~~both of the following~~:

~~(1) The number of units annually approved under divisions (C) and (D) of section 3317.05 of the Revised Code for the purpose of calculating funding under division (O)(1) of section 3317.024 of the Revised Code;~~

~~(2) The~~ The ADM used to compute funds for educational service center governing boards under division (B) of section 3317.11 of the Revised Code.

Sec. 3317.033. In accordance with rules which the state board of education shall adopt, each ~~city, local, exempted village, joint vocational, and cooperative education~~ school district ~~and each educational service center~~ shall do both of the following:

(A) Maintain a record of district ~~or educational service center~~ membership of any persons who are not eligible to be included in the average daily membership determined under division (D) of section 3317.03 of the Revised Code and who are participating in a program funded with a secondary vocational education job-training unit approved under division (A) of section 3317.05 of the Revised Code;

(B) Annually certify to the state board of education the number of persons for whom a record is maintained under division (A) of this section. These numbers shall be reported for each unit and on a full-time equivalent basis.

Sec. 3317.05. (A) For the purpose of calculating payments under sections 3317.16 and 3317.161 of the Revised Code, the state board of education shall determine for each joint vocational school district and institution, by the last day of January of each year and based on information certified under section 3317.03 of the Revised Code, the number of vocational education units or fractions of units approved by the state board on the basis of standards and rules adopted by the state board. As used in this division, "institution" means an institution operated by a department specified in section 3323.091 of the Revised Code and that provides vocational education programs under the supervision of the division of vocational education of the department of education that meet the standards and rules for these programs, including licensure of professional staff involved in the programs, as established by the state board of education.

~~(B)~~ For the purpose of calculating payments under sections 3317.024, 3317.11, ~~3317.16~~ 3317.161, and 3317.19 of the Revised Code, the state board ~~of education~~ shall determine, based on information certified under section 3317.03 of the Revised Code, the following by the last day of

January of each year for each educational service center ~~and~~, for each school district, including each ~~joint vocational and~~ cooperative education school district, ~~based upon the information certified under division (A) of section 3317.03 and division (B) of section 3317.032 of the Revised Code, except as provided in section 3317.053 of the Revised Code, and, with respect to divisions (B) to (E) of this section,~~ for each institution eligible for payment under section 3323.091 of the Revised Code, and for each county MR/DD board:

~~(A) The number of vocational education units or fraction thereof approved annually by the state board of education on the basis of standards and rules adopted by the board;~~

~~(B) The number of classes operated by a school district, service center, institution, or county MR/DD board for handicapped children other than handicapped preschool children, or fraction thereof, including in the case of a district or service center that is a funding agent, classes taught by a licensed teacher employed by that district or service center under section 3313.841 of the Revised Code, approved annually by the state board of education on the basis of standards and rules adopted by the board;~~

~~(C) The number of units for gifted children, child study, and occupational, physical, and speech and hearing therapy or fraction thereof approved annually by the state board of education on the basis of standards and rules adopted by the board;~~

~~(D) The number of units for special education supervisors and special education coordinators approved annually by the state board of education on the basis of standards and rules adopted by the board;~~

~~(E) The~~ The number of classes operated by a the school district, service center, institution, or county MR/DD board for handicapped preschool children, or fraction thereof, including in the case of a district or service center that is a funding agent, classes taught by a licensed teacher employed by that district or service center under section 3313.841 of the Revised Code, approved annually by the state board ~~of education~~ on the basis of standards and rules adopted by the state board.

~~For any year for which the number of units for special education supervisors and special education coordinators approved for school districts or service centers by the state board of education under division (D) of this section is equal to or less than the number approved for 1988, the state board of education shall approve not more than ninety units for county MR/DD boards under that division. Except as otherwise provided in this section, units approved for county MR/DD boards shall be allocated in accordance with the following formula: one unit for the first thirty to forty-five children~~

~~in average daily membership determined pursuant to division (E)(2) of section 3317.03 of the Revised Code and an additional unit for every additional one hundred eighty pupils in average daily membership so determined. Fractional units shall be allocated in accordance with rules that the state board of education shall adopt. If the number of units required by the formula would exceed ninety, the number of units to be allocated to each county MR/DD board shall be reduced by a percentage equal to the percentage that the difference between ninety units and the number of units required by the formula is of ninety. If the number of units approved for school districts or service centers for a year under division (D) of this section is greater than the number approved for 1988, the state board of education may approve for county MR/DD boards more than ninety units, which shall be allocated in accordance with rules adopted by the state board.~~

(C) For the purpose of calculating payments under sections 3317.024, 3317.11, 3317.161, and 3317.19 of the Revised Code, the state board shall determine, based on information certified under section 3317.03 of the Revised Code, the following by the last day of January of each year for each school district, including each cooperative education school district, for each institution eligible for payment under section 3323.091 of the Revised Code, and for each county MR/DD board: the number of preschool handicapped related services units for child study, occupational, physical, or speech and hearing therapy, special education supervisors, and special education coordinators approved annually by the state board on the basis of standards and rules adopted by the state board.

(D) For the purpose of calculating payments under sections 3317.16 and 3317.161 of the Revised Code, the state board shall determine, based on information certified under section 3317.03 of the Revised Code, the following by the last day of January of each year for each joint vocational school district, for each institution eligible for payment under section 3323.091 of the Revised Code, and for each county MR/DD board:

(1) The number of classes operated by a joint vocational school district, institution, or county MR/DD board for handicapped children other than handicapped preschool children, or fraction thereof, approved annually by the state board on the basis of standards and rules adopted by the state board;

(2) The number of related services units for children other than handicapped preschool children for child study, occupational, physical, or speech and hearing therapy, special education supervisors, and special education coordinators approved annually by the state board on the basis of standards and rules adopted by the state board.

(E) All of the arithmetical calculations made under this section shall be carried to the second decimal place. The total number of ~~classroom~~ units for school districts, service centers, and institutions approved annually by the state board ~~of education for vocational and special education under this section~~ shall not exceed the number of ~~classroom~~ units included in the state ~~board of education's~~ board's estimate of ~~school foundation program~~ cost for these units and ~~with appropriations thereto~~ made for them by the general assembly.

In the case of ~~classes and~~ units described in division ~~(B)(D)(1)~~ of this section operated by county MR/DD boards and institutions eligible for payment under section 3323.091 of the Revised Code, the state board shall approve only ~~classes and~~ units for persons who are under age twenty-two on the first day of the academic year, but not less than six years of age on the thirtieth day of September of that year, except that such a ~~class or~~ unit may include one or more children who are under six years of age on the thirtieth day of September if such children have been admitted to the ~~class or~~ unit pursuant to rules of the state board ~~of education~~. In the case of handicapped preschool units described in division ~~(E)(B)~~ of this section operated by county MR/DD boards and institutions eligible for payment under section 3323.091 of the Revised Code, the state board shall approve only preschool units for children who are under age six but not less than age three on the thirtieth day of September of the academic year, except that such a unit may include one or more children who are under age three or are age six or over on the thirtieth day of September if such children have been admitted to the unit pursuant to rules of the state board of education. The number of ~~classroom and preschool~~ units for county MR/DD boards and institutions eligible for payment under section 3323.091 of the Revised Code approved by the state board under this section shall not exceed the number that can be funded with appropriations made for such purposes by the general assembly.

No unit shall be approved under divisions (B) to ~~(E)(D)~~ of this section unless a plan has been submitted and approved under Chapter 3323. of the Revised Code.

(F) For fiscal year 1999 only, the department shall approve units or fractions thereof for gifted children on the basis of standards and rules adopted by the board.

Sec. 3317.051. (A)(1) Notwithstanding sections 3317.05 and 3317.11 of the Revised Code, a unit funded pursuant to division ~~(E)(Q)(1)~~ of section 3317.024 or division (A)(2) of section 3317.161 of the Revised Code shall not be approved for state funding in one school district, including any joint vocational or cooperative education school district or any educational

service center, to the extent that such unit provides programs in or services to another district which receives payment pursuant to section 3317.04 of the Revised Code.

~~(B)(2)~~ Any city, local, exempted village, or cooperative education, ~~or joint vocational~~ school district or any educational service center may combine partial unit eligibility for special education handicapped preschool programs pursuant to section 3317.05 of the Revised Code ~~and divisions (N) and (O) of section 3317.024 of the Revised Code~~, and such combined partial units may be approved for state funding in one school district or service center.

~~(C)(B)~~ After units have been initially approved for any fiscal year under section 3317.05 of the Revised Code, no unit shall be subsequently transferred from a school district or educational service center to another city, exempted village, local, joint vocational, or cooperative education school district or educational service center or to an institution or county MR/DD board solely for the purpose of reducing the financial obligations of the school district in a fiscal year it receives payment pursuant to section 3317.04 of the Revised Code.

Sec. 3317.053. This section applies only to the approving of secondary vocational education job-training units under division (A) of section 3317.05 of the Revised Code, as these units are defined for purposes of section 3317.033 of the Revised Code.

If the state board of education determines that a joint vocational school district does not have a sufficient number of students reported under ~~division (A) of~~ section 3317.03 of the Revised Code to approve a full secondary vocational education job-training unit for the ~~school~~ district, the state board shall also count persons reported for that unit under division (B) of section 3317.033 of the Revised Code in making its calculations for purposes of approving the unit under division (A) of section 3317.05 of the Revised Code. However, the number of persons reported for any such unit under section 3317.033 of the Revised Code and counted for that unit under this section shall not exceed fifty per cent of the minimum number of full-time students required for approval of the unit as a full unit.

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

(A) To purchase such secular textbooks as have been approved by the superintendent of public instruction for use in public schools in the state and to loan such textbooks to pupils attending nonpublic schools within the district or to their parents and to hire clerical personnel to administer such

lending program. Such loans shall be based upon individual requests submitted by such nonpublic school pupils or parents. Such requests shall be submitted to the school district in which the nonpublic school is located. Such individual requests for the loan of textbooks shall, for administrative convenience, be submitted by the nonpublic school pupil or the pupil's parent to the nonpublic school which shall prepare and submit collective summaries of the individual requests to the school district. As used in this section, "textbook" means any book or book substitute which a pupil uses as a text or text substitute in a particular class or program in the school the pupil regularly attends.

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

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

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

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

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

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

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

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

(J) To hire clerical personnel to assist in the administration of programs pursuant to divisions (B), (C), (D), (E), (F), (G), and (I) of this section and to hire supervisory personnel to supervise the providing of services and textbooks pursuant to this section.

(K) To purchase any secular, neutral, and nonideological computer software, prerecorded video laserdiscs, compact discs, and video cassette cartridges and mathematics or science equipment and materials that are in general use in the public schools of the state and loan such computer software, prerecorded video laserdiscs, compact discs, and video cassette cartridges, equipment, and materials to pupils attending nonpublic schools within the district or to their parents, and to hire clerical personnel to administer the lending program. Only computer software, prerecorded video laserdiscs, compact discs, and video cassette cartridges, equipment, and materials that are incapable of diversion to religious use and that are susceptible of loan to individual pupils and are furnished for the use of individual pupils shall be purchased and loaned under this division.

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

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

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

the children receiving the services.

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

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

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

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

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

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

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

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

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

The department of education shall adopt guidelines and procedures

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

Sec. 3317.064. (A) There is hereby established in the state treasury the auxiliary services mobile unit replacement and repair fund. By the thirtieth day of January of each odd-numbered year, the administrator of the bureau of employment services and the superintendent of public instruction shall determine the amount of any excess moneys in the auxiliary services personnel unemployment compensation fund not reasonably necessary for the purposes of section 4141.47 of the Revised Code, and shall certify such amount to the director of budget and management for transfer to the auxiliary services mobile unit replacement and repair fund. If the administrator and the superintendent disagree on such amount, the director shall determine the amount to be transferred.

(B) Moneys in the auxiliary services mobile unit replacement and repair fund shall be used for the relocation or for the replacement and repair of mobile units used to provide the services specified in division (E), (F), (G),

or (I) of section 3317.06 of the Revised Code and for no other ~~purpose~~ purposes. The state board of education shall adopt guidelines and procedures for replacement ~~and, repair, and relocation~~ of mobile units and the procedures under which a school district may apply to receive moneys with which to repair or replace or relocate such units.

Sec. 3317.08. ~~As used in this section, "urban district," "big eight district," "all-day kindergarten," "extended kindergarten," and "traditional kindergarten" have the same meanings as in section 3317.02 of the Revised Code.~~

A board of education may admit to its schools a child it is not required by section 3313.64 or 3313.65 of the Revised Code to admit, if tuition is paid for the child.

Unless otherwise provided by law, tuition shall be computed in accordance with this section. A district's tuition charge for a school year shall be one of the following:

(A) For any child, except a handicapped preschool child described in division (B) of this section, the quotient obtained by dividing the sum of the amounts described in divisions (A)(1) and (2) of this section by the ~~amount described in division (A)(3) of this section~~ district's formula ADM.

(1) The district's total taxes charged and payable for current expenses for the tax year preceding the tax year in which the school year begins as certified under division (A)(3) of section 3317.021 of the Revised Code.

(2) The district's total taxes collected for current expenses under a school district income tax adopted pursuant to section 5748.03 or 5748.08 of the Revised Code that are disbursed to the district during the fiscal year. On or before the first day of June of each year, the tax commissioner shall certify the amount to be used in the calculation under this division for the next fiscal year to the department of education for each city, local, and exempted village school district that levies a school district income tax.

~~(3) The district's average daily membership:~~

~~(a) Minus, in the case of a school district other than an urban district or big eight district, one-half the kindergarten average daily membership certified pursuant to section 3317.03 of the Revised Code for the preceding school year;~~

~~(b) Minus, in the case of a big eight district, one-fourth of the extended kindergarten average daily membership and one-half of the traditional kindergarten average daily membership certified pursuant to section 3317.03 of the Revised Code;~~

~~(c) Minus, in the case of an urban district, one-fourth of the all-day kindergarten average daily membership, one-fourth of the extended~~

~~kindergarten average daily membership, and one-half of the traditional kindergarten average daily membership certified pursuant to section 3317.03 of the Revised Code.~~

(B) For any handicapped preschool child not included in a unit approved under division ~~(E)~~(B) of section 3317.05 of the Revised Code, an amount computed for the school year as follows:

(1) For each type of special education service provided to the child for whom tuition is being calculated, determine the amount of the district's operating expenses in providing that type of service to all handicapped preschool children not included in units approved under division ~~(E)~~(B) of section 3317.05 of the Revised Code;

(2) For each type of special education service for which operating expenses are determined under division (B)(1) of this section, determine the amount of such operating expenses that was paid from any state funds received under this chapter;

(3) For each type of special education service for which operating expenses are determined under division (B)(1) of this section, divide the difference between the amount determined under division (B)(1) of this section and the amount determined under division (B)(2) of this section by the total number of handicapped preschool children not included in units approved under division ~~(E)~~(B) of section 3317.05 of the Revised Code who received that type of service;

(4) Determine the sum of the quotients obtained under division (B)(3) of this section for all types of special education services provided to the child for whom tuition is being calculated.

The state board of education shall adopt rules defining the types of special education services and specifying the operating expenses to be used in the computation under this section.

If any child for whom a tuition charge is computed under this section for any school year is enrolled in a district for only part of that school year, the amount of the district's tuition charge for the child for the school year shall be computed in proportion to the number of school days the child is enrolled in the district during the school year.

Except as otherwise provided in division (I) of section 3313.64 of the Revised Code, whenever a district admits a child to its schools for whom tuition computed in accordance with this section is an obligation of another school district, the amount of the tuition shall be certified by the treasurer of the board of education of the district of attendance, to the board of education of the district required to pay tuition for its approval and payment. If agreement as to the amount payable or the district required to pay the tuition

cannot be reached, or the board of education of the district required to pay the tuition refuses to pay that amount, the board of education of the district of attendance shall notify the superintendent of public instruction. The superintendent shall determine the correct amount and the district required to pay the tuition and shall deduct that amount, if any, under division (G) of section 3317.023 of the Revised Code, from the district required to pay the tuition and add that amount to the amount allocated to the district attended under such division. The superintendent of public instruction shall send to the district required to pay the tuition an itemized statement showing such deductions at the time of such deduction.

When a political subdivision owns and operates an airport, welfare, or correctional institution or other project or facility outside its corporate limits, the territory within which the facility is located is exempt from taxation by the school district within which such territory is located, and there are school age children residing within such territory, the political subdivision owning such tax exempt territory shall pay tuition to the district in which such children attend school. The tuition for these children shall be computed as provided for in this section.

Sec. 3317.081. (A) Tuition shall be computed in accordance with this section if:

(1) The tuition is required by division (C)(3)(b) of section 3313.64 of the Revised Code; or

(2) Neither the child nor ~~his~~ the child's parent resides in this state and tuition is required by section 3327.06 of the Revised Code.

(B) Tuition computed in accordance with this section shall equal the attendance district's tuition rate computed under section 3317.08 of the Revised Code plus the ~~per-pupil~~ per-pupil amount ~~received by that district~~ would have received for the child pursuant to sections 3317.022, 3317.023, and 3317.025 to ~~3317.028~~ 3317.0213 of the Revised Code during the ~~preceding~~ preceding school year had the attendance district been authorized to count the child in its formula ADM for that school year under section 3317.03 Of the Revised Code.

Sec. 3317.082. As used in this section, "institution" means a residential facility that receives and cares for children maintained by the department of youth services and that operates a school chartered by the state board of education under section 3301.16 of the Revised Code.

(A) On or before the thirty-first day of each January and July, the superintendent of each institution that during the six-month period immediately preceding each January or July provided an elementary or secondary education for any child, other than a child receiving special

education under section 3323.091 of the Revised Code, shall prepare and submit to the department of education, a statement for each such child indicating the child's name, any school district responsible to pay tuition for the child as determined by the superintendent in accordance with division (C)(2) or (3) of section 3313.64 of the Revised Code, and the period of time during that six-month period that the child received an elementary or secondary education. If any school district is responsible to pay tuition for any such child, the department of education, no later than the immediately succeeding last day of February or August, as applicable, shall calculate the amount of the tuition of the district under section 3317.08 of the Revised Code for the period of time indicated on the statement and do one of the following:

(1) If the tuition amount is equal to or less than the amount of state basic aid funds payable to the district under sections 3317.022 and 3317.023 of the Revised Code, pay to the institution submitting the statement an amount equal to the tuition amount, as provided under division ~~(U)~~(R) of section 3317.024 of the Revised Code, and deduct the tuition amount from the state basic aid funds payable to the district, as provided under division ~~(G)~~(F)(2) of section 3317.023 of the Revised Code;

(2) If the tuition amount is greater than the amount of state basic aid funds payable to the district under sections 3317.022 and 3317.023 of the Revised Code, require the district to pay to the institution submitting the statement an amount equal to the tuition amount.

(B) In the case of any disagreement about the school district responsible to pay tuition for a child pursuant to this section, the superintendent of public instruction shall make the determination in any such case in accordance with division (C)(2) or (3) of section 3313.64 of the Revised Code.

Sec. 3317.09. All moneys distributed to a school district, including any cooperative education or joint vocational school district and all moneys distributed to any educational service center, by the state whether from a state or federal source, shall be accounted for by the division of school finance of the department of education. All moneys distributed shall be coded as to county, school district or educational service center, source, and other pertinent information, and at the end of each month, a report of such distribution shall be made by such division of school finance to the clerk of the senate and the executive secretary of the house of representatives, to the Ohio legislative service commission to be available for examination by any member of either house, to each school district and educational service center, and to the governor.

On or before the first day of September in each year, a copy of the annual statistical report required in sections 3319.33 and 3319.34 of the Revised Code shall be filed by the state board of education with the clerk of the senate and the executive secretary of the house of representatives, the Ohio legislative service commission, the governor, and the auditor of state. The report shall contain an analysis for the prior fiscal year on an accrual basis of revenue receipts from all sources and expenditures for all purposes for each school district and each educational service center, including each joint vocational and cooperative education school district, in the state. If any board of education or any educational service center governing board fails to make the report required in sections 3319.33 and 3319.34 of the Revised Code, the superintendent of public instruction shall be without authority to distribute funds to that school district or educational service center pursuant to sections 3317.022 to ~~3317.0211~~ 3317.0212, 3317.11, 3317.16, 3317.17, or 3317.19 of the Revised Code until such time as the required reports are filed with all specified officers, boards, or agencies.

~~The state school foundation program shall consist of all payments of state funds made pursuant to sections 3317.022 to 3317.0211 of the Revised Code.~~

Sec. 3317.10. (A) ~~As used in this section, "aid to dependent children" means:~~

~~(1) Aid provided under Chapter 5107. of the Revised Code prior to October 1, 1996;~~

~~(2) Cash assistance provided on or after October 1, 1996, under a state program operated pursuant to Title IV-A of the "Social Security Act," 110 Stat. 2113 (1996), 42 U.S.C.A. 601, as amended, regardless of the name used to designate that assistance.~~

~~(B)~~ On or before the first day of March of each year, the department of human services shall certify to the state board of education the number of children ages five through seventeen residing in each school district and living in a family that participated in Ohio works first under Chapter 5107. of the Revised Code during the preceding October according to the school district of residence for each child. Except as provided under division ~~(C)~~(B) of this section, the number of children so certified in any year shall be used by the department of education in determining ~~at-risk school districts under section 3301.0719 of the Revised Code and the DPIA ADM for purposes of calculating the distribution of moneys for the ensuing fiscal year provided in division (B) of section 3317.023~~ 3317.029 of the Revised Code.

~~(C)~~(B) Upon the transfer of part of the territory of one school district to the territory of one or more other school districts, the department of

education may adjust the number certified under division ~~(B)~~(A) of this section for any district gaining or losing territory in such a transfer in order to take into account the effect of the transfer on the number of children ages five through seventeen who reside in the district and live in a family that participates in Ohio works first. Within sixty days of receipt of a request for information from the department of education, the department of human services shall provide any information the department of education determines is necessary to make such adjustments. The department of education may use the adjusted number for any district for the applicable fiscal year, in lieu of the number certified for the district for that fiscal year under division ~~(B)~~(A) of this section, in the calculation of the distribution of moneys provided in ~~division (B) of section 3317.023~~ 3317.029 of the Revised Code.

Sec. 3317.11. ~~Except as otherwise specified, as used in this section, "ADM" means the total number of pupils under an educational service center governing board's supervision certified under section 3317.03 and division (B) of section 3317.032 of the Revised Code for all local school districts within the limits of the service center's territory.~~

(A) Annually, on or before a date designated by the state board of education, each educational service center governing board shall prepare a budget of operating expenses for the ensuing year for the service center on forms prepared and furnished by the state board of education and shall certify the budget to the state board of education, together with such other information as the board may require. Such budget shall consist of two parts. Part (A) shall include the cost of the salaries, employers retirement contributions, and travel expenses of supervisory teachers approved by the state board of education. The amount derived from the calculation for such units in part (A) of the governing board budget shall be the sum of:

(1) The sum of the minimum salaries calculated, pursuant to section 3317.13 of the Revised Code, for each approved licensed employee of the governing board;

(2) An additional salary allowance proportional to the length of the extended term of service not to exceed three months for each supervisory and child study teacher whose term of service in any year is extended beyond the terms of service of regular classroom teachers;

(3) An allowance equal to fifteen per cent of the amount computed under division (A)(1) of this section;

(4) An allowance for necessary travel expenses, for each of the personnel approved in part (A) of the budget, limited to two hundred twenty-three dollars and sixteen cents per month, or two thousand six

hundred seventy-eight dollars per year per person employed, whichever is the lesser. Part (B) shall include the cost of all other lawful expenditures of the governing board. The state board of education shall review such budget and may approve, increase, or decrease such budget.

The governing board shall be reimbursed by the state board of education from state funds for the cost of part (A) of the budget. The governing board shall be reimbursed by the state board of education, from state funds for the cost of part (B) of the approved budget that is in excess of six dollars and fifty cents times the service center ADM. If the governing board provides services to city or exempted village school districts pursuant to section 3313.843 of the Revised Code, the governing board shall be reimbursed from state funds for the cost of part (B) of the budget that is in excess of six dollars and fifty cents times the sum of the service center ADM ~~of the local districts under the governing board's supervision~~ and the ADM formula ADMs of the city or exempted village districts to which such services are provided. The cost of part (B) not in excess of six dollars and fifty cents times the number of such ADM shall be apportioned by the state board of education among the local school districts in the territory of the service center, or among all districts to which the governing board provides services, on the basis of the total number of pupils in each school district.

If part (B) of the budget is in excess of that approved by the state board of education, the excess cost shall be apportioned by the state board of education among the local school districts in the territory of the service center on the basis of the total number of such pupils in each such school district, provided that a majority of the boards of education of such local school districts approve such apportionment. The state board of education shall initiate and supervise the procedure by which the local boards shall approve or disapprove such apportionment.

The amounts so apportioned shall be certified to the treasurers of the various school districts. In the case of each district such amount shall be deducted by the state board of education from funds allocated to the district pursuant to division ~~(F)~~(E) of section 3317.023 of the Revised Code.

The state board of education shall certify to the director of budget and management for payment the total of the deductions, whereupon the amount shall be paid to the governing board of each service center, to be deposited to the credit of a separate fund, hereby created, to be known as the educational service center governing board fund.

~~Special~~ An educational service center may provide special education units for handicapped children approved pursuant to division ~~(B) or (E)~~ of section 3317.05 of the Revised Code may be operated by a governing board;

~~which shall be to students in its local districts or in client districts. A service center is eligible for funding under divisions (A), division (J), and (N) of section 3317.024 of the Revised Code and eligible for state subsidies for the purchase of school buses under section 3317.07 of the Revised Code. Special education units for gifted children, child study, and occupational, physical, and speech and hearing therapy, special education supervisors, and special education coordinators approved pursuant to divisions (C) and (D) of section 3317.05 of the Revised Code may be operated by a governing board, which shall be eligible for funding under division (O) of section 3317.024 of the Revised Code. Vocational education units approved pursuant to division (A) of section 3317.05 of the Revised Code may be operated provided by a governing board, which shall be eligible for funding under division (M) of section 3317.024 of the Revised Code. A governing board may conduct driver education for pupils enrolled in a high school for which the state board of education prescribes minimum standards and which is eligible for funding under division (I) of section 3317.024 of the Revised Code.~~

Every local school district shall be provided supervisory services by its governing board as approved by the state board of education. A city or exempted village school district shall be considered to be provided supervisory services by a governing board if it has entered into an agreement for the governing board to provide any services under section 3313.843 of the Revised Code. Supervisory services shall not exceed one supervisory teacher for the first fifty classroom teachers employed in all districts that are provided supervisory services calculated under section 3317.023 of the Revised Code and one supervisory teacher for every additional one hundred such classroom teachers so calculated. Reimbursement for such supervisory services shall be a deduction by the state board of education from the payment to the school district pursuant to division ~~(F)~~(E) of section 3317.023 of the Revised Code. Deductions for all supervisory services and extended services for supervisory and child study ~~in excess of that paid by the state pursuant to section 3317.024 of the Revised Code~~ shall be apportioned among local school districts within the territory of the service center and any city or exempted village districts that have entered into agreements with a service center pursuant to section 3313.843 of the Revised Code by the state board of education on the basis of the total number of pupils in each school district, except that where such services are provided to districts other than local school districts within the service center territory and city or exempted village districts having agreements with the service center, such charges shall be apportioned among all participating districts on the basis of the total number of pupils in

each school district. All deductions from state funding to school districts required for reimbursement of governing boards by division ~~(F)~~(E) of section 3317.023 of the Revised Code shall be made from the total of the payment computed under sections 3317.022 and 3317.023 of the Revised Code, after making any other adjustments in that payment required by law.

(B) In addition to the payments made under division (A) of this section, except as otherwise provided in division (C) of this section, the department of education shall pay each governing board, each fiscal year, an amount equal to thirty-four dollars times the sum of the service center ADM and thirty-four dollars times the sum of the ADM client ADMs of ~~any city or exempted village school~~ all its client districts ~~with which the governing board has entered into agreements to provide services pursuant to section 3313.843 of the Revised Code.~~

(C)(1) As used in this section:

(a) ~~"Client district" means a city or exempted village school district that has entered into an agreement to receive services from a service center pursuant to section 3313.843 of the Revised Code.~~

(b) ~~"Multicounty service center" means a service center that includes territory that formerly was included in the territory of at least three former service centers or county school districts, which former centers or districts engaged in one or more mergers pursuant to section 3311.053 of the Revised Code to form the present center.~~

(2) Beginning with the fiscal year that starts July 1, 1997, in lieu of the payment specified under division (B) of this section, each multicounty service center shall receive a payment each fiscal year equal to one per cent times the formula amount ~~specified in division (A) of section 3317.022 of the Revised Code~~ times the sum of the service center ADM ~~of the service center~~ and the client ADMs of all its client districts.

(D) Each city, exempted village, local, joint vocational, or cooperative education school district shall pay to the governing board of an educational service center any amounts agreed to for each child enrolled in the district who receives special education and related services or vocational education from the educational service center.

(E) As used in this section:

(1) "Service center ADM" means the total of each of the following for all local school districts within the limits of an educational service center's territory:

(a) The formula ADM;

(b) One-half of the kindergarten average daily membership included in the formula ADM;

(c) Three-quarters of the number of students reported under division (B)(4) of section 3317.03 of the Revised Code;

(d) The average daily membership of handicapped preschool children reported under division (B)(2) of section 3317.03 of the Revised Code;

(e) The number of preschool students certified under division (B) of section 3317.032 of the Revised Code.

(2) "Client ADM" means the total of each number described under divisions (E)(1)(a) to (e) of this section for a client district.

(3) "Client district" means a city or exempted village school district that has entered into an agreement to receive services from a service center pursuant to section 3313.843 of the Revised Code.

(4) "Multicounty service center" means a service center that includes territory that formerly was included in the territory of at least three former service centers or county school districts, which former centers or districts engaged in one or more mergers pursuant to section 3311.053 of the Revised Code to form the present center.

Sec. 3317.16. (A) As used in this section:

~~(1). "Approved approved unit" means a unit approved for the district for the year under section 3317.05 of the Revised Code.~~

~~(2) "Total unit allowance" means the sum of the amounts computed under divisions (B)(1), (2), and (3) of this section.~~

(B) Payments to each joint vocational school district for a fiscal year shall be the sum of all of the following:

(1) The total of the salary allowance allowances for the teachers employed in the district for all approved units, such. The salary allowance to be computed in the manner prescribed in for each unit shall equal 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 section 3317.024 3317.13 of the Revised Code for school districts;

(2) Fifteen per cent of such salary allowance the total amount under division (B)(1) of this section;

(3) A The total of the unit operating allowances for all approved units. The amount of each allowance shall equal to one of the following:

(a) Nine thousand five hundred ten dollars times the number of teachers of approved vocational education units and eight;

(b) Eight thousand twenty-three dollars times the number of teachers of approved special education units for pupils with the type of handicaps enumerated in approved under division (N) (D)(1) of section 3317.024 3317.05 of the Revised Code; and

~~(b)(c)~~ (c) Two thousand one hundred thirty-two dollars times the number of

~~teachers of approved related services units of the type described in approved under division (D)(1) (D)(2) of such section 3317.05 Of the Revised Code.~~

(4) An amount for adult technical and vocational education and specialized consultants;

(5) An amount for driver education pursuant to division (I) of section 3317.024 of the Revised Code;

(6) An equalization amount computed in accordance with the following formula:

(Number of vocational approved units X 23,000) - (.001 X total taxable value)

If the difference obtained is a negative number, the computation under division (B)(6) of this section shall be zero.

(C) In addition to the payments made under division (B) of this section, a payment from any moneys appropriated for such purpose shall be made to each joint vocational school district for education courses other than vocational education courses necessary to meet the requirements for graduation from a joint vocational school.

(D) If a joint vocational school district has had additional special education units approved for the year under division (F)(3) of section 3317.03 of the Revised Code, the district shall receive an additional amount during the last half of the fiscal year. For each unit, the additional amount shall equal fifty per cent of the amount computed under division (B) of this section for a unit approved under division (D)(1) of section 3317.05 of the Revised Code.

Sec. 3317.161. As used in this section, "institution" means an institution operated by a department specified in section 3323.091 Of the Revised Code.

(A)(1) The department of education shall pay each school district, educational service center, institution eligible for payment under section 3323.091 Of the Revised Code, or county MR/DD board an amount for the total of all classroom units for handicapped preschool children approved under division (B) of section 3317.05 Of the Revised Code. For each unit, the amount 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 section 3317.13 of the Revised Code, plus fifteen per cent of that minimum salary amount, and eight thousand twenty-three dollars.

(2) The department shall pay each school district, educational service center, institution eligible for payment under section 3323.091 Of the Revised Code, or county MR/DD board an amount for the total of all related

services units for handicapped preschool children approved under division (C) of section 3317.05 Of the Revised Code. For each such unit, the amount 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 section 3317.13 Of the Revised Code, fifteen per cent of that minimum salary amount, and two thousand one hundred thirty-two dollars.

(B) if a school district or educational service center has had additional handicapped preschool units approved for the year under division (F)(2) of section 3317.03 of the Revised Code, or if a county MR/DD board has had additional handicapped preschool units approved under division (G)(3) of section 3317.03 Of the Revised Code, the district, educational service center, or board shall receive an additional amount during the last half of the fiscal year. For each district, center, or board, the additional amount for each unit shall equal fifty per cent of the amount computed for the unit in the manner prescribed by division (A) of this section.

(C)(1) The department shall pay each institution eligible for payment under section 3323.091 Of the Revised Code or county MR/DD board an amount for the total of all special education units approved under division (D)(1) of section 3317.05 of the Revised Code. The amount for each 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 section 3317.13 of the Revised Code, plus fifteen per cent of that minimum salary amount, and eight thousand twenty-three dollars.

(2) The department shall pay each institution eligible for payment under section 3323.091 Of the Revised Code or county MR/DD board an amount for the total of all related services units approved under division (D)(2) of section 3317.05 of the Revised Code. The amount for each 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 section 3317.13 of the Revised Code, plus fifteen per cent of that minimum salary amount, and two thousand one hundred thirty-two dollars.

(3) If a county MR/DD board has had additional handicapped preschool units approved under division (G)(3) of section 3317.03 of the Revised Code, the board shall receive an additional amount during the last half of the fiscal year. For each board, the additional amount for each unit shall equal fifty per cent of the amount computed for the unit in the manner prescribed by division (C)(1) of this section.

(D) The department shall pay each institution approved for vocational education units under division (A) of section 3317.05 of the Revised Code an amount for the total of all the units approved under that division. The

amount for each 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 section 3317.13 of the Revised Code, plus fifteen per cent of that minimum salary amount, and nine thousand five hundred ten dollars.

Sec. 3317.17. (A) The board of education of any school district to which all of the following apply may apply to the department of education for funds under this section:

(1) The district has applied for and received a loan from a commercial lending institution under division (E)(3) of section 3313.483 of the Revised Code on or before March 1, 1998, and has outstanding debt from such loan, the district has outstanding debt from borrowing against its spending reserve balance under section 133.301 of the Revised Code prior to March 1, 1998, and the district has outstanding debt from the issuance of tax anticipation notes pursuant to section 5705.194 of the Revised Code.

(2) After incurring such debt described under division (A)(1) of this section the district has implemented a change in the manner of providing vocational education to the students of the district and such change has resulted in a savings of money to the state on its expenditures for vocational education.

(3) Within two years prior to the application for funds under this section, the district has passed a tax levy for operating expenses of at least five mills or its equivalent of property tax, income tax, or a combination of property and income tax.

(B) When any school district applies for a payment under this section, the department of education shall determine if the district meets the requirements of division (A) of this section and, if so, shall calculate the savings to the state in the expenditure of funds for vocational education as a result of the change described under division (A)(2) of this section for the school year in which the change is implemented and shall estimate the savings to the state during the period that includes the year of such implementation and the next fourteen years, assuming such change remains in effect.

(C) If the estimate of division (B) of this section results in a positive amount, except as otherwise provided in division (D) or (E) of this section, the state board shall pay to the district from moneys appropriated for this purpose from the lottery profits education reserve fund the least of the following amounts:

(1) The amount for the fifteen-year period estimated under division (B) of this section;

(2) The amount of all outstanding debt described under division (A)(1) of this section;

(3) Five million dollars.

(D) Applications for funds shall be processed and the full amount of any entitlement to funds shall be distributed to eligible school districts in the order in which complete applications from school districts meeting all requirements of division (A) of this section are received by the state board of education. If insufficient funds are available to distribute the full amount of its entitlement to an eligible district, the state board shall distribute whatever remaining funds are available to that district.

(E) A school district shall only be eligible to file one valid application under this section. No school district shall receive a payment under this section without the prior approval of the controlling board. Districts shall expend a payment received under this section only for the repayment of outstanding debt described under division (A)(1) of this section.

(F) During the fifteen-year period following the implementation of a change in the provision of vocational education for the purposes of this section, no district board of education that receives a payment under this section shall implement any change in the provision of vocational education without the prior written approval of the department of education. Any board of education implementing such a change without the prior written approval of the department shall, pursuant to the rules of the state board, repay a pro rata portion of the payment received under this section based upon the length of time it failed to maintain such change and the resultant increased cost to the state. Any repayment shall be deposited in the lottery profits education reserve fund.

Sec. 3317.19. (A) As used in this section, "total unit allowance" means an amount equal to the sum of the following:

(1) The total ~~of the salary allowance~~ allowances for the teachers employed in the cooperative education school district for all units approved under division (B) or (C) of section 3317.05 of the Revised Code, ~~such. The salary allowance to be computed in the manner prescribed in for each unit shall equal 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 section 3317.024 3317.13 of the Revised Code for school districts;~~

(2) Fifteen per cent of the total ~~salary allowance~~ computed under division (A)(1) of this section;

(3) ~~A~~ The total of the unit operating allowances for all approved units. The amount of each allowance shall equal to one of the following:

(a) ~~Nine thousand five hundred ten dollars times the number of~~

~~vocational education units or fraction thereof approved for the year under division (A) of section 3317.05 of the Revised Code;~~

(b) Eight thousand twenty-three dollars times the number of preschool handicapped units for special education or fraction thereof approved for the year under division (B) of section 3317.05 of the Revised Code;

~~(c) Two thousand six hundred seventy-eight dollars times the number of units for the gifted or fraction thereof approved for the year under division (C) of section 3317.05 of the Revised Code;~~

~~(d)~~(b) Two thousand one hundred thirty-two dollars times the number of units or fraction thereof approved for the year under division (C) ~~or (D)~~ of section 3317.05 of the Revised Code ~~of the type described in division (O)(1) of section 3317.024 of the Revised Code.~~

(B) The state board of education shall compute and distribute to each cooperative education school district for each fiscal year an amount equal to the sum of the following:

(1) An amount equal to the total of the amounts credited to the cooperative education school district pursuant to division (K) of section 3317.023 of the Revised Code;

(2) The total unit allowance;

(3) An amount for driver education pursuant to division ~~(F)~~(H) of section 3317.024 of the Revised Code;

(4) An amount for assisting in providing free lunches to needy children and an amount for assisting needy school districts in purchasing necessary equipment for food preparation pursuant to division ~~(L)~~(K) of section 3317.024 of the Revised Code.

(C) If a cooperative education school district has had additional special education units approved for the year under division (F)(2) of section 3317.03 of the Revised Code, the district shall receive an additional amount during the last half of the fiscal year. For each unit, the additional amount shall equal fifty per cent of the amount computed under division (A) of this section for a unit approved under division (B) of section 3317.05 of the Revised Code.

Sec. 3318.04. If the Ohio school facilities commission makes a determination under section 3318.03 of the Revised Code in favor of constructing, acquiring, reconstructing, or making additions to a classroom facility, the project shall be conditionally approved ~~and the commission thereupon shall reserve and encumber from the total funds appropriated for the purpose of sections 3318.01 to 3318.20 of the Revised Code, the amount of the state's portion of the basic project cost.~~ Such conditional approval shall be submitted to the controlling board for approval thereof. The

controlling board shall forthwith approve or reject the commission's determination, conditional approval, and the amount of the state's portion of the basic project cost. In the event of approval thereof by the controlling board, the commission shall certify such conditional approval to the school district board and shall encumber from the total funds appropriated for the purpose of sections 3318.01 to 3318.20 Of the Revised Code the amount of the state's portion of the basic project cost.

The basic project cost for a project approved under this section shall not exceed the cost that would otherwise have to be incurred if the classroom facilities to be constructed, acquired, or reconstructed, or the additions to be made to classroom facilities, under such project meet, but do not exceed, the specifications for plans and materials for classroom facilities ~~that shall be~~ adopted by the commission.

~~From and after the date of any certification of conditional approval, no bonds or notes shall be issued by a school district board without the approval of the commission for the purpose of acquiring classroom facilities so long as the commission's conditional approval of such school district's project remains in effect.~~

No school district shall have a project conditionally approved pursuant to this section if the project includes the reconstruction of, or the making of additions to, any classroom facilities that were constructed, acquired, reconstructed, or added to as part of a project funded under any version of sections 3318.01 to 3318.20 of the Revised Code, and the prior project was one for which the electors of such district approved a levy within the last ten years pursuant to any version of section 3318.06 of the Revised Code for purposes of qualifying for the funding of that project.

Sec. 3318.05. The conditional approval of the Ohio school facilities commission for a project shall lapse and the amount reserved and encumbered for such project shall be released unless the school district board accepts such conditional approval within one hundred twenty days following the date of certification of the conditional approval to the school district board and the electors of the school district vote favorably on both of the propositions described in divisions (A) and (B) of this section within one year of the date of such certification. The propositions described in divisions (A) and (B) of this section shall be combined in a single proposal. If the district board or the district's electors fail to meet such requirements and the amount reserved and encumbered for the district's project is released, the district shall be given first priority for project funding as such funds become available.

(A) On the question of issuing bonds of the school district board, for the

school district's portion of the basic project cost, in either whatever amount may be necessary to raise the net bonded indebtedness of the school district to within five thousand dollars of the required level of indebtedness calculated for the year preceding the year in which the resolution declaring the necessity of the election is adopted, or an amount equal to the required percentage of the basic project costs, whichever is greater; ~~provided, that such question need not be submitted if at the time of the passage of such resolution the net bonded indebtedness of the school district (1) aggregates ninety-five per cent or more of the required level of indebtedness, or (2) is within twenty thousand dollars of such level and the required percentage of the basic project costs is not greater than either the amount necessary to raise the net bonded indebtedness of the school district to within five thousand dollars of the required level of indebtedness or twenty thousand dollars; and~~

(B) On the question of levying a tax the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project, except that in any year the district's adjusted valuation per pupil is greater than the state-wide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of such proceeds shall be used to pay the cost of the purchase of the classroom facilities from the state under the provisions of sections 3318.01 to 3318.20 of the Revised Code. Such tax shall be at the rate of one-half mill for each dollar of valuation ~~except that in those years in which the Ohio school facilities commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the tax rate to an amount greater than one-half mill, but not in excess of four mills, until the purchase price is paid but in no case longer than twenty-three years. Proceeds of the tax to be used for maintenance of the classroom facilities shall be deposited into a separate fund established by the school district for such purpose.~~

Sec. 3318.06. After receipt of the conditional approval of the Ohio school facilities commission, the school district board by a majority of all of its members shall, if it desires to proceed with the project, declare all of the following by resolution:

(A) That with a net bonded indebtedness of within five thousand dollars of the required level of indebtedness or by issuing bonds in an amount equal to the required percentage of the project costs, the district is unable to provide adequate classroom facilities without assistance from the state;

(B) That to qualify for such state assistance it is necessary to levy a tax outside the ten-mill limitation the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project, except

that in any year the district's adjusted valuation per pupil is greater than the state-wide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of such proceeds shall be used to pay the cost of the purchase of the classroom facilities from the state;

(C) That the question of such tax levy shall be submitted to the electors of the school district at the next general or primary election, if there be a general or primary election not less than seventy-five and not more than ninety-five days after the day of the adoption of such resolution or, if not, at a special election to be held at a time specified in the resolution which shall be not less than seventy-five days after the day of the adoption of the resolution and which shall be in accordance with the requirements of section 3501.01 of the Revised Code.

Such resolution shall also state, if such be the case, that the question of issuing bonds of the board shall be combined in a single proposal with the question of such tax levy. More than one election under this section may be held in any one calendar year. Such resolution shall specify both of the following:

(1) That the rate which it is necessary to levy shall be at the rate of one-half mill for each one dollar of valuation ~~except that in those years in which the commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the tax rate to an amount greater than one-half mill, but not in excess of four mills~~, and that such tax shall be levied until the purchase price is paid but in no case longer than twenty-three years;

(2) That the proceeds of the tax shall be used to pay the cost of maintaining the classroom facilities included in the project, except in any year the district's adjusted valuation per pupil is greater than the statewide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of the proceeds of the tax shall be used to pay the cost of the purchase of the classroom facilities from the state under sections 3318.01 to 3318.20 of the Revised Code.

A copy of such resolution shall after its passage and not less than seventy-five days prior to the date set therein for the election be certified to the county board of elections.

If the question of issuing bonds of the board is to be combined with the question of levying the tax, the resolution of the school district board, in addition to meeting other applicable requirements of section 133.18 of the Revised Code, shall state that the amount of bonds to be issued will be either whatever amount may be necessary to raise the net bonded indebtedness of

the school district to within five thousand dollars of the required level of indebtedness calculated for the year preceding the year in which such resolution is adopted or an amount equal to the required percentage of the basic project costs, whichever is greater and state that the maximum maturity of the bonds which, notwithstanding section 133.20 of the Revised Code, may be any number of years not exceeding twenty-three as determined by the board. In estimating the amount of bonds to be issued, the board shall take into consideration the amount of moneys then in the bond retirement fund and the amount of moneys to be collected for and disbursed from the bond retirement fund during the remainder of the year in which the resolution of necessity is adopted.

Notice of the election shall include the fact that the tax levy shall be at the rate of one-half mill for each one dollar of valuation ~~except that in those years in which the commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the tax rate to an amount greater than one-half mill, but not in excess of four mills~~, that the levy shall be made until the purchase price is paid but in no case longer than twenty-three years, and that the proceeds of the tax shall be used to pay the cost of maintaining the classroom facilities included in the project, except in any year the district's adjusted valuation per pupil is greater than the statewide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of the proceeds of the tax shall be used to pay the cost of the purchase of the classroom facilities from the state under sections 3318.01 to 3318.20 of the Revised Code.

The form of the ballot to be used at such election shall be:

"A majority affirmative vote is necessary for passage.

Shall bonds be issued by the Board of Education of the (here insert name of school district) for the purpose of (here insert purpose of bond issue) in either an amount sufficient to raise the net indebtedness of the school district to within five thousand dollars of (here insert five, six, or seven per cent depending on the district's required level of indebtedness) of the total value of all property in the school district as listed and assessed for taxation on the tax duplicate for the year (here insert the year preceding the year in which the resolution declaring the necessity of the election was adopted) or an amount equal to (here insert the required percentage of the basic project costs), whichever is greater, and a levy of taxes be made outside of the ten-mill limitation for a maximum period of (here insert longest maturity) years to pay the principal and interest of such bonds, the amount of such bonds being estimated to be (here insert estimated amount of bond issue) for

which the levy of taxes is estimated by the county auditor to average (here insert number of mills) mills for each one dollar of valuation, which amounts to (here insert rate expressed in dollars and cents) for each one hundred dollars of valuation?"

and

"Shall an additional levy of taxes be made for the benefit of the (name of school district), the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project, except that in any year the district's adjusted valuation per pupil is greater than the state-wide median adjusted valuation per pupil one-half of the proceeds of the tax shall be used for such maintenance and one-half of such proceeds shall be used to pay the cost of the purchase of classroom facilities from the state, at the rate of one-half mill for each one dollar of valuation ~~except that in those years in which the Ohio school facilities commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the tax rate to an amount greater than one-half mill, but not in excess of four mills;~~ until the purchase price is paid but in no case longer than twenty-three years?"

FOR THE BOND ISSUE AND TAX LEVY

AGAINST THE BOND ISSUE AND TAX LEVY

"

Where it is not necessary to include the question of issuing bonds of the school district board with the question of levying the tax, the first paragraph of the foregoing ballot form shall be omitted and the question to be voted on shall be "For the Tax Levy" and "Against the Tax Levy."

(D) If it is necessary for the school district to acquire a site for the classroom facilities to be acquired pursuant to sections 3318.01 to 3318.20 of the Revised Code, the district board may propose either to issue bonds of the board or to levy a tax to pay for the acquisition of such site, and may combine the question of doing so with the questions specified in division (C) of this section. Bonds issued under this division for the purpose of acquiring a site are a general obligation of the school district and are Chapter 133. securities.

The form of that portion of the ballot to include the question of either issuing bonds or levying a tax for site acquisition purposes shall be one of the following:

(1) "Shall bonds be issued by the board of education of the (name of the school district) for the purpose of (purpose of the bond issue,

which shall be for the purpose of acquiring a site for classroom facilities) in the principal amount of (principal amount of the bond issue), to be repaid annually over a maximum period of (maximum number of years over which the principal of the bonds may be paid) years, and an annual levy of property taxes be made outside the ten-mill limitation, estimated by the county auditor to average over the repayment period of the bond issue (number of mills) mills for each one dollar of tax valuation, which amount to (rate expressed in dollars and cents) for each one hundred dollars of valuation?"

(2) "Shall an additional levy of taxes be made for the benefit of the (name of the school district) for the purpose (purpose of the levy, which shall be for the purpose of acquiring a site for classroom facilities) in the sum of (annual amount the levy is to produce) and a levy of taxes to be made outside of the ten-mill limitation estimated by the county auditor to average (number of mills) mills for each one hundred dollars of valuation, for a period of (number of years the millage is to be imposed) years?"

Where it is necessary to combine the question of issuing bonds of the school district and levying a tax as described in division (C) of this section with the question of issuing bonds of the school district for acquisition of a site, the question specified in division (C) of this section to be voted on shall be "For the Bond Issues and the Tax Levy" and "Against the Bond Issues and the Tax Levy." In the event it is not necessary to include the question of issuing bonds as described in division (C) of this section, the question specified in that division to be voted on shall be "For the Bond Issue and the Tax Levy" and "Against the Bond Issue and the Tax Levy."

Where it is necessary to combine the question of issuing bonds of the school district and levying a tax as described in division (C) of this section with the question of levying a tax for the acquisition of a site, the question specified in division (C) of this section to be voted on shall be "For the Bond Issue and the Tax Levies" and "Against the Bond Issue and the Tax Levies." In the event it is not necessary to include the question of issuing bonds as described in division (C) of this section, the question specified in that division to be voted on shall be "For the Tax Levies" and "Against the Tax Levies."

If a majority of those voting upon a proposition hereunder which includes the question of issuing bonds vote in favor thereof, and if the agreement provided for by section 3318.08 of the Revised Code has been entered into, the school district board may proceed under Chapter 133. of the Revised Code, with the issuance of bonds or bond anticipation notes in

accordance with the terms of the agreement.

Sec. 3318.08. If the requisite favorable vote on the election is obtained, the Ohio school facilities commission, upon certification of the results of the election to it, shall enter into a written agreement with the school district board for the construction and sale of the project, which agreement shall include, but need not be limited to, the following provisions:

(A) The sale and issuance of bonds or notes in anticipation thereof, as soon as practicable after the execution of the agreement, in either an amount which will raise the net bonded indebtedness of the school district, as of the date of the resolution authorizing the issuance of such bonds or notes, to within five thousand dollars of the required level of indebtedness calculated for the year preceding the year in which the resolution declaring the necessity of the election was adopted or an amount equal to the required percentage of the basic project costs, whichever is greater; provided, that if at that time the county treasurer of each county in which the school district is located has not commenced the collection of taxes on the general duplicate of real and public utility property for such year, the school district board shall authorize the issuance of a first installment of bond anticipation notes in an amount specified by the agreement, which amount shall not exceed an amount necessary to raise the net bonded indebtedness of the school district as to the date of such authorizing resolution to within five thousand dollars of the required level of indebtedness for the preceding year. In the event that a first installment of bond anticipation notes is issued, the school district board shall, as soon as practicable after the county treasurer of each county in which the school district is located has commenced the collection of taxes on the general duplicate of real and public utility property for the year in which the resolution declaring the necessity of the election was adopted, authorize the issuance of a second and final installment of bond anticipation notes or a first and final issue of bonds. The combined value of the first and second installment of bond anticipation notes or the value of the first and final issue of bonds shall be equal to either an amount which will raise the net indebtedness of the school district as of the date of such authorizing resolution to within five thousand dollars of the required level of indebtedness, or an amount equal to the required percentage of the project costs, whichever is greater. The proceeds of any such bonds shall be used first to retire any bond anticipation notes. Otherwise, the proceeds of such bonds and of any bond anticipation notes, except the premium and accrued interest thereon, shall be deposited in the school district's project construction fund. In determining the amount of net indebtedness for the purpose of fixing the amount of an issue of either bonds or bond anticipation

notes, gross indebtedness shall be reduced by moneys in the bond retirement fund only to the extent of the moneys therein on the first day of the year preceding the year in which the resolution authorizing such bonds or notes is adopted. Should there be a decrease in the tax valuation of the school district so that the amount of indebtedness which can be incurred on the tax duplicates for the year in which the resolution declaring the necessity of the election was adopted is less than the amount of the first installment of bond anticipation notes, there shall be paid from the school district's project construction ~~account~~ fund to the school district's bond retirement fund to be applied against such notes an amount sufficient to cause the net indebtedness of the school district, as of the first day of the year following the year in which the resolution declaring the necessity of the election was adopted, to be within five thousand dollars of the required level of indebtedness for the year in which that resolution was adopted. The maximum amount of indebtedness to be incurred by any school district board as its share of the cost of the project is either an amount which will cause its net indebtedness, as of the first day of the year following the year in which the resolution declaring the necessity of the bond issue was adopted, to be within five thousand dollars of the required level of indebtedness calculated for the year preceding the year in which that resolution was adopted or an amount equal to the required percentage of the basic project costs, whichever is greater. All bonds and bond anticipation notes shall be issued in accordance with Chapter 133. of the Revised Code, and notes may be renewed as provided in section 133.22 of the Revised Code.

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

(C) The levy of the tax authorized at the election for the payment of maintenance costs or the cost of purchasing the classroom facilities;

(D) Ownership of the project during the period of construction, which shall be divided between the commission and the school district board in proportion to their respective contributions to the school district's project construction ~~account~~ fund;

(E) The transfer of the state's interest in the project to the school district upon completion of the project;

(F) The insurance of the project by the school district from the time there is an insurable interest therein and so long as any part of the purchase

price remains unpaid, in such amounts and against such risks as the commission shall require; provided, that the cost of any required insurance until the project is completed shall be a part of the basic project cost;

(G) The certification by the director of budget and management that funds are available and have been set aside to meet the state's share of the basic project cost as approved by the controlling board pursuant to section 3318.04 of the Revised Code;

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

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

(J) Disposal of any balance left in the school district's project construction ~~account~~ fund upon completion of the project;

(K) Prohibition against alienation of any interest in the project by the school district board or its successor in interest without the consent of the commission so long as any part of the purchase price of the project remains unpaid, but in no case longer than twenty-three years;

(L) Limitations upon use of the project or any part of it so long as any part of the purchase price of the project remains unpaid, but in no case longer than twenty-three years;

(M) Suspension of the power to issue bonds or notes by the school district board for permanent improvements without the prior consent of the commission for so long as any part of the purchase price of the project remains unpaid, but in no case longer than twenty-three years;

(N) Provision for vesting absolute interest in the project in the school district board when the purchase price has been paid or at the expiration of the period of twenty-three years;

(O) Provision for deposit of an executed copy of the agreement in the office of the commission and the office of the county recorder of the county or counties in which the project is situated;

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

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

(R) Provision that all state funds reserved and encumbered to pay the state share of the cost of the project pursuant to section 3318.03 of the Revised Code be spent on the construction or acquisition of the project prior to the expenditure of any funds provided by the school district to pay for its share of the project cost, unless the school district certifies to the commission that expenditure by the school district is necessary to maintain the tax-exempt status of notes or bonds issued by the school district to pay for its share of the project cost in which case, the school district may commit to spend, or spend, a portion of the funds it provides.

Sec. 3318.091. Promptly after the written agreement between the school district board and the Ohio school facilities commission has been entered into, the school district board shall proceed with the issuance of its bonds or notes in anticipation thereof pursuant to the provision of such agreement required by division (A) of section 3318.08 of the Revised Code and the deposit of the proceeds thereof in the school district's project construction ~~account~~ fund pursuant to the provision of such agreement required by division (B) of section 3318.08 of the Revised Code, and the school district board, with the approval of the commission shall employ a qualified professional person or firm to prepare preliminary plans, working drawings, specifications, estimates of cost, and such data as the school district board and the commission ~~deem~~ consider necessary for the project. When the preliminary plans and preliminary estimates of cost have been prepared, and approved by the school district board, they shall be submitted to the commission for approval, modification, or rejection. The commission shall ensure that the plans and materials proposed for use in the project comply with specifications for plans and materials that shall be established by the commission. When such preliminary plans and preliminary estimates of cost and any modifications thereof have been approved by the commission and the school district board, the school district board shall cause such qualified professional person or firm to prepare the working drawings, specifications, and estimates of cost.

Sec. 3318.10. When such working drawings, specifications, and estimates of cost have been approved by the school district board and the Ohio school facilities commission, the treasurer of the school district board shall advertise for construction bids for the project once a week for four consecutive weeks in a newspaper published in and of general circulation in the county in which the project is located. Such notices shall state that plans and specifications for the project are on file in the office of the commission

and such other place as may be designated in such notice, and the time and place when and where bids therefor will be received.

The form of proposal to be submitted by bidders shall be supplied by the commission. Bidders may be permitted to bid upon all the branches of work and materials to be furnished and supplied, upon any branch thereof, or upon all or any thereof.

A proposal shall be invalid and not considered unless it meets the requirements of section 153.54 of the Revised Code.

When the construction bids for all branches of work and materials have been tabulated, the commission shall cause to be prepared a revised estimate of the basic project cost based upon the lowest responsible bids received. If such revised estimate exceeds the estimated basic project cost as approved by the controlling board pursuant to section 3318.04 of the Revised Code ~~as adjusted for inflation from the time of such approval~~, no contracts may be entered into pursuant to this section unless such revised estimate is approved by the commission and by the controlling board referred to in section 3318.04 of the Revised Code. ~~The adjustment for inflation shall be calculated by the commission.~~ When such revised estimate has been prepared, and after such approvals are given, if necessary, and if the school district board has caused to be transferred to the project construction ~~account~~ fund the proceeds from the sale of the first or first and final installment of its bonds or bond anticipation notes pursuant to the provision of written agreement required by division (B) of section 3318.08 of the Revised Code, and when the director of budget and management has certified that there is a balance in the appropriation, not otherwise obligated to pay precedent obligations, pursuant to which the state's share of such revised estimate is required to be paid, the contract for all branches of work and materials to be furnished and supplied, or for any branch thereof as determined by the school district board, shall be awarded by the school district board to the lowest responsible bidder subject to the approval of the commission. Such award shall be made within thirty days after the date on which the bids are opened, and the successful bidder shall enter into a contract within ten days after the successful bidder is notified of the award of the contract.

Subject to the approval of the commission, the school district board may reject all bids and readvertise. Any contract made under this section shall be made in the name of the state and executed on its behalf by the president and treasurer of the school district board.

The provisions of sections 153.50 to 153.99 of the Revised Code, which are applicable to construction contracts of boards of education and which permit bids to be made for two or more trades or kinds of work, shall apply

to construction contracts for the project to the exclusion of sections 153.01 to 153.20 of the Revised Code applicable to state construction contracts.

The remedies afforded to any subcontractor, materials supplier, laborer, mechanic, or persons furnishing material or machinery for the project under sections 1311.26 to 1311.32 of the Revised Code, shall apply to contracts entered into under this section and the itemized statement required by section 1311.26 of the Revised Code shall be filed with the school district board.

Sec. 3318.12. The Ohio school facilities commission shall cause to be transferred to the school district's project construction ~~account~~ fund the necessary amounts from amounts appropriated by the general assembly and set aside for such purpose, from time to time as may be necessary to pay obligations chargeable to such ~~account~~ fund when due. The treasurer of the school district board shall disburse funds from the school district's project construction ~~account~~ fund only upon the approval of the commission or the commission's designated representative. The commission or the commission's designated representative shall issue vouchers against such ~~account~~ fund, in such amounts, and at such times as required by the contracts for construction of the project.

Any surplus remaining in the school district's project construction ~~account~~ fund after the project has been completed shall be transferred to the commission for expenditure pursuant to sections 3318.01 to 3318.20 of the Revised Code; provided, that if the final cost of the project is less than the amount of moneys paid into the school district's project construction ~~account~~ fund by the school district board, the amount by which the school district's contribution exceeds the actual cost shall be returned to the school district board.

Sec. 3318.16. Title to interests in real property purchased with moneys in the school district's project construction ~~account~~ fund shall be taken in the name of the state of Ohio. Upon completion of the project, the title to such interest in real property shall be conveyed to the school district board and the Ohio school facilities commission shall execute and deliver deeds to complete the transfer of such interests.

Upon completion of the project, the interest of the state in the project shall be transferred to the school district board, which interest is equal to that portion of the final cost of the project represented by funds contributed by the state for the project. The purchase price to be paid by the school district board for the state's interest in the project shall be the total amount of funds contributed by the state for the project.

Sec. 3318.17. A school district board may purchase classroom facilities

from the state from time to time under the procedure set forth in sections 3318.01 to 3318.12 of the Revised Code. The levy of taxes required by section 3318.14 of the Revised Code shall be at the rate of one-half mill for each one dollar of valuation ~~except that in those years in which the Ohio school facilities commission, pursuant to section 3318.051 of the Revised Code, requires the district to increase the tax rate to an amount greater than one-half mill, but not in excess of four mills,~~ and shall be for a maximum period of twenty-three years after the last purchase ~~and, except that~~ in those years in which a supplemental agreement authorized by section 3318.081 of the Revised Code is in effect, the rate shall be as prescribed for such section for the period during which such agreement is in effect. Where a school district has purchased classroom facilities from the state on which any portion of the purchase price remains unpaid and it desires to purchase additional classroom facilities, the notice of election and form of ballot set forth in section 3318.06 of the Revised Code shall provide that the levy is an extension of an existing levy for a maximum period of twenty-three years. Where there has been more than one purchase of classroom facilities from the state, any proceeds of the tax to be used to pay the purchase price of such facilities shall be applied to the unpaid purchase price of the projects in the order in which they were purchased.

Sec. 3318.35. (A) As used in this section;

(1) "Adjusted valuation per pupil" has the same meaning as in section 3317.0213 Of the Revised Code.

(2) "Ohio school facilities commission" has the same meaning as in section 3318.01 of the Revised Code.

(B) The Ohio school facilities commission shall establish and administer the emergency school building repair program. Under the program, the commission shall distribute moneys appropriated by the general assembly for such purpose to school districts, beginning with those districts with an adjusted ~~per pupil~~ valuation per pupil less than the ~~threshold~~ adjusted valuation defined in section 3317.0213 per pupil of the Revised Code school district with the two hundred ninety-third lowest adjusted valuation per pupil in the state. The commission shall ~~determine and certify~~ submit to the controlling board for its approval ~~any determination the commission makes as to the necessity of emergency repairs based on an on-site inspection of the school buildings in a school district or disapproval requests for allocations of lump sums of money from which the commission may disburse funds to school districts upon determining that the districts qualify for emergency building repair assistance.~~ Any school district that receives moneys under this section shall expend them only to repair the following:

- (1) Heating systems;
- (2) Floors, roofs, and exterior doors;
- (3) Air ducts and other air ventilation devices;
- (4) Emergency exit or egress passageway lighting;
- (5) Fire alarm systems;
- (6) Handicapped access needs;
- (7) Sewage systems;
- (8) Water supplies;
- (9) Asbestos removal; and
- (10) Any other repairs to a school building that meet the requirements of the life safety code, as interpreted by the commission.

~~(C) No moneys for emergency school building repair under this section shall be distributed to a school district to repair a school building that the commission reasonably believes will not be needed by the district or will be substantially replaced within the next seven fiscal years pursuant to sections 3318.01 to 3318.33 of the Revised Code.~~

~~(D) After receipt of moneys from the emergency school building repair program, no school district shall be eligible to receive additional moneys from the program for the following five fiscal years unless a school building in that district is damaged due to an act of God that could not have been prevented by reasonable maintenance of that building. The Ohio school facilities commission shall adopt rules in accordance with Chapter 119. of the Revised Code necessary to carry out its duties and responsibilities under this section.~~

Sec. 3319.02. (A) As used in this section, "other administrator" means any employee in a position for which a board of education requires a license designated for being an administrator, other than a superintendent, assistant superintendent, principal, or assistant principal, issued under section 3319.22 of the Revised Code or any nonlicensed employee whose job duties enable such employee to be considered as either a "supervisor" or a "management level employee," as defined in section 4117.01 of the Revised Code.

(B) The board of education of each school district and the governing board of an educational service center may appoint one or more assistant superintendents and such other administrators as are necessary. An assistant educational service center superintendent or service center supervisor employed on a part-time basis may also be employed by a local board as a teacher. The board of each city, exempted village, and local school district shall employ principals for all high schools and for such other schools as the board designates, and those boards may appoint assistant principals for any

school that they designate.

(C) In educational service centers and in city and exempted village school districts, assistant superintendents, principals, assistant principals, and other administrators shall only be employed or reemployed in accordance with nominations of the superintendent except that a city or exempted village board of education or the governing board of a service center, by a three-fourths vote, may reemploy any assistant superintendent, principal, assistant principal, or other administrator whom the superintendent refuses to nominate after considering two nominees for the position. In local school districts, assistant superintendents, principals, assistant principals, and other administrators shall only be employed or reemployed in accordance with nominations of the superintendent of the service center of which the local district is a part except that a local board of education, by a majority vote, may reemploy any assistant superintendent, principal, assistant principal, or other administrator whom such superintendent refuses to nominate after considering two nominees for the position.

The board of education or governing board shall execute a written contract of employment with each assistant superintendent, principal, assistant principal, and other administrator it employs or reemploys. The term of such contract shall not exceed three years except that in the case of a person who has been employed as an assistant superintendent, principal, assistant principal, or other administrator in the district or center for three years or more, the term of the contract shall be for not more than five years and, unless the superintendent of the district recommends otherwise, not less than two years. If the superintendent so recommends, the term of the contract of a person who has been employed by the district or service center as an assistant superintendent, principal, assistant principal, or other administrator for three years or more may be one year, but all subsequent contracts granted such person shall be for a term of not less than two years and not more than five years. When a teacher with continuing service status becomes an assistant superintendent, principal, assistant principal, or other administrator with the district or service center with which the teacher holds continuing service status, the teacher retains such status in the teacher's nonadministrative position as provided in sections 3319.08 and 3319.09 of the Revised Code.

A board of education or governing board may reemploy an assistant superintendent, principal, assistant principal, or other administrator at any regular or special meeting held during the period beginning on the first day of January of the calendar year immediately preceding the year of expiration

of the employment contract and ending on the last day of March of the year the employment contract expires.

Except by mutual agreement of the parties thereto, no assistant superintendent, principal, assistant principal, or other administrator shall be transferred during the life of a contract to a position of lesser responsibility. No contract may be terminated or suspended by a board except pursuant to section 3319.16 or 3319.17 of the Revised Code. The salaries and compensation prescribed by such contracts shall not be reduced by a board unless such reduction is a part of a uniform plan affecting the entire district or center. The contract shall specify the employee's administrative position and duties, the salary and other compensation to be paid for performance of duties, the number of days to be worked, the number of days of vacation leave, if any, and any paid holidays in the contractual year.

An assistant superintendent, principal, assistant principal, or other administrator is, at the expiration of the current term of employment, deemed reemployed at the same salary plus any increments that may be authorized by the board, unless such employee notifies the board in writing to the contrary on or before the first day of June, or unless such board, on or before the last day of March of the year in which the contract of employment expires, either reemploys such employee for a succeeding term or gives written notice of its intention not to reemploy the employee. The term of reemployment of a person reemployed under this paragraph shall be one year, except that if such person has been employed by the school district or service center as an assistant superintendent, principal, assistant principal, or other administrator for three years or more, the term of reemployment shall be two years.

(D) Each board shall adopt procedures for the evaluation of all assistant superintendents, principals, assistant principals, and other administrators and shall evaluate such employees in accordance with those procedures. The evaluation based upon such procedures shall be considered by the board in deciding whether to renew the contract of employment of an assistant superintendent, principal, assistant principal, or other administrator. The evaluation shall measure each assistant superintendent's, principal's, assistant principal's, and other administrator's effectiveness in performing the duties included in the job description and the evaluation procedures shall provide for, but not be limited to, the following:

(1) Each assistant superintendent, principal, assistant principal, and other administrator shall be evaluated annually through a written evaluation process.

(2) The evaluation shall be conducted by the superintendent or designee.

(3) In order to provide time to show progress in correcting the deficiencies identified in the evaluation process the completed evaluation shall be received by the employee at least sixty days prior to any action by the board on the employee's contract of employment.

Termination or suspension of an assistant superintendent, principal, assistant principal, or other administrator's contract shall be pursuant to section 3319.16 or 3319.17 of the Revised Code.

The establishment of an evaluation procedure shall not create an expectancy of continued employment. Nothing in this section shall prevent a board from making the final determination regarding the renewal of or failure to renew the contract of any assistant superintendent, principal, assistant principal, or other administrator.

Before taking action to renew or nonrenew the contract of an assistant superintendent, principal, assistant principal, or other administrator under this section and prior to the last day of March of the year in which such employee's contract expires, the board shall notify each such employee of the date that the contract expires and that the employee may request a meeting with the board. Upon request by such an employee, the board shall grant the employee a meeting in executive session to discuss the reasons for considering renewal or nonrenewal of the contract.

(E) On nomination of the superintendent of a service center a governing board may employ supervisors who shall be employed under written contracts of employment for terms not to exceed five years each. Such contracts may be terminated by a governing board pursuant to section 3319.16 of the Revised Code. Any supervisor employed pursuant to this division may terminate the contract of employment at the end of any school year after giving the board at least thirty days' written notice prior to such termination. On the recommendation of the superintendent the contract or contracts of any supervisor employed pursuant to this division may be suspended for the remainder of the term of any such contract if there is a reduction of the number of approved supervisory ~~teacher units~~ teachers allocated to the service center ~~pursuant to division (D) of section 3317.05 of the Revised Code, or pursuant to section 3317.11 or 3319.17 of the Revised Code.~~

(F) A board may establish vacation leave for any individuals employed under this section. Upon such an individual's separation from employment, a board that has such leave may compensate such an individual at the individual's current rate of pay for all lawfully accrued and unused vacation leave credited at the time of separation, not to exceed the amount accrued within three years before the date of separation. In case of the death of an

individual employed under this section, such unused vacation leave as the board would have paid to the individual upon separation under this section shall be paid in accordance with section 2113.04 of the Revised Code, or to the estate.

Sec. 3319.088. As used in this section, "educational assistant" means any nonteaching employee in a school district who directly assists a teacher as defined in section 3319.09 of the Revised Code, by performing duties for which a license issued pursuant to sections 3319.22 to 3319.30 of the Revised Code is not required.

(A) The state board of education shall issue educational aide permits and educational paraprofessional licenses for educational assistants and shall adopt rules for the issuance and renewal of such permits and licenses which shall be consistent with the provisions of this section. Educational aide permits and educational paraprofessional licenses may be of several types and the rules shall prescribe the minimum qualifications of education, health, and character for the service to be authorized under each type. The prescribed minimum qualifications may require special training or educational courses designed to qualify a person to perform effectively the duties authorized under an educational aide permit or educational paraprofessional license.

(B)(1) Any application for a permit or license, or a renewal or duplicate of a permit or license, under this section shall be accompanied by the payment of a fee in the amount established under division (A) of section 3319.51 of the Revised Code. Any fees received under this division shall be paid into the state treasury to the credit of the state board of education licensure fund established under division (B) of section 3319.51 of the Revised Code.

(2) Any person applying for or holding a permit or license pursuant to this section is subject to sections 2301.373, 3319.31, and 3319.311 of the Revised Code.

(C) Educational assistants shall at all times while in the performance of their duties be under the supervision and direction of a teacher as defined in section 3319.09 of the Revised Code. Educational assistants may assist a teacher to whom assigned in the supervision of pupils, in assisting with instructional tasks, and in the performance of duties which, in the judgment of the teacher to whom the assistant is assigned, may be performed by a person not licensed pursuant to sections 3319.22 to 3319.30 of the Revised Code and for which a teaching license, issued pursuant to sections 3319.22 to 3319.30 of the Revised Code is not required. The duties of an educational assistant shall not include the assignment of grades to pupils. The duties of

an educational assistants need not be performed in the physical presence of the teacher to whom assigned, but the activity of an educational assistant shall at all times be under the direction of the teacher to whom assigned. The assignment of an educational assistant need not be limited to assisting a single teacher. In the event an educational assistant is assigned to assist more than one teacher the assignments shall be clearly delineated and so arranged that the educational assistant shall never be subject to simultaneous supervision or direction by more than one teacher.

Educational assistants assigned to supervise children shall, when the teacher to whom assigned is not physically present, maintain the degree of control and discipline which would be maintained by the teacher, but an educational assistant may not render corporal punishment.

~~Educational~~ Except when expressly permitted solely for the purposes of section 3317.029 Of the Revised Code, educational assistants may not be used in place of classroom teachers or other employees and any payment of compensation by boards of education to educational assistants for such services is prohibited. The ratio between the number of licensed teachers and the pupils in a school district may not be decreased by utilization of educational assistants and no grouping, or other organization of pupils, for utilization of educational assistants shall be established which is inconsistent with sound educational practices and procedures. A school district may employ up to one full time equivalent educational assistant for each six full time equivalent licensed employees of the district. Educational assistants shall not be counted as licensed employees for purposes of state support in the school foundation program and no grouping or regrouping of pupils with educational assistants may be counted as a class or unit for school foundation program purposes. Neither special courses required by the regulations of the state board of education, prescribing minimum qualifications of education for an educational assistant, nor years of service as an educational assistant shall be counted in any way toward qualifying for a teacher license, for a teacher contract of any type, or for determining placement on a salary schedule in a school district as a teacher.

(D) Educational assistants employed by a board of education shall have all rights, benefits, and legal protection available to other nonteaching employees in the school district, except that provisions of Chapter 124. of the Revised Code shall not apply to any person employed as an educational assistant, and shall be members of the school employees retirement system. Educational assistants shall be compensated according to a salary plan adopted annually by the board.

Except as provided in this section nonteaching employees shall not

serve as educational assistants without first obtaining an appropriate educational aide permit or educational paraprofessional license from the state board of education. A nonteaching employee who is the holder of a valid educational aide permit or educational paraprofessional license shall neither render nor be required to render services inconsistent with the type of services authorized by the permit or license held. No person shall receive compensation from a board of education for services rendered as an educational assistant in violation of this provision.

Nonteaching employees whose functions are solely secretarial-clerical and who do not perform any other duties as educational assistants, even though they assist a teacher and work under the direction of a teacher shall not be required to hold a permit or license issued pursuant to this section. Students preparing to become licensed teachers or educational assistants shall not be required to hold an educational aide permit or paraprofessional license for such periods of time as such students are assigned, as part of their training program, to work with a teacher in a school district. Such students shall not be compensated for such services.

Following the determination of the assignment and general job description of an educational assistant and subject to supervision by the teacher's immediate administrative officer, a teacher to whom an educational assistant is assigned shall make all final determinations of the duties to be assigned to such assistant. Teachers shall not be required to hold a license designated for being a supervisor or administrator in order to perform the necessary supervision of educational assistants.

(E) No person who is, or who has been employed as an educational assistant shall divulge, except to the teacher to whom assigned, or the administrator of the school in the absence of the teacher to whom assigned, or when required to testify in a court or proceedings, any personal information concerning any pupil in the school district which was obtained or obtainable by the educational assistant while so employed. Violation of this provision is grounds for disciplinary action or dismissal, or both.

Sec. 3319.17. (A) As used in this section, "interdistrict contract" means any contract or agreement entered into by an educational service center governing board and another board or other public entity pursuant to section 3313.17, 3313.841, 3313.842, 3313.843, 3313.91, or 3323.08 of the Revised Code, including any such contract or agreement for the provision of services funded under division ~~(P)~~(L) of section 3317.024 of the Revised Code or provided in any unit approved under section 3317.05 ~~or 3317.11~~ of the Revised Code.

(B) When, for any of the following reasons that apply to any city,

exempted village, local, or joint vocational school district or any educational service center, the board decides that it will be necessary to reduce the number of teachers it employs, it may make a reasonable reduction:

(1) In the case of any district or service center, return to duty of regular teachers after leaves of absence including leaves provided pursuant to division (B) of section 3314.10 of the Revised Code, suspension of schools, or territorial changes affecting the district or center;

(2) In the case of any city, exempted village, local, or joint vocational school district, decreased enrollment of pupils in the district;

(3) In the case of any governing board of a service center providing any particular service directly to pupils pursuant to one or more interdistrict contracts requiring such service, reduction in the total number of pupils the governing board is required to provide with the service under all interdistrict contracts as a result of the termination or nonrenewal of one or more of these interdistrict contracts;

(4) In the case of any governing board providing any particular service that it does not provide directly to pupils pursuant to one or more interdistrict contracts requiring such service, reduction in the total level of the service the governing board is required to provide under all interdistrict contracts as a result of the termination or nonrenewal of one or more of these interdistrict contracts.

(C) In making any such reduction, any city, exempted village, local, or joint vocational school board shall proceed to suspend contracts in accordance with the recommendation of the superintendent of schools who shall, within each teaching field affected, give preference to teachers on continuing contracts and to teachers who have greater seniority. In making any such reduction, any governing board of a service center shall proceed to suspend contracts in accordance with the recommendation of the superintendent who shall, within each teaching field or service area affected, give preference to teachers on continuing contracts and to teachers who have greater seniority.

The teachers whose continuing contracts are suspended by any board pursuant to this section shall have the right of restoration to continuing service status by that board in the order of seniority of service in the district if and when teaching positions become vacant or are created for which any of such teachers are or become qualified.

Sec. 3319.19. (A) Upon request, the board of county commissioners shall provide and equip offices in the county for the use of the superintendent of an educational service center, and shall provide heat, light, water, and janitorial services for such offices. Such offices shall be the

permanent headquarters of the superintendent and shall be used by the governing board of the service center when it is in session. Except as provided in division (B) of this section, such offices shall be located in the county seat or, upon the approval of the governing board, may be located outside of the county seat.

(B) In the case of a service center formed under section 3311.053 of the Revised Code, the governing board shall designate the site of its offices. The board of county commissioners of the county in which the designated site is located shall provide and equip the offices as under division (A) of this section, but the costs of such offices and equipment not covered by funds received under section 307.031 of the Revised Code shall be apportioned among the boards of county commissioners of all counties having any territory in the area under the control of the governing board, according to the proportion of pupils under the supervision of such board residing in the respective counties. Where there is a dispute as to the amount any board of county commissioners is required to pay, the probate judge of the county in which the greatest number of pupils under the supervision of the governing board reside shall apportion such costs among the boards of county commissioners and notify each such board of its share of the costs.

(C) By the first day of March of each year, the superintendent of public instruction shall certify to the tax commissioner the ADM and the number of full-time licensed employees of each educational service center for the purposes of the distribution of funds to boards of county commissioners required under division (B) of section 307.031 of the Revised Code. As used in this section, "ADM" means the ~~average daily membership formula~~ ADMs of all the local districts having territory in the service center, as certified in October of the previous year by the service center superintendent to the state board of education under ~~division (A) of~~ section 3317.03 of the Revised Code. As used in this division, "licensed employee" has the same meaning as in section 307.031 of the Revised Code.

(D) The superintendent of a service center may annually submit a proposal approved by the board of county commissioners to the state superintendent of public instruction, in such manner and by such date as specified by the state board of education, for a grant for the board of county commissioners to do one of the following:

- (1) To improve or enhance the offices and equipment provided under division (A) or (B) of this section or section 3301.0712 of the Revised Code;
- (2) If funds received under division (B) of section 307.031 of the Revised Code are insufficient to provide for the actual cost of meeting the requirements of division (A) or (B) of section 3319.19 and division (A)(2)

of section 3301.0712 of the Revised Code, to provide funds to meet such costs.

Any service center superintendent intending to submit a proposal shall submit it to the board of county commissioners that provides and equips the office of the superintendent for approval at least twenty days before the date of submission to the superintendent of public instruction. The superintendent of public instruction shall evaluate the proposals and select those that will most benefit the local districts supervised by the governing boards under standards adopted by the state board. For each proposal selected for a grant, the superintendent of public instruction shall determine the grant amount and, with the approval of the superintendent and the board of county commissioners, may modify a grant proposal to reflect the amount of money available for the grant. The superintendent of public instruction shall notify the board of county commissioners and the tax commissioner of the selection of the proposal as submitted or modified and the amount of the grant. If, pursuant to division (C) of section 307.031 of the Revised Code, the board of county commissioners accepts the proposal and grant, it shall expend the funds as specified in the grant proposal. If the board of county commissioners rejects the proposal and grant, the superintendent of public instruction may select another proposal from among the district proposals that initially failed to be selected for a grant.

The state board of education shall adopt rules to implement the requirements of this section.

Sec. 3321.05. ~~As used in this section, "all-day kindergarten," "extended kindergarten," and "traditional kindergarten" have the same meanings as in section 3317.02 of the Revised Code.~~

Any school district may operate all-day kindergarten or extended kindergarten, but no district shall require any student to attend kindergarten for more than the number of clock hours required each day for traditional kindergarten by the minimum standards adopted under section 3301.07 of the Revised Code. Each school district that operates all-day or extended kindergarten shall accommodate students whose parents or guardians elect to enroll them for the minimum number of hours.

~~Any student who attends kindergarten for the minimum number of hours shall be counted in average daily membership under sections 3317.02, 3317.023, 3317.03, and 3317.08 of the Revised Code, as traditional kindergarten students.~~

Sec. 3323.08. (A) The special education program of each school district shall be operated in accordance with a plan submitted to and approved by the state board of education. Such plan shall:

(1) Provide for an organizational structure and necessary staffing and supervision for the identification, placement, and provision of educational programs for handicapped children;

(2) Provide for the identification, location, and evaluation of all handicapped children, and for the educational placement of all identified handicapped children three to twenty-one years of age, and may provide for the educational placement of handicapped children under three years of age, including:

(a) Prior notice to assure that before any individual psychological evaluations are administered by a school district, the informed written consent of the parent of the child to be tested is obtained;

(b) The use of criteria defined by the state board of education for placement of handicapped children into special programs.

(3) Provide for an individualized education program for each handicapped child at the time of placement and by the first day of December of each subsequent school year, provide for annual review of the program, and, if an agency other than the school district fails to provide agreed upon services included in the transition services in the program, provide for the reconvening of the group responsible for the program to identify alternative strategies to meet the transition objectives;

(4) Provide for the necessary educational programs and related services needed to meet the educational needs of every handicapped child three to twenty-one years of age in accordance with standards established by the state board of education;

(5) Provide that, within thirty days after the identification of a handicapped child, the superintendent of schools of the school district in which the child resides shall make accessible, upon request and in the manner prescribed by standards adopted by the state board of education, to the child's parent, the standards of the state board of education on special education and the school district's comprehensive plan for special education; and shall provide the parent with a copy of the school district's written criteria for placement of children into special education programs, the procedures available under section 3323.05 of the Revised Code, policies on confidentiality, and the child's individual education program;

(6) Outline the steps that have been or are being taken to comply with standards established by the state board of education under this chapter.

(B)(1) A school district may arrange, by a cooperative agreement or contract with one or more school districts or with a cooperative education or joint vocational school district or an educational service center, to provide for the identification, location, and evaluation of handicapped children, and

classes or other suitable education programs for such children that meet the standards established by the state board of education under this chapter. A school district may arrange, by a cooperative agreement or contract, for the provision of related services for handicapped children that meet the standards established by the state board of education under this chapter.

(2) If, at the time an individualized education program is approved for a child, a school district is not providing an education program or any related service required by such individualized education program, the school district may arrange by contract with a nonpublic entity for the provision of the program or related service provided the program or service meets the standards for that program or service established by the state board of education under this chapter and is provided within the state.

(3) Any cooperative agreement or contract under division (B)(1) or (2) of this section involving a local school district shall be approved by the governing board of the educational service center which serves such local school district.

(C) No local school district plan shall be submitted to the state board of education until it has been approved by the superintendent of the educational service center which serves such local school district.

Upon approval of a school district's plan, the district shall immediately ~~apply~~ certify students for state funds under ~~Chapter 3317, section 3317.03~~ of the Revised Code to implement and maintain such plan. Such ~~application district~~ shall also request approval of classroom units under ~~divisions~~ division (B) ~~and (E)~~ of section 3317.05 or section 3317.11 of the Revised Code for which the district has adequately identified preschool handicapped children and shall, in accordance with procedures adopted by the state board, request approval of units under ~~divisions~~ division (C) ~~and (D)~~ of section 3317.05 ~~or section 3317.11~~ of the Revised Code. The ~~application district~~ shall, in accordance with guidelines adopted by the state board of education, identify problems relating to the provision of qualified personnel and adequate facilities, and indicate the extent to which the cost of programs required under the plan will exceed anticipated state reimbursement. Each school district shall immediately implement the identification, location, and evaluation of handicapped children in accordance with this chapter, and, ~~as state funding under divisions (N) and (O) of section 3317.024 of the Revised Code is approved, the district shall implement those parts of the plan involving placement and provision of special education and related services.~~

Sec. 3323.091. (A) The department of mental health, the department of mental retardation and developmental disabilities, the department of youth services, and the department of rehabilitation and correction shall establish

and maintain special education programs for handicapped children in institutions under their jurisdiction according to standards adopted by the state board of education. The superintendent of each institution providing special education under this chapter may apply to the state department of education for unit funding, which shall be paid in accordance with ~~divisions (N) and (O)(1) of section 3317.024~~ 3317.161 of the Revised Code.

(B) On or before the thirtieth day of June of each year, the superintendent of each institution that during the school year provided special education pursuant to this section shall prepare a statement for each handicapped child under twenty-two years of age who has received special education. The statement shall contain the child's name and the name of the child's school district of residence. Within sixty days after receipt of such statement, the department of education shall perform one of the following:

(1) For any child except a handicapped preschool child described in division (B)(2) of this section, pay to the institution submitting the statement an amount equal to the tuition calculated under division (A) of section 3317.08 of the Revised Code for the period covered by the statement, and deduct the same from the amount of state funds, if any, payable under sections 3317.022 and 3317.023 of the Revised Code, to the child's school district of residence or, if the amount of such state funds is insufficient, require the child's school district of residence to pay the institution submitting the statement an amount equal to the amount determined under this division.

(2) For any handicapped preschool child not included in a unit approved under division ~~(E)(B)~~ of section 3317.05 of the Revised Code, perform the following:

(a) Pay to the institution submitting the statement an amount equal to the tuition calculated under division (B) of section 3317.08 of the Revised Code for the period covered by the statement, except that in calculating the tuition under that section the operating expenses of the institution submitting the statement under this section shall be used instead of the operating expenses of the school district of residence;

(b) Deduct from the amount of state funds, if any, payable under sections 3317.022 and 3317.023 of the Revised Code to the child's school district of residence an amount equal to the amount paid under division (B)(2)(a) of this section.

Sec. 3323.12. The board of education of a school district shall provide home instruction for handicapped children three to twenty-one years of age who are unable to attend school, even with the help of special transportation. The board may arrange for the provision of home instruction for a child by a

cooperative agreement or contract with a county board of mental retardation and developmental disabilities or other educational agency. For the purposes of determining average ~~daily-membership~~ formula ADM under section 3317.03 of the Revised Code, five hours of home instruction shall be equivalent to attendance for five school days.

Sec. 3323.13. If a child who is a school resident of one school district receives special education from another district, the board of education of the district providing the education may require the payment by the board of education of the district of residence of a sum not to exceed one of the following, as applicable:

(A) For any child except a handicapped preschool child described in division (B) of this section, the tuition of the district providing the education for a child of normal needs of the same school grade. The determination of the amount of such tuition shall be in the manner provided for by division (A) of section 3317.08 of the Revised Code.

(B) For any handicapped preschool child not included in a unit approved under division ~~(E)(B)~~ of section 3317.05 of the Revised Code, the tuition of the district providing the education for the child as calculated under division (B) of section 3317.08 of the Revised Code.

The board of the district of residence may contract with the board of another district for the transportation of such child into any school in such other district, on terms agreed upon by such boards. Upon direction of the state board of education, the board of the district of residence shall pay for ~~his~~ the child's transportation and the tuition.

Sec. 3323.14. This section does not apply to any handicapped preschool child except if included in a unit approved under division ~~(E)(B)~~ of section 3317.05 of the Revised Code.

Where a child who is a school resident of one school district receives special education from another district and the per capita cost ~~thereof~~ to the educating district for that child exceeds the sum of the ~~per-capita~~ amount received by the educating district ~~of attendance for that child~~ under division (A) of section 3317.08 of the Revised Code and the ~~per-capita~~ amount received by the district from the state board of education for that child, then the board of education of the district of residence shall pay directly to the board of the school district that is providing the special education such excess cost as is determined by using ~~the~~ a formula approved by the department of education and agreed upon in contracts entered into by the boards of the district concerned at the time the district providing such special education accepts the child for enrollment. The department of education shall certify the amount of the payments under Chapter 3317. of

the Revised Code for such handicapped pupils for each school year ending on the thirtieth day of July.

Sec. 3323.141. (A) When a child who is not in the legal or permanent custody of an Ohio resident or a government agency in this state and whose parents are not known to have been residents of this state subsequent to the child's birth is a resident of a home as defined in section 3313.64 of the Revised Code and receives special education and related services from a school district or county board of mental retardation and developmental disabilities, the home shall pay tuition to the board providing the special education.

(B) In the case of a child described in division (A) of this section who receives special education and related services from a school district, tuition shall be the amount determined under division (B)(1) or (2) of this section.

(1) For a child other than a child described in division (B)(2) of this section the tuition shall be an amount equal to ~~a school district's per capita cost of providing such special education and related services. For the purpose of calculating such tuition, the amount shall be the sum of the~~ following:

(a) Tuition as determined in the manner provided for by division ~~(A)(B)~~ of section ~~3317.08~~ 3317.081 of the Revised Code for the district that provides the special education;

~~(b) The per pupil amount received by such district pursuant to divisions (N) and (O) of section 3317.024 of the Revised Code;~~

~~(c)~~ Such excess cost as is determined by using a formula established by rule of the department of education. The excess cost computed in this section shall not be used as excess cost computed under section 3323.14 of the Revised Code.

(2) For a child who is a handicapped preschool child not included in a unit approved under division ~~(E)(B)~~ of section 3317.05 of the Revised Code, the tuition shall be computed as follows:

(a) Determine the amount of the tuition of the district providing the education for the child as calculated under division (B) of section 3317.08 of the Revised Code;

(b) For each type of special education service included in the computation of the amount of tuition under division (B)(2)(a) of this section, divide the amount determined for that computation under division (B)(2) of section 3317.08 of the Revised Code by the total number of handicapped preschool children used for that computation under division (B)(3) of section 3317.08 of the Revised Code;

(c) Determine the sum of the quotients obtained under division (B)(2)(b)

of this section;

(d) Determine the sum of the amounts determined under divisions (B)(2)(a) and (c) of this section.

(C) In the case of a child described in division (A) of this section who receives special education and related services from a county board of mental retardation and developmental disabilities, tuition shall be the amount determined under division (C)(1) or (2) of this section.

(1) For a child other than a child described in division (C)(2) of this section, the tuition shall be an amount equal to such board's per capita cost of providing special education and related services for children at least three but less than twenty-two years of age as determined by using a formula established by rule of the department of mental retardation and developmental disabilities.

(2) For a child who is a handicapped preschool child not included in a unit approved under division ~~(E)(B)~~ of section 3317.05 of the Revised Code, the tuition shall equal the sum of the amounts of each such board's per capita cost of providing each of the special education or related service that the child receives. The calculation of tuition shall be made by using a formula established by rule of the department of mental retardation and developmental disabilities. The formula for the calculation of per capita costs under division (C)(2) of this section shall be based only on each such MR/DD board's cost of providing each type of special education or related service to handicapped preschool children not included in a unit approved under division ~~(E)(B)~~ of section 3317.05 of the Revised Code.

(D) If a home fails to pay the tuition required under this section, the board of education or board of mental retardation and developmental disabilities providing the education may recover in a civil action the tuition and the expenses incurred in prosecuting the action, including court costs and reasonable attorney's fees. If the prosecuting attorney or city director of law represents the board in such action, costs and reasonable attorney's fees awarded by the court, based upon the ~~prosecuting attorney's, director's, or his designee's~~ time spent preparing and presenting the case by the prosecuting attorney, director, or a designee of either, shall be deposited in the county or city general fund.

Sec. 3323.142. This section does not apply to any handicapped preschool child except if included in a unit approved under division ~~(E)(B)~~ of section 3317.05 of the Revised Code.

As used in this section, "per pupil amount" means the amount determined by dividing the amount received for the classroom unit in which a child has been placed by the number of children in the unit.

When a school district places or has placed a child with a county MR/DD board for special education, but another district is responsible for tuition under section 3313.64 or 3313.65 of the Revised Code and the child is not a resident of the territory served by the county MR/DD board, the board may charge the district responsible for tuition with the educational costs in excess of the per pupil amount received by the board under Chapter 3317. of the Revised Code. The amount of the excess cost shall be determined by the formula established by rule of the department of education under section 3323.14 of the Revised Code, and the payment for such excess cost shall be made by the school district directly to the county MR/DD board.

A school district board of education and the county MR/DD board that serves the school district may negotiate and contract, at or after the time of placement, for payments by the board of education to the county MR/DD board for additional services provided to a child placed with the county MR/DD board and whose individualized education program established pursuant to section 3323.08 of the Revised Code requires additional services that are not routinely provided children in the county MR/DD board's program but are necessary to maintain the child's enrollment and participation in the program. Additional services may include, but are not limited to, specialized supplies and equipment for the benefit of the child and instruction, training, or assistance provided by staff members other than staff members for which funding is received under ~~division (N) or (O) of section 3317.024~~ Chapter 3317. of the Revised Code.

Sec. 3323.16. No unit for deaf children shall be disapproved for funding under division ~~(N)(B)~~ OR ~~(D)(1)~~ of section ~~3317.024~~ 3317.05 of the Revised Code on the basis of the methods of instruction used in educational programs in the school district or institution to teach deaf children to communicate, and no preference in approving units for funding shall be given by the state board for teaching deaf children by the oral, manual, total communication, or other method of instruction.

Sec. 3327.04. (A) The board of education of any city, exempted village, or local school district may contract with the board of another district for the admission or transportation, or both, of pupils into any school in such other district, on terms agreed upon by such boards.

(B) The boards of two school districts may enter into a contract under this section to share the provision of transportation to a child who resides in one school district and attends school in the other district. Under such an agreement, one district may claim the total transportation subsidy available for such child under division ~~(K)(D)~~ of section ~~3317.024~~ 3317.022 of the

Revised Code and may agree to pay any portion of such subsidy to the other district sharing the provision of transportation to that child. The contract shall delineate the transportation responsibilities of each district.

A school district that enters into a contract under this section is not liable for any injury, death, or loss to the person or property of a student that may occur while the student is being furnished transportation by the other school district that is a party to the contract.

(C) Whenever a board not maintaining a high school enters into an agreement with one or more boards maintaining such school for the schooling of all its high school pupils, the board making such agreement is exempt from the payment of tuition at other high schools of pupils living within three miles of the school designated in the agreement. In case no such agreement is entered into, the high school to be attended can be selected by the pupil holding an eighth grade diploma, and the tuition shall be paid by the board of the district of school residence.

Sec. 3327.05. (A) Except as provided in division (B) of this section, no board of education of any school district shall provide transportation for any pupil who is a school resident of another school district unless the pupil is enrolled pursuant to section 3313.98 of the Revised Code or the board of the other district has given its written consent thereto. If the board of any school district files with the state board of education a written complaint that transportation for resident pupils is being provided by the board of another school district contrary to this division, the state board of education shall make an investigation of such complaint. If the state board of education finds that transportation is being provided contrary to this section, it may withdraw from state funds due the offending district any part of the amount that has been approved for transportation pursuant to division ~~(K)(D)~~ of section ~~3317.024~~ 3317.022 of the Revised Code.

(B) Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this division does not apply to any joint vocational or cooperative education school district.

A board of education may provide transportation to and from the nonpublic high school of attendance if both of the following apply:

(1) The parent, guardian, or other person in charge of the pupil agrees to pay the board for all costs incurred in providing the transportation that are not reimbursed pursuant to Chapter 3317. of the Revised Code;

(2) The pupil's school district of residence does not provide transportation for public school pupils of the same grade as the pupil being transported under this division.

Sec. 3365.01. As used in sections 3365.01 to 3365.10 of the Revised

Code:

(A) "College" means any state-assisted college or university described in section 3333.041 of the Revised Code, any nonprofit institution holding a certificate of authorization pursuant to Chapter 1713. of the Revised Code, and any institution holding a certificate of registration from the state board of proprietary school registration and program authorization for an associate or bachelor's degree program issued under section 3332.05 of the Revised Code.

(B) "School district" means any school district to which a student is admitted under section 3313.64, 3313.65, 3313.98, or 3317.08 of the Revised Code and does not include a joint vocational or cooperative education school district.

(C) "Parent" has the same meaning as in section 3313.64 of the Revised Code.

(D) "Participant" means a student enrolled in a college under the post-secondary enrollment options program established by this chapter.

(E) "Secondary grade" means the ninth through twelfth grades.

(F) "School foundation payments" means the amount required to be paid to a school district for a fiscal year under Chapter 3317. of the Revised Code.

(G) "Tuition base" means, with respect to a participant's school district, the formula amount ~~specified~~ defined in division (B) of section 3317.022 ~~3317.02~~ of the Revised Code multiplied by the district's cost-of-doing-business factor ~~specified~~ defined in division (E)(N) of section 3317.02 of the Revised Code.

(H) "Educational program" means enrollment in one or more school districts, in a nonpublic school, or in a college under division (B) of section 3365.04 of the Revised Code.

(I) "Nonpublic school" means a chartered or nonchartered school for which minimum standards are prescribed by the state board of education pursuant to division (D) of section 3301.07 of the Revised Code.

(J) "School year" means the year beginning on the first day of July and ending on the thirtieth day of June.

Sec. 3365.04. The rules adopted under section 3365.02 of the Revised Code shall provide for students to enroll in courses under either of the following options:

(A) The student may elect at the time of enrollment to receive only college credit for the course. The college shall notify the student about payment of tuition and fees in the customary manner followed by the college, and the student shall be responsible for payment of all tuition and

the cost of all textbooks, materials, and fees associated with the course. If the student successfully completes the course, the college shall award ~~him~~ the student full credit for the course, but the board of education or nonpublic participating school shall not award ~~him~~ the high school credit.

(B) The student may elect at the time of enrollment for each course to receive both college credit and high school credit. If the student successfully completes the course, the college shall award ~~him~~ the student full credit for the course, and the board of education or nonpublic school shall award ~~him~~ the student high school credit. If the student elects this option, the college shall be reimbursed in accordance with section 3365.07 of the Revised Code.

When determining a school district's ~~adm~~ formula ADM under section 3317.03 of the Revised Code, the time a participant is attending courses under division (A) of this section shall be considered as time the participant is not attending or enrolled in school anywhere, and the time a participant is attending courses under division (B) of this section shall be considered as time the participant is attending or enrolled in the district's schools.

Sec. 3365.08. (A) A college that expects to receive or receives reimbursement under section 3365.07 of the Revised Code shall furnish to a participant all textbooks and materials directly related to a course taken by the participant under division (B) of section 3365.04 of the Revised Code. No college shall charge such participant for tuition, textbooks, materials, or other fees directly related to any such course.

(B) No student enrolled under this chapter in a course for which credit toward high school graduation is awarded is eligible for any financial aid under Chapter 3351. of the Revised Code.

(C) If a school district provides transportation for resident school students in grades eleven and twelve under section 3327.01 of the Revised Code, a parent of a pupil enrolled in a course under division (B) of section 3365.04 of the Revised Code may apply to the board of education for full or partial reimbursement for the necessary costs of transporting the student between the secondary school ~~he~~ the student attends and the college in which ~~he~~ the student is enrolled. Reimbursement may be paid solely from funds received by the district under division ~~(K)(D)~~ (D) of section ~~3317.024~~ 3317.022 of the Revised Code. The state board of education shall establish guidelines, based on financial need, under which a district may provide such reimbursement.

Sec. 5705.29. The tax budget shall present the following information in such detail as is prescribed by the auditor of state, unless an alternative form of the budget is permitted under section 5705.281 of the Revised Code:

(A)(1) A statement of the necessary current operating expenses for the ensuing fiscal year for each department and division of the subdivision, classified as to personal services and other expenses, and the fund from which such expenditures are to be made. Except in the case of a school district, this estimate may include a contingent expense not designated for any particular purpose, and not to exceed three per cent of the total amount of appropriations for current expenses. In the case of a school district, this estimate may include a contingent expense not designated for any particular purpose and not to exceed thirteen per cent of the total amount of appropriations for current expenses.

(2) A statement of the expenditures for the ensuing fiscal year necessary for permanent improvements, exclusive of any expense to be paid from bond issues, classified as to the improvements contemplated by the subdivision and the fund from which such expenditures are to be made;

(3) The amounts required for the payment of final judgments;

(4) A statement of expenditures for the ensuing fiscal year necessary for any purpose for which a special levy is authorized, and the fund from which such expenditures are to be made;

(5) Comparative statements, so far as possible, in parallel columns of corresponding items of expenditures for the current fiscal year and the two preceding fiscal years.

(B)(1) An estimate of receipts from other sources than the general property tax during the ensuing fiscal year, which shall include an estimate of unencumbered balances at the end of the current fiscal year, and the funds to which such estimated receipts are credited;

(2) The amount each fund requires from the general property tax, which shall be the difference between the contemplated expenditure from the fund and the estimated receipts, as provided in this section. The section of the Revised Code under which the tax is authorized shall be set forth.

(3) Comparative statements, so far as possible, in parallel columns of taxes and other revenues for the current fiscal year and the two preceding fiscal years.

(C)(1) The amount required for debt charges;

(2) The estimated receipts from sources other than the tax levy for payment of such debt charges, including the proceeds of refunding bonds to be issued to refund bonds maturing in the next succeeding fiscal year;

(3) The net amount for which a tax levy shall be made, classified as to bonds authorized and issued prior to January 1, 1922, and those authorized and issued subsequent to such date, and as to what portion of the levy will be within and what in excess of the ten-mill limitation.

(D) An estimate of amounts from taxes authorized to be levied in excess of the ten-mill limitation on the tax rate, and the fund to which such amounts will be credited, together with the sections of the Revised Code under which each such tax is exempted from all limitations on the tax rate.

(E)(1) A board of education may include in its budget for the fiscal year in which a levy proposed under section 5705.194, 5705.21, or 5705.213, or the original levy under section 5705.212 of the Revised Code is first extended on the tax list and duplicate an estimate of expenditures to be known as a voluntary contingency reserve balance, which shall not be greater than twenty-five per cent of the total amount of the levy estimated to be available for appropriation in such year.

(2) A board of education may include in its budget for the fiscal year following the year in which a levy proposed under section 5705.194, 5705.21, or 5705.213, or the original levy under section 5705.212 of the Revised Code is first extended on the tax list and duplicate an estimate of expenditures to be known as a voluntary contingency reserve balance, which shall not be greater than twenty per cent of the amount of the levy estimated to be available for appropriation in such year.

(3) Except as provided in division (E)(4) of this section, the full amount of any reserve balance the board includes in its budget shall be retained by the county auditor and county treasurer out of the first semiannual settlement of taxes until the beginning of the next succeeding fiscal year, and thereupon, with the depository interest apportioned thereto, it shall be turned over to the board of education, to be used for the purposes of such fiscal year.

(4) A board of education may, by a two-thirds vote of all members of the board, appropriate any amount withheld as a voluntary contingency reserve balance during the fiscal year for any lawful purpose, provided that prior to such appropriation the board of education has authorized the expenditure of all amounts appropriated for contingencies under section 5705.40 of the Revised Code. Upon request by the board of education, the county auditor shall draw a warrant on the district's account in the county treasury payable to the district in the amount requested.

(F)(1) As used in this division, "police or fire department equipment expenditures" includes expenditures for equipment used to provide ambulance or emergency medical services operated by a police or fire department.

A board of township trustees may include in its budget an estimate of expenditures to be known as a reserve balance for police or fire department equipment or road maintenance equipment expenditures. This reserve

balance shall not exceed ten per cent of the total estimated appropriations included in the township budget estimate. If, in accordance with division (A) of section 505.83 of the Revised Code, the board of township trustees has unanimously adopted a resolution establishing the reserve balance account and specifying the reason for its creation and has certified the resolution to the county auditor, the full amount of the reserve balance, as allowed by the budget commission, shall be turned over to the township each year by the county auditor and county treasurer out of the second semiannual settlement of taxes until the date specified in the resolution, which shall not be later than five years from the date of the first such deposit in the account, or until the reserve amount has been reached, whichever occurs first.

(2) Upon receipt of a certified copy of a resolution to rescind the creation of a township reserve balance account pursuant to division (B) of section 505.83 of the Revised Code, the county auditor shall close the account and transfer the account moneys and depository interest apportioned to it to the township's general fund.

(G)(1) A board of education may include a spending reserve in its budget for fiscal years ending on or before June 30, 2002. The spending reserve shall consist of an estimate of expenditures not to exceed the district's spending reserve balance. A district's spending reserve balance is the amount by which the designated percentage of the district's estimated personal property taxes to be settled during the calendar year in which the fiscal year ends exceeds the estimated amount of personal property taxes to be so settled and received by the district during that fiscal year. Moneys from a spending reserve shall be appropriated in accordance with section 133.301 of the Revised Code.

(2) For the purposes of computing a school district's spending reserve balance for a fiscal year, the designated percentage shall be as follows:

Fiscal year ending in:	Designated percentage
1998	50%
1999	40%
2000	30%
2001	20%
2002	10%

(H) As used in this division:

(1) "Police or fire department equipment expenditures" includes expenditures for equipment used to provide ambulance or emergency medical services operated by a police or fire department.

(2) "Detention facility" means any place used for the confinement of a person charged with or convicted of any crime or alleged or found to be a

delinquent or unruly child.

The legislative authority of a municipal corporation may include in its budget an estimate of expenditures to be known as a reserve balance for police or fire department equipment expenditures, for constructing, acquiring, equipping, or repairing a detention facility, or for road maintenance equipment expenditures by creating, by ordinance or resolution, a reserve balance account. Money credited to the account may be derived from any general fund sources or from the proceeds of a special levy that may be used for the purpose for which the account is established. The ordinance or resolution shall state that money in the account may be expended only for the purpose for which the account is established, that the account will be maintained until a specified date not to exceed five years from the date of the first deposit in the account, and that the total amount of money in all reserve balance accounts derived from general fund sources shall not exceed ten per cent of the current total estimated expenditures from the municipal corporation's general fund, and the total amount of money in all reserve balance accounts derived from a special levy shall not exceed ten per cent of the current total estimated expenditures from the special levy. The legislative authority shall certify a copy of the ordinance or resolution to the county auditor. Upon receiving the certified copy, the county auditor and county treasurer shall turn over to the municipal corporation, out of the second semiannual settlement of taxes, any amount of the reserve balance to be derived from property tax sources, but only until the date specified in the ordinance or resolution or until the reserve amount as indicated in the ordinance or resolution has been reached, whichever occurs first.

A legislative authority may create a separate reserve balance account under this division for police department equipment expenditures, fire department equipment expenditures, or ambulance or emergency medical services equipment expenditures, or any combination thereof. Each such account is subject to the provisions of this section regarding a single account for all such purposes.

Upon receiving a certified copy of an ordinance or resolution to rescind the creation of a municipal reserve balance account, the county auditor shall close the account and transfer all money in the account to the municipal general fund, if the account is derived from the general fund, or to the fund to which proceeds of the special levy are credited, if the account is derived from the proceeds of a special levy.

(I) A board of county commissioners that has adopted a resolution establishing a reserve balance account under section 305.23 of the Revised Code may include in its budget an estimate of expenditures to be known as a

reserve balance for the purpose for which the account was established under that section. The reserve shall not exceed ten per cent of the total estimated appropriations included in the budget estimate of the general fund in the case of a reserve balance account established under division (A) of that section, or ten per cent of the total estimated appropriations included in the budget estimate of the special fund in which the account is established in the case of a reserve balance account established under division (B) of that section. If the board of county commissioners has certified a copy of a resolution to the county auditor pursuant to that section, the county auditor and county treasurer shall deposit the amount of the annual reserve balance into the reserve balance account out of the second semiannual settlement of taxes until the date specified in that resolution, or until the reserve amount specified in the resolution has been reached, whichever occurs first.

Upon receiving a certified copy of a resolution rescinding a reserve balance account, the county auditor shall close the account and transfer all money in the account to a special fund created for the purpose of receiving that money. Money deposited into the fund from the reserve balance account shall be expended only for the purpose for which the account was established.

(J) The county budget commission shall not reduce the taxing authority of a board of township trustees, a board of county commissioners, or the legislative authority of a municipal corporation as a result of the creation of a reserve balance account, and shall not consider the amount in a reserve balance account as an unencumbered balance or as revenue for the purposes of division (E)(3) or (4) of section 5747.51 or division (E)(3) or (4) of section 5747.62 of the Revised Code.

(K)(1) Each board of education shall include in its tax budget a budget reserve fund. The budget reserve fund shall consist of money reserved for the fund from general fund revenues or from other sources that may lawfully be credited to the general fund. The balance in the budget reserve fund shall not at any time be less than five per cent of general fund revenues for the most recently concluded fiscal year, except as provided in division (K)(2) or (3) of this section, and except for deficiencies arising from the appropriation of money from the fund for unanticipated deficiencies in revenue or other emergencies pursuant to a resolution adopted by two-thirds of the membership of the board of education specifying the reason for the appropriation. The auditor of state and the superintendent of public instruction jointly shall adopt rules governing conditions that constitute unanticipated deficiencies in revenue or emergencies for which appropriations may be made from a budget reserve fund. The rules also shall

provide that a board of education that includes a spending reserve in its tax budget for a fiscal year under division (G) of this section is not subject to division (K)(2) of this section for that fiscal year. A board of education shall not appropriate money from a budget reserve fund without filing a schedule for replenishing the fund with the superintendent of public instruction and receiving approval of the schedule from the superintendent of public instruction.

(2) Beginning with the fiscal year ending in 1999 and continuing each fiscal year until the balance in the budget reserve fund equals five per cent of the district's revenues received for current expenses for the preceding fiscal year, if the growth in a district's total revenues received for current expenses from one fiscal year to the next is three per cent or more, the board of education shall credit to its budget reserve fund, from the general fund or from other sources that may lawfully be credited to the general fund, an amount not less than one per cent of the revenue received for current expenses for the fiscal year, at which time the balance in the budget reserve fund shall be maintained as otherwise required under division (K)(1) of this section.

(3) The balance in the budget reserve fund of a school district may be less than five per cent of the general fund revenue for the most recently concluded fiscal year in any fiscal year in which the school district is in a state of fiscal watch or fiscal emergency pursuant to section 3316.03 of the Revised Code.

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

(5) Notwithstanding division (K)(2) of this section, a school district may, pursuant to rules adopted by the auditor of state, credit less than one per cent of its prior year's revenue received for current expenses into its budget reserve fund.

SECTION 2. That existing sections 102.02, 3301.0714, 3311.06, 3311.38, 3311.52, 3313.21, 3313.29, 3313.484, 3313.534, 3313.64, 3313.642, 3313.646, 3313.647, 3313.841, 3313.842, 3313.843, 3313.90, 3313.98, 3313.981, 3314.02, 3314.03, 3314.08, 3314.20, 3315.01, 3316.03, 3317.01, 3317.02, 3317.021, 3317.022, 3317.023, 3317.024, 3317.025, 3317.027, 3317.028, 3317.0210, 3317.0211, 3317.0213, 3317.0214, 3317.03, 3317.031, 3317.032, 3317.033, 3317.05, 3317.051, 3317.053, 3317.06,

3317.064, 3317.08, 3317.081, 3317.082, 3317.09, 3317.10, 3317.11, 3317.16, 3317.17, 3317.19, 3318.04, 3318.05, 3318.06, 3318.08, 3318.091, 3318.10, 3318.12, 3318.16, 3318.17, 3318.35, 3319.02, 3319.088, 3319.17, 3319.19, 3321.05, 3323.08, 3323.091, 3323.12, 3323.13, 3323.14, 3323.141, 3323.142, 3323.16, 3327.04, 3327.05, 3365.01, 3365.04, 3365.08, and 5705.29, and sections 3301.0719, 3317.012, 3317.029, 3317.0212, 3317.052, 3318.051, and 3318.111 of the Revised Code are hereby repealed.

SECTION 3. That Sections 50, 50.04, 50.07, 50.08, 50.09, 50.10, 50.12, 50.13, 50.14, 50.15, 50.20, 50.23, 50.24, 50.26, 50.32, 50.40, 50.43, 50.44, 69.03, 76, and 130.01 of Am. Sub. H.B. 215 of the 122nd General Assembly be amended to read as follows:

" Sec. 50. EDU DEPARTMENT OF EDUCATION

General Revenue Fund

GRF 200-100	Personal Services	\$	10,744,925	\$	0
					<u>10,756,210</u>
GRF 200-200	Maintenance	\$	8,691,111	\$	0
					<u>4,597,207</u>
GRF 200-300	Equipment	\$	117,449	\$	0
					<u>116,773</u>
GRF 200-405	Primary and Secondary Education Funding	\$	0	\$	<u>4,470,135,592</u>
					<u>0</u>
GRF 200-406	Head Start	\$	83,739,058	\$	0
					<u>92,562,977</u>
GRF 200-408	Public Preschool	\$	17,468,094	\$	0
					<u>17,904,796</u>
<u>GRF 200-410</u>	<u>Professional Development</u>	\$	0	\$	<u>29,649,944</u>
GRF 200-411	Family and Children First	\$	8,500,500	\$	0
					<u>10,642,188</u>
GRF 200-412	Driver Education Administration	\$	143,429	\$	0
					<u>142,605</u>
GRF 200-415	Consumer Education	\$	500,000	\$	0
					<u>500,000</u>
GRF 200-416	Vocational Education Match	\$	2,245,026	\$	0
					<u>2,248,664</u>
GRF 200-417	Professional Development	\$	14,370,077	\$	0
GRF 200-422	School Management Assistance	\$	<u>550,596</u>	\$	0
			<u>800,596</u>		<u>841,563</u>
GRF 200-423	Teacher Recruitment	\$	1,289,067	\$	0
GRF 200-424	Simulation System	\$	449,796	\$	0
					<u>447,210</u>
GRF 200-426	Ohio Educational Computer Network	\$	21,698,858	\$	0
					<u>22,228,079</u>
GRF 200-429	Local Professional	\$	9,259,713	\$	0

GRF 200-431	Development Block Grants School Improvement Models	\$	16,450,000	\$	0
					<u>11,525,000</u>
GRF 200-432	School Conflict Management	\$	392,575	\$	0
					<u>402,390</u>
GRF 200-437	Student Proficiency	\$	10,555,476	\$	0
					<u>11,798,788</u>
GRF 200-441	American Sign Language	\$	226,245	\$	0
					<u>226,245</u>
GRF 200-442	Child Care Licensing	\$	1,359,171	\$	0
					<u>1,438,172</u>
GRF 200-446	Education Management Information System	\$	12,060,657	\$	0
					<u>10,299,674</u>
GRF 200-447	GED Testing/Adult High School	\$	1,939,001	\$	0
					<u>1,987,475</u>
GRF 200-455	Charter Schools	\$	1,200,000	\$	0
					<u>2,300,000</u>
GRF 200-500	School Finance Equity	\$	109,405,982	\$	0
					<u>66,957,250</u>
GRF 200-501	School Foundation Basic Allowance <u>Base Cost Funding</u>	\$	2,202,851,688	\$	0
					<u>2,986,915,811</u>
GRF 200-502	Pupil Transportation	\$	179,702,987	\$	0
					<u>231,595,463</u>
GRF 200-503	Bus Purchase Allowance	\$	36,365,821	\$	0
					<u>37,274,967</u>
GRF 200-504	Special Education	\$	556,029,126	\$	0
GRF 200-505	School Lunch Match	\$	9,450,000	\$	0
					<u>9,450,000</u>
GRF 200-507	Vocational Education	\$	317,612,847	\$	0
GRF 200-509	Adult Literacy Education	\$	8,928,273	\$	0
					<u>9,151,480</u>
GRF 200-511	Auxiliary Services	\$	95,956,267	\$	0
					<u>101,617,687</u>
GRF 200-512	Driver Education	\$	6,026,070	\$	0
					<u>6,206,852</u>
GRF 200-514	Post-Secondary/Adult Vocational Education	\$	20,695,861	\$	0
					<u>20,695,861</u>
GRF 200-520	Disadvantaged Pupil Impact Aid	\$	277,205,650	\$	0
					<u>386,618,741</u>
GRF 200-521	Gifted Pupil Program	\$	34,383,349	\$	0
					<u>36,326,043</u>
GRF 200-524	Educational Excellence and Competency	\$	9,528,000	\$	0
					<u>9,168,000</u>
GRF 200-526	Vocational Education Equipment Replacement	\$	4,941,622	\$	0
GRF 200-532	Nonpublic Administrative Cost Reimbursement	\$	41,829,125	\$	0
					<u>44,297,043</u>

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GRF 200-533	School-Age Child Care	\$	1,046,647	\$	0
					<u>1,046,647</u>
GRF 200-534	Desegregation Costs	\$	50,400,000	\$	0
					<u>50,400,000</u>
<u>GRF 200-540</u>	<u>Special Education Enhancements</u>	\$	<u>0</u>	\$	<u>136,286,490</u>
GRF 200-541	Peer Review	\$	1,840,000	\$	0
GRF 200-542	National Board Certification	\$	1,600,000	\$	0
GRF 200-543	Entry Year Program	\$	2,396,205	\$	0
GRF 200-544	Individual Career Plan & Passport	\$	5,708,968	\$	0
<u>GRF 200-545</u>	<u>Vocational Education Enhancements</u>	\$	<u>0</u>	\$	<u>184,298,314</u>
<u>GRF 200-546</u>	<u>Charge-Off Supplement</u>	\$	<u>0</u>	\$	<u>11,000,000</u>
<u>GRF 200-547</u>	<u>Power Equalization</u>	\$	<u>0</u>	\$	<u>12,500,000</u>
GRF 200-551	Reading Improvement	\$	1,666,133	\$	0
					<u>1,666,133</u>
GRF 200-552	County MR/DD Boards Vehicle Purchases	\$	1,551,774	\$	0
					<u>1,590,569</u>
GRF 200-553	County MR/DD Boards Transportation Operating	\$	6,611,623	\$	0
					<u>6,876,088</u>
<u>GRF 200-558</u>	<u>Emergency Loan Interest Subsidy</u>	\$	<u>0</u>	\$	<u>8,490,374</u>
GRF 200-577	Preschool Special Education	\$	62,268,535	\$	0
GRF 200-589	Special Education Aides	\$	1,635,157	\$	0
GRF 200-901	Property Tax Allocation - Education	\$	566,800,000	\$	600,800,000
GRF 200-906	Tangible Tax Exemption - Education	\$	61,320,000	\$	63,210,000
TOTAL GRF General Revenue Fund		\$	<u>4,899,708,534</u>	\$	<u>5,134,145,592</u>
			<u>4,899,958,534</u>		<u>5,257,055,773</u>
General Services Fund Group					
4D1 200-602	Ohio Prevention/Education Resource Center	\$	277,560	\$	285,332
138 200-606	Computer Services	\$	4,036,728	\$	4,143,201
452 200-638	Fees and Gifts	\$	1,788,862	\$	1,838,335
596 200-656	Ohio Career Information System	\$	647,156	\$	660,812
4P1 200-629	Adult Literacy Education	\$	2,364,400	\$	2,430,603
4L2 200-681	Teacher Certification and Licensure	\$	3,580,741	\$	3,675,311
TOTAL GSF General Services Fund Group		\$	12,695,447	\$	13,033,594
Federal Special Revenue Fund Group					
309 200-601	Educationally Disadvantaged	\$	12,486,104	\$	12,904,245
366 200-604	Adult Basic Education	\$	16,300,000	\$	18,000,000
3H9 200-605	Head Start Collaboration Project	\$	200,000	\$	200,000
367 200-607	School Food Services	\$	9,290,000	\$	10,160,000
368 200-614	Veterans' Training	\$	565,232	\$	593,493
369 200-616	Vocational Education	\$	10,556,971	\$	10,787,320

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3L6	200-617	Federal School Lunch	\$	159,570,000	\$	167,550,000
3L7	200-618	Federal School Breakfast	\$	29,818,000	\$	31,607,000
3L8	200-619	Child and Adult Care Programs	\$	58,600,000	\$	59,800,000
3L9	200-621	Vocational Education Basic Grant	\$	54,122,121	\$	54,122,121
3M0	200-623	ESEA Chapter One	\$	356,669,568	\$	374,503,047
370	200-624	Education of All Handicapped Children	\$	12,902,838	\$	12,902,838
3N7	200-627	School-to-Work	\$	18,000,000	\$	13,500,000
371	200-631	EEO Title IV	\$	364,655	\$	377,850
372	200-635	Federal Driver Education Projects	\$	84,500	\$	84,500
373	200-642	Pupil Transportation Safety Project	\$	81,000	\$	81,000
374	200-647	E.S.E.A. Consolidated Grants	\$	260,301	\$	265,624
375	200-652	Technical Assistance for Educational Mobility	\$	216,720	\$	227,556
376	200-653	J.T.P.A.	\$	5,000,000	\$	5,034,523
3R3	200-654	Goals 2000	\$	19,789,214	\$	22,000,000
377	200-657	Sex Equity	\$	125,685	\$	131,969
378	200-660	Math/Science Technology Investments	\$	10,802,634	\$	12,000,000
3D1	200-664	Drug Free Schools	\$	17,410,259	\$	19,500,000
3D2	200-667	Honors Scholarship Program	\$	1,231,979	\$	1,231,979
3E2	200-668	AIDS Education Project	\$	718,734	\$	620,775
3M1	200-678	ESEA Chapter Two	\$	13,478,447	\$	14,152,369
3M2	200-680	Ind W/Disab Education Act	\$	91,825,830	\$	91,825,830
TOTAL FED Federal Special Revenue Fund Group			\$	900,470,792	\$	934,164,039
State Special Revenue Fund Group						
454	200-610	Guidance and Testing	\$	490,662	\$	503,912
455	200-608	Commodity Foods	\$	8,000,000	\$	8,000,000
4V7	200-633	Interagency Vocational Support	\$	514,000	\$	528,392
5F8	200-645	Textbooks/Instructional Materials	\$	25,000,000	\$	25,000,000
598	200-659	Auxiliary Services Mobile Units	\$	1,224,444	\$	1,258,728
<u>5H3</u>	<u>200-687</u>	<u>School District Solvency Assistance</u>	\$	<u>0</u>	\$	<u>30,000,000</u>
4R7	200-695	Indirect Cost Recovery	\$	1,357,434	\$	1,393,146
TOTAL SSR State Special Revenue Fund Group			\$	36,586,540	\$	36,684,178 <u>66,684,178</u>
Lottery Profits Education Fund Group						
017	200-682	Lease Rental Payment Reimbursement	\$	21,105,000	\$	32,780,000
<u>017</u>	<u>200-610</u>	<u>Base Cost Funding</u>	\$	<u>0</u>	\$	<u>666,093,028</u>
017	200-670	School Foundation - Basic Allowance	\$	584,137,200	\$	0
017	200-671	Special Education	\$	44,000,000	\$	0
017	200-672	Vocational Education	\$	30,000,000	\$	0

017	200-673	Primary and Secondary Lottery Funding	\$	0	\$	666,093,028
						0
017	200-694	Bus Purchase One Time Supplement	\$	10,000,000	\$	0
018	200-649	Disability Access Project	\$	5,000,000	\$	0
018	200-669	Judgement Judgment Loan	\$	5,650,000	\$	0
Total 017 and 018						
LPE Lottery Profits Education Fund Group						
			\$	699,892,200	\$	698,873,028
				694,892,200		
Education Improvement Fund						
006	200-689	Hazardous Waste Removal	\$	1,500,000	\$	1,443,401
TOTAL Education Improvement Fund			\$	1,500,000	\$	1,443,401
TOTAL ALL BUDGET FUND GROUPS			\$	6,550,853,513	\$	6,818,343,832
				6,546,103,513		6,969,810,612

Primary and Secondary Education Funding

~~By January 15, 1998, the General Assembly shall develop a plan to provide itemized appropriations for the Department of Education for fiscal year 1999.~~

~~In anticipation of a new, improved school finance formula and education reform plan, to be enacted before fiscal year 1999, the foregoing appropriation item, 200-405, Primary and Secondary Education Funding is hereby appropriated.~~

~~Payment of fiscal year 1999 earmarks in the Department of Education's budget are subject to the passage of a new school finance formula and education reform plan.~~

Professional Development

Of the foregoing appropriation item 200-410, Professional Development, \$5,997,829 shall be used by the Department of Education to develop a statewide comprehensive system of twelve professional development centers that support local educators' ability to foster academic achievement in the students they serve. The centers shall include training teachers on site-based management concepts to encourage teachers to become involved in the management of their schools. Each fiscal year, up to \$450,000 of the appropriation item shall be used to continue Ohio leadership academies to develop and train superintendents, principals, other administrators, and board members in new leadership and management practices to support high performance schools. This training shall be coordinated with other locally administered leadership programs.

Of the foregoing appropriation item 200-410, Professional Development, \$50,000 each year shall be distributed to the Ohio Geographical Alliance at such time as matching funds are provided by the National Geographical Society. These moneys shall be used by the Ohio

Geographical Alliance to provide inservice geography training to Ohio public school teachers.

Of the foregoing appropriation item 200-410, Professional Development, \$75,000 in each fiscal year shall be distributed by the Department of Education to the Ohio University Leadership Project.

Of the foregoing appropriation item 200-410, Professional Development, up to \$500,000 each year shall be used by the Department of Education to work with school districts in coordinating and improving the training and performance of classroom teachers.

Of the foregoing appropriation item 200-410, Professional Development, \$25,000 in each fiscal year shall be used by the Lake County Educational Service Center and \$25,000 in each fiscal year shall be used by the Geauga County Educational Service Center. Both projects shall be used for professional teacher development of innovative teaching practices in science and math.

Of the foregoing appropriation item 200-410, Professional Development, \$500,000 in each fiscal year shall be used by the Rural Appalachian Initiative to create professional development academies for teachers, principals, and superintendents in the Appalachian region.

Of the foregoing appropriation item 200-410, Professional Development, up to \$1,800,000 in fiscal year 1999 shall be used by the Department of Education in cooperation with the Regional Professional Development Centers to train mentor teachers and provide stipends of \$1,500 per year to each mentor teacher to assist in the professional development of beginning teachers.

Of the foregoing appropriation item 200-410, Professional Development, up to \$1,000,000 in fiscal year 1999 shall be used by the Department of Education in cooperation with the Regional Professional Development Centers to train teacher assessors and provide stipends of \$2,500 per year to each teacher assessor to assist in the evaluation of the classroom performance of beginning teachers.

Of the foregoing appropriation item 200-410, Professional Development, \$1,321,292 shall be used by the Department of Education to establish programs targeted at recruiting under-represented populations into the teaching profession. In each year, the appropriation item shall be used by the department to include, but not be limited to, alternative teacher licensure or certification programs emphasizing the recruitment of highly qualified minority candidates into teaching, including emphasizing the recruitment of highly qualified minority candidates into teaching positions in schools which have a high percentage of minority students. The recruitment

programs shall also target recruiting qualified candidates available as a result of downsizing of the military and business sectors. Funding shall also be targeted to statewide, regional, and local programs that are competitively selected as promising programs demonstrating the potential of significantly increasing Ohio's minority teaching force.

Of the foregoing appropriation item 200-410, Professional Development, \$500,000 in each fiscal year shall be used to establish or enhance alternative disciplinary schools by providing grants of \$100,000 annually to each of the following programs: Wood County Alternative School Program, Interval Opportunity School in Summit County, Portage County Opportunity School in Ravenna, Auglaize County Alternative School Program, and Licking County Alternative School Program. Such pilot programs shall encourage collaborative relationships with juvenile courts and other agencies to develop effective teaching and learning programs.

Of the foregoing appropriation item 200-410, Professional Development, \$200,000 in each fiscal year shall be provided to the Stark County Schools Teacher Technical Training Center.

Of the foregoing appropriation item 200-410, Professional Development, \$9,659,713 shall be distributed on a per teacher basis to all school districts, joint vocational school districts, and chartered nonpublic schools for locally developed teacher training and professional development and for the establishment of local professional development committees. School districts and joint vocational school districts shall not be precluded from using these funds for cooperative activities on a county or regional basis.

Of the foregoing appropriation item 200-410, Professional Development, \$2,875,000 shall be used by the Department of Education to develop a peer review program for teachers, to provide training, and to implement the peer review program in school districts on a pilot basis in fiscal year 1998. Funds for fiscal year 1999 shall be awarded on a competitive basis to school districts wishing to implement peer review programs. In each fiscal year, \$640,000 shall be distributed to the Regional Professional Development Centers to provide training for mentor teachers and for leadership teams from districts implementing peer review programs.

Of the foregoing appropriation item 200-410, Professional Development, \$125,000 in each fiscal year shall be used by the Rural Appalachian Initiative to develop a peer review and coaching model whereby teachers coach one another. In addition, the funds shall be used to train and provide stipends for teacher coaches and mentors, and to develop

training modules for professional improvement through establishing and attaining goals.

Of the foregoing appropriation item 200-410, Professional Development, \$1,650,000 shall be used by the Department of Education to pay the application fee for teachers from public and chartered nonpublic schools applying to the National Board for Professional Teaching Standards for professional teaching certificates or licenses that the board offers, and to provide grants in each fiscal year to recognize and reward teachers who become certified by the board pursuant to section 3319.55 of the Revised Code.

In each fiscal year, the appropriation item shall be used to pay for the first 400 applications received by the department. Each prospective applicant for certification or licensure shall submit an application to the Department of Education. When the department has collected a group of applications, but no later than 30 days after receipt of the first application in a group, it shall send the applications to the National Board for Professional Teaching Standards along with a check to cover the cost of the application fee for all applicants in that group.

Of the foregoing appropriation item 200-410, Professional development, up to \$300,000 shall be used each fiscal year by the Department of Education to support the connection of teacher applicants to university programs that enhance applicant learning and professional development during the National Board Certification process.

Of the foregoing appropriation item 200-410, Professional Development, \$2,456,110 shall be used by the Department of Education to expand the pilot residency programs established pursuant to provisions of Am. Sub. H.B. 152 of the 120th General Assembly.

The Department of Education shall select eligible beginning teachers to participate in a year-long entry year program which provides for guidance and coaching by experienced school district and university faculty and regular teacher performance assessment. The program is designed to assess each beginning teacher with the Education Testing Service's Praxis III examination. These funds shall be used to support the supervisory, teaching, and assessment services associated with the pilot residency program in urban, suburban, and rural sites.

Sec. 50.04. Family and Children First

(A) Of the foregoing appropriation item 200-411, Family and Children First, the Department of Education shall transfer up to \$3,587,500 in fiscal year 1998 and \$3,677,188 in fiscal year 1999 by intrastate transfer voucher to the Department of Mental Retardation and Developmental Disabilities.

These funds shall be spent on direct grants to county family and children first councils and local intersystem services for children clusters created under section 121.37 of the Revised Code. The funds shall be used as partial support payment and reimbursement for the maintenance and treatment costs of multi-need children that come to the attention of the Family and Children First Cabinet Council pursuant to section 121.37 of the Revised Code. The Department of Mental Retardation and Developmental Disabilities shall administer the distribution of the direct grants to the county councils and local clusters. The Department of Mental Retardation and Developmental Disabilities may use up to five per cent of this amount for administrative expenses associated with the distribution of funds to the county councils and local clusters.

(B) Of the funds appropriated in this item, up to \$1,643,000 in fiscal year 1998 and \$1,775,000 in fiscal year 1999 shall be used as administrative grants to county family and children first councils to provide a portion of the salary and fringe benefits necessary to fund county council coordinators, administrative support, training, or parental involvement. The total initial grant under this provision to any county family and children first council shall not exceed \$18,500 in fiscal year 1998 and \$20,000 in fiscal year 1999. In the event that not all counties in the state have established a county council, at the beginning of the fourth quarter of a fiscal year, any remaining funds to be used as administrative grants may be distributed among those counties that have established a county council. Of the funds appropriated in this item, up to \$15,000 shall be used by the Family and Children First Cabinet Council for administrative costs including stipends to family representatives participating in approved activities of the initiative, educational and informational forums, and technical assistance to local family and children first councils.

(C) Of the foregoing appropriation item 200-411, Family and Children First, up to \$3,120,000 in fiscal year 1998 and \$5,040,000 in fiscal year 1999 shall be used to fund school-based or school-linked school readiness resource centers in school districts where there is a concentration of risk factors to school readiness and success, including indicators of poverty, health, and family stability. The purpose of these centers is to assist in providing services to families of school-age children who want and need support.

School readiness resource centers shall be located in each of the state's 21 urban school districts as defined in division ~~(H)~~(O) of section 3317.02 of the Revised Code, as that section existed prior to July 1, 1998. The Ohio Family and Children First Cabinet Council, in consultation with the

Department of Education and school districts, shall identify individual schools based on quantitative and qualitative factors that reflect both the need for school readiness resource centers and the local capacity for redesigning, as necessary, a delivery system of family support services. The council and the Department of Education shall organize and provide technical assistance to the school districts and communities in planning, developing, and implementing the centers. The council shall also negotiate a performance agreement that details required program characteristics, service options, and expected results.

Each urban school district and community may receive up to \$240,000 for three school readiness resource centers that may be located in or linked to elementary, middle, and high school sites that are connected by student assignment patterns within the school districts. Each school district shall work with a representative of the local family and children first council and a representative cross-section of families and community leaders in the district to design a unified and comprehensive service delivery plan that supports the development and implementation of the school readiness resource centers and the results and conditions agreed to in the performance agreement negotiated with the state council.

Up to \$50,000 in each fiscal year may be used by the Ohio Family and Children First Cabinet Council for an evaluation of the effectiveness of the school readiness resource centers. Up to \$100,000 in each fiscal year may be used by the cabinet council to approve technical assistance and oversee the implementation of the centers. The administration and management of the school readiness resource centers may be contracted out through a competitive bidding process established by the cabinet council in consultation with the Department of Education.

Driver Education Administration

The foregoing appropriation item 200-412, Driver Education Administration, shall be used by the Department of Education for the administration of driver education programs.

Consumer Education

The foregoing appropriation item 200-415, Consumer and Economic Education, shall be used by the Department of Education to promote the teaching of consumer and economic education as an integral part of the entire elementary and secondary school curriculum, which shall include the development, dissemination, and implementation of comprehensive education curriculum materials designed to improve understanding of economic principles, family and public needs, and the methods by which our economic systems function.

Vocational Education Match

The foregoing appropriation item 200-416, Vocational Education Match, shall be used by the Department of Education to provide vocational administration matching funds pursuant to 20 U.S.C. 2311.

Professional Development

~~The foregoing appropriation item 200-417, Professional Development, shall be used by the Department of Education to develop a statewide comprehensive system of twelve professional development centers that support local educators' ability to foster academic achievement in the students they serve. The centers shall include training teachers on site-based management concepts to encourage teachers to become involved in the management of their schools. Each fiscal year, up to \$450,000 of the appropriation item shall be used to continue Ohio leadership academies to develop and train superintendents, principals, other administrators, and board members in new leadership and management practices to support high performance schools. This training shall be coordinated with other locally administered leadership programs.~~

~~Of the foregoing appropriation item 200-417, Professional Development, up to \$6,000,000 in fiscal year 1998 shall be used for the creation or expansion of urban professional development academies in Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo. Challenge grants in the amount of \$1,000,000 per academy shall be provided to support academies that have established an improvement plan that includes an overall professional development plan that align with and advances the district improvement plan, and that defines the contribution the academy is expected to make toward the achievement of the professional development plan.~~

~~(A) These challenge grants are to support start-up academies that include all of the following:~~

~~(1) A contractual relationship for the operation of the academy between the school district, one or more public or private universities, and the teachers' union;~~

~~(2) A self-supporting foundation for the operation of the academy;~~

~~(3) A governing committee comprised of the superintendent of the public school; the president of the teachers' union; the dean of the college of education of each participating university; and at least two representatives of the business community to be determined by the governing committee;~~

~~(4) Mandatory teacher participation in job-embedded, team-building activities that may include principals and other administrative staff;~~

~~(5) Annual evaluation of the academy to be filed with the Ohio~~

~~Department of Education, which shall determine the parameters of the annual evaluations, that include the school district's progress toward the achievement of its improvement plan.~~

~~(B) Challenge grants of up to \$1,000,000 per academy will be provided to support existing academies that agree to implement one or more of the following:~~

~~(1) Adoption of a policy of mandatory teacher participation in academy activities;~~

~~(2) Creation of a leadership component in the academy;~~

~~(3) The participation of personnel from other urban districts in the academy.~~

~~Existing academies shall conduct annual evaluations of the academy to be filed with the Ohio Department of Education, which shall determine the parameters of the annual evaluations.~~

~~School districts receiving a \$1,000,000 challenge grant for the creation of an urban professional development academy may select, but are not required to select, the New American Schools Program as the focus of their academy. The challenge grant for the Cincinnati City School District may be used for the expansion of either the Mayerson Academy or the New American Schools project, or both, at the discretion of the district.~~

~~Of the foregoing appropriation item 200-417, Professional Development, \$50,000 each year shall be distributed to the Ohio Geographical Alliance at such time as matching funds are provided by the National Geographical Society. These moneys shall be used by the Ohio Geographical Alliance to provide inservice geography training to Ohio public school teachers.~~

~~Of the foregoing appropriation 200-417 Professional Development, \$75,000 in each fiscal year shall be distributed by the Department of Education to the Ohio University Leadership Project.~~

~~Of the foregoing appropriation item 200-417, Professional Development, up to \$500,000 each year shall be used by the Department of Education to work with school districts in coordinating and improving the training and performance of classroom teachers.~~

~~Of the foregoing appropriation item 200-417, Professional Development, \$25,000 in each fiscal year shall be used by the Lake County Educational Service Center and \$25,000 in each fiscal year shall be used by the Geauga County Educational Service Center. Both projects shall be used for professional teacher development of innovative teaching practices in science and math.~~

~~Of the foregoing appropriation item 200-417, Professional~~

~~Development, \$500,000 in each fiscal year shall be used by the Rural Appalachian Initiative to create professional development academies for teachers, principals, and superintendents in the Appalachian region.~~

~~Of the foregoing appropriation item 200-417, Professional Development, up to \$900,000 in fiscal year 1998 and up to \$1,800,000 in fiscal year 1999 shall be used by the Department of Education in cooperation with the Regional Professional Development Centers to train mentor teachers and provide stipends of \$1,500 per year to each mentor teacher to assist in the professional development of beginning teachers.~~

~~Of the foregoing appropriation item 200-417, Professional Development, up to \$500,000 in fiscal year 1998 and up to \$1,000,000 in fiscal year 1999 shall be used by the Department of Education in cooperation with the Regional Professional Development Centers to train teacher assessors and provide stipends of \$2,500 per year to each teacher assessor to assist in the evaluation of the classroom performance of beginning teachers.~~

School Management Assistance

~~The foregoing appropriation item 200-422, School Management Assistance, shall be used by the Department of Education to provide fiscal technical assistance and inservice education for school district management personnel, to coordinate school district borrowing under the provisions of section 3313.483 of the Revised Code, and to implement year end borrowing authority by districts pursuant to section 133.303 of the Revised Code and to administer, monitor, and implement the fiscal watch and fiscal emergency provisions under Chapter 3316. Of the Revised Code.~~

Teacher Recruitment

~~The foregoing appropriation item 200-423, Teacher Recruitment, shall be used by the Department of Education to establish programs targeted at recruiting under-represented populations into the teaching profession. In each year, the appropriation item shall be used by the department to include, but not be limited to, alternative teacher licensure or certification programs emphasizing the recruitment of highly qualified minority candidates into teaching, including emphasizing the recruitment of highly qualified minority candidates into teaching positions in schools which have a high percentage of minority students. The recruitment programs shall also target recruiting qualified candidates available as a result of downsizing of the military and business sectors. Funding shall also be targeted to statewide, regional, and local programs that are competitively selected as promising programs demonstrating the potential of significantly increasing Ohio's minority teaching force.~~

Simulation System

The foregoing appropriation item 200-424, Simulation System, shall be used by the Department of Education to develop software and other computer assistance to maintain and enhance a system of administrative, statistical, and legislative education information to be used for policy analysis. The data base shall be kept current at all times. Such a system will be used to supply information and analysis of data to the General Assembly and other state policy makers, including the Office of Budget and Management and the Legislative Budget Office of the Legislative Service Commission.

The Department of Education may use funding from this line item to purchase or contract for the development of software systems or contract for policy studies that will assist in the provision and analysis of policy-related information.

Ohio Education Computer Network

The foregoing appropriation item 200-426, Ohio Education Computer Network, shall be used by the Department of Education to maintain a system of information technology throughout Ohio and to provide technical assistance for such a system in support of the State Education Technology Plan pursuant to section 3301.07 of the Revised Code.

This system shall support the development, maintenance, and operation of a network of uniform and compatible computer-based information and instructional systems. The technical assistance shall include, but not be restricted to, the development and maintenance of adequate computer software systems to support network activities. Program funds may be used, through a formula and guidelines devised by the department, to subsidize the activities of not more than twenty-four designated data acquisition sites, as defined by State Board of Education rules, to provide to school districts and chartered nonpublic schools computer-based student and teacher instructional and administrative information services, including approved computerized financial accounting, and to provide adequate services to member districts to assure the effective operation of local automated administrative systems used for the management information system.

In order to broaden the scope of the use of technology for education, the department may use up to \$250,000 each fiscal year of these funds to coordinate the activities of the computer network with other agencies funded by the department or the state of Ohio. In order to improve the efficiency of network activities, the department and data acquisition sites may jointly purchase equipment, materials, and services from funds provided under this appropriation for use by the network and, when considered practical by the

department, may utilize the services of appropriate state purchasing agencies.

Of the foregoing appropriation item 200-426, Ohio Educational Computer Network, up to \$5,637,000 in fiscal year 1998 and \$5,637,000 in fiscal year 1999 shall be used by the Department of Education to support connections of all public school buildings to the Ohio Educational Computer Network. In each fiscal year the Department of Education shall use these funds to help reimburse data acquisition sites or school districts for the operational costs associated with using the Ohio Educational Computer Network. The Department of Education shall develop a formula and guidelines for the distribution of these funds to the data acquisition sites or individual school districts.

For each year of the biennium the Department of Education shall use up to \$250,000 to continue to manage and develop the statewide union catalog and InfoOhio Network of library resources that will be accessible to all school districts through the Ohio Educational Computer Network, and up to \$180,000 each year to develop and implement software to interface with the InfoOhio union catalog and other electronic library systems to provide access for public school library media centers to the union catalog.

In each fiscal year the Department of Education shall use up to \$180,000 to defray the costs associated with leasing additional telecommunications capacity needed to connect non-public schools to the Ohio Educational Computer Network.

~~In each fiscal year the~~ The Department of Education shall use up to \$1,809,665 in fiscal year 1998 and up to \$1,854,906 in fiscal year 1999 to assist designated data acquisition sites for operational costs associated with the increased use of the system by chartered non-public schools. The Department of Education shall develop a formula and guidelines for distribution of these funds to designated data acquisition sites.

Of the foregoing appropriation item 200-426, Ohio Educational Computer Network, up to \$130,000 in fiscal year 1998 and up to \$120,000 in fiscal year 1999 shall be used by the Department of Education to contract through a competitive selection process with an independent for-profit or nonprofit entity to provide current and historical information on Ohio government to school libraries for the purposes of enhancing social studies course instruction and supporting student research projects.

Local Professional Development Block Grants

~~Of the foregoing appropriation line item 200-429, Local Professional Development Block Grants, \$500,000 in each fiscal year shall be used to establish or enhance alternative disciplinary schools by providing grants of~~

~~\$100,000 annually to each of the following programs: Wood County Alternative School Program, Interval Opportunity School in Summit County, Portage County Opportunity School in Ravenna, Auglaize County Alternative School Program, Licking County Alternative School Program. Such pilot programs shall encourage collaborative relationships with juvenile courts and other agencies to develop effective teaching and learning programs.~~

~~Of the foregoing appropriation item 200-429, Local Professional Development Block Grants, \$200,000 in each fiscal year shall be provided to the Stark County Schools Teacher Technical Training Center.~~

~~The remainder of the appropriation shall be distributed on a per teacher basis to all school districts and joint vocational school districts for locally developed teacher training and professional development and for the establishment of local professional development committees. School districts and joint vocational school districts shall not be precluded from using these funds for cooperative activities on a county or regional basis.~~

School Improvement Models

The foregoing appropriation item 200-431, School Improvement Models, shall be used by the Department of Education to continue to support the creation of a statewide network of school improvement sites by providing competitive venture capital grants to schools that demonstrate the capacity to invent or adapt school improvement models. The department shall showcase projects of exceptional merit and shall promote the networking of venture schools with both venture and nonventure schools so that administrators and teachers outside the district can benefit from the knowledge gained at these sites.

Up to \$250,000 in each fiscal year shall be used by the Department of Education for personal services and maintenance costs necessary to administer the grants.

Of the foregoing appropriation item, 200-431, School Improvement Models, \$500,000 in fiscal year 1998 and \$500,000 in fiscal year 1999 shall be used to conduct performance audits of each of the 21 urban school districts, as defined by section 3317.02 of the Revised Code, as that section existed prior to July 1, 1998. The Auditor of State will conduct the performance audits to review any programs or areas of operation where the Auditor believes greater operational efficiencies or enhanced program results can be achieved. Of the appropriation for fiscal year 1998, funds may be carried over to fiscal year 1999 as needed to coincide with audit billings.

The State Superintendent of Public Instruction shall, at least annually, assess individual school district responses to such performance audits. These

assessments shall be compiled into a report to the Speaker of the Ohio House of Representatives, the President of the Ohio Senate, and the chairs and ranking minority members of the House and Senate committees on Education and Finance.

Of the foregoing appropriation item 200-431, School Improvement Models, \$200,000 in each fiscal year shall be distributed to the Toledo International Language Center.

Of the foregoing appropriation item 200-431, School Improvement Models, \$250,000 in each fiscal year shall be used by the Rural Appalachian Initiative to provide one-time grants to establish benchmark data on current performance, to develop plans for achieving the benchmarks, and to improve the Appalachian school districts' performances against the benchmarks.

Of the foregoing appropriation item 200-431, School Improvement Models, \$1,400,000 shall be used in each fiscal year for the development and distribution of school report cards pursuant to section 3302.03 Of the Revised Code and the development of core competencies for the proficiency tests.

School Conflict Management

Of the foregoing appropriation item 200-432, School Conflict Management, the amounts shall be used by the Department of Education for the purpose of providing dispute resolution and conflict management training, consultation and materials for school districts, and for the purpose of providing competitive school conflict management grants to school districts.

The Department of Education shall assist the Commission on Dispute Resolution in the development and dissemination of the school conflict management program.

Student Proficiency

The foregoing appropriation item 200-437, Student Proficiency, shall be used to develop, field test, print, distribute, score, and report results from the tests required under sections 3301.0710 and 3301.0711 of the Revised Code and for similar purposes as required by section 3301.27 of the Revised Code.

American Sign Language

Of the foregoing appropriation item 200-441, American Sign Language, up to \$150,000 in each fiscal year of the biennium shall be used to implement pilot projects in Manual English and to develop ways of including American Sign Language in the ninth- through twelfth-grade curriculum.

The remainder of the appropriation shall be used by the Department of Education to provide supervision and consultation to school districts in dealing with parents of handicapped children who are deaf or hard of hearing, in integrating American Sign Language as a foreign language, and in obtaining interpreters and improving their skills.

Child Care Licensing

The foregoing appropriation item 200-442, Child Care Licensing, shall be used by the Department of Education to license and to inspect preschool and school-age child care programs in accordance with sections 3301.52 to 3301.59 of the Revised Code.

Education Management Information System

The foregoing appropriation item 200-446, Education Management Information System, shall be used to provide school districts with the means to implement local automated information systems, and to implement, develop, and improve the Education Management Information System (EMIS).

Up to \$822,706 in fiscal year 1998 and \$843,274 in fiscal year 1999 shall be used by the Department of Education for hardware, personnel, equipment, staff development, software, and forms modification, as well as to support EMIS special report activities in the department that are designed to use the data collected by the system.

Up to \$2,714,234 in fiscal year 1998 and \$2,782,090 in fiscal year 1999 shall be distributed to designated data acquisition sites for costs relating to the processing, storing, and transfer of data for the effective operation of the EMIS. These costs may include, but are not limited to, personnel, hardware, software development, communications connectivity, professional development and support services, and to provide services to participate in the State Education Technology Plan pursuant to section 3301.07 of the Revised Code.

Up to \$6,023,718 in fiscal year 1998 and \$6,174,310 in fiscal year 1999 shall be distributed to school districts and joint vocational school districts on a per-pupil basis. From this money, each school district with enrollment greater than 100 students and each vocational school district shall receive a minimum of \$5,000 for each year of the biennium. Each school district with enrollment between one and one hundred and each county office of education shall receive \$3,000 for each year of the biennium. This money shall be used for costs associated with the development and operation of local automated record based information systems that provide data as required by the management information system, and facilitate local district, school, and classroom management activities.

Of the foregoing appropriation item 200-446, Education Management Information System, up to \$2,500,000 in fiscal year 1998 and up to \$500,000 in fiscal year 1999 shall be used by the Department of Education to procure or develop a common EMIS software. School districts and data acquisition sites shall use the common EMIS software unless the department determines that in a particular case local legacy software is completely compatible, performs tasks required for EMIS, and does not contain year 2000 problems.

GED Testing/Adult High School

The foregoing appropriation item 200-447, GED Testing/Adult High School, shall be used to provide General Educational Development (GED) testing at no cost to first time applicants, pursuant to rules adopted by the State Board of Education. Of the foregoing appropriation item 200-477, GED/Adult High School, up to \$250,000 in each fiscal year shall be used by the department to reimburse local school districts for a portion of the costs incurred in providing summer instructional or intervention services to students who have not graduated due to their inability to pass one or more parts of the state's ninth grade proficiency test. School districts may provide these services to students directly or contract with post-secondary or nonprofit community-based institutions in providing instruction. The remainder of the appropriation shall be used for state reimbursement to school districts for adult high school continuing education programs pursuant to section 3313.531 of the Revised Code or for costs associated with awarding adult high school diplomas under section 3313.611 of the Revised Code.

Sec. 50.07. Potential Value Recomputation

~~The recalculation described in division (B) of this section shall be made prior to any expenditure by the superintendent for the purpose of making payments for the vocational education pupil recomputation pursuant to the section headed "Vocational Education Pupil Recomputation" in Am. Sub. H.B. 117 of the 121st General Assembly and for the special education pupil recomputation pursuant to division (I) of section 3317.023 of the Revised Code.~~

(A) Notwithstanding division ~~(B)~~(A)(2) of section 3317.022 of the Revised Code ~~as amended by this act~~, in each fiscal year ~~of the biennium 1999~~ the Department of Education shall first calculate all state basic aid payments to school districts required under Chapter 3317. of the Revised Code and other sections of ~~this act~~ Am. Sub. H.B. 215 and Am. Sub. H.B. 650 of the 122nd General Assembly under which payments are made from appropriation items 200-501, School Foundation Basic Allowance, and

200-670, School Foundation Basic Allowance, as if such division had not been enacted. Such calculated amounts shall be paid to school districts in accordance with section 3317.01 of the Revised Code and Am. Sub. H.B. 650 of the 122nd General Assembly.

(B) After the calculation required by division (A) of this ~~heading section~~, the department shall recalculate all state basic aid payments to school districts required under Chapter 3317. of the Revised Code and other sections of ~~this act~~ Am. Sub. H.B. 215 and Am. Sub. H.B. 650 of the 122nd General Assembly, utilizing in such recalculation the provisions of division ~~(B)(A)(2)~~ of section 3317.022 of the Revised Code. From the additional available money, the department shall pay each district an amount equal to the difference between its calculated amount of basic aid under division (A) of this ~~heading section~~ and its recalculated amount under this division. If there is not enough additional money to pay such amounts to all school districts, the department shall pay each district a percentage of such amount equal to the percentage the total amount of additional available money represents of the total amount of money that would be necessary to make the payments prescribed under this division to all districts.

Sec. 50.08. Pupil Transportation

Of the foregoing appropriation item 200-502, Pupil Transportation, up to \$680,000 may be used by the Department of Education each year for training prospective and experienced school bus drivers in accordance with training programs prescribed by the department; up to \$63,500 of the item shall be used each fiscal year for school bus rider safety programs pursuant to sections 3327.16 and 5126.061 of the Revised Code; and up to \$25,725,000 in fiscal year 1998 and \$27,010,000 in fiscal year 1999 shall be used for handicapped transportation; and the remainder shall be used for the state reimbursement of public school districts' costs in transporting pupils to and from the school to which they attend in accordance with the district's policy, State Board of Education standards, and the Revised Code.

Bus Purchase Allowance

The foregoing appropriation item 200-503, Bus Purchase Allowance, shall be distributed to school districts and educational service centers pursuant to rules adopted under section 3317.07 of the Revised Code. Up to 25 per cent of the amount appropriated may be used to reimburse school districts and educational service centers for the purchase of buses to transport handicapped and nonpublic school students.

Special Education

~~The foregoing appropriation item 200-504, Special Education, shall be used for special education; up to \$22,000,000 in each fiscal year shall be~~

~~used for home instruction and special instructional services for handicapped children; up to \$2,000,000 may be used in each fiscal year for occupational and physical therapy contract services, including services provided by physical therapy assistants and certified occupational therapy assistants; up to \$1,000,000 in fiscal year 1998 and up to \$1,150,000 in fiscal year 1999 shall be used for parent mentoring programs; and the remaining portion of this appropriation item shall be used for special education units not to exceed 13,934 in each fiscal year. In approving new units, to the extent possible, priority shall be given to school districts with low adjusted valuations per pupil as that term is defined in section 3317.0213 of the Revised Code. The number of special education units that are allocated to institutions shall not exceed 320 units in each year of the biennium. Of the foregoing appropriation item, \$100,000 shall be expended each year of the biennium for teacher training. The Controlling Board may approve the use of unallocated funds in line item 200-504 to fully fund home instruction, special instructional services for handicapped children, and occupational and physical therapy services as defined by Rule 3301-51-06 of the Ohio Administrative Code.~~

~~Notwithstanding the prohibition in section 3317.05 of the Revised Code that the State Board of Education annually approve for school districts, educational service centers, institutions, and countyMR/DD boards no more than the number of special education units for which it determines appropriations have been made and notwithstanding the amounts required to be annually paid to school districts, educational service centers, institutions, and county MR/DD boards for approved special education units under divisions (N) and (O)(1) of section 3317.024 and division (B) of section 3317.16 of the Revised Code, if the foregoing appropriation item is not sufficient to fund 13,934 special education units in each fiscal year in accordance with divisions (N) and (O)(1) of section 3317.024 and division (B) of section 3317.16 of the Revised Code, the State Board of Education may approve up to 13,934 special education units in each fiscal year, in lieu of the amounts required to be paid for approved units under divisions (N) and (O)(1) of section 3317.024 and division (B) of section 3317.16 of the Revised Code, shall proportionately reduce those amounts so that the total amount the State Board pays to school districts, educational service centers, institutions, and countyMR/DD boards for all approved units does not exceed the amount of funds available in the foregoing appropriation item for such units. During the course of each fiscal year, the State Board may alter its determination of any reduction under this section for that fiscal year.~~

~~Notwithstanding section 3317.03 of the Revised Code, special education~~

~~units may be funded on a pro rata basis for those students in average daily membership in approved special education classes for the first full school week during the month of February.~~

School Lunch

The foregoing appropriation item 200-505, School Lunch Match, shall be used to provide matching funds to obtain federal funds for the school lunch program.

Sec. 50.09. Vocational Education

~~The foregoing appropriation item 200-507, Vocational Education, shall be used for vocational education units not to exceed 7,141 in each fiscal year. Up to \$6,695,000 in fiscal year 1998 and \$7,500,000 in fiscal year 1999 may be used for nonvocational units necessary for graduation pursuant to section 3317.16 of the Revised Code, up to \$6,210,000 in fiscal year 1998 and \$6,500,000 in fiscal year 1999 shall be used for joint vocational school equalization pursuant to section 3317.16 of the Revised Code, up to \$300,000 shall be distributed to the Toledo Technology Academy each fiscal year, up to \$9,000,000 in fiscal year 1998 and up to \$10,000,000 in fiscal year 1999 shall be used to fund the Jobs for Ohio Graduates (JOG) program, up to \$2,100,000 in fiscal year 1998 and \$2,205,000 in fiscal year 1999 may be used to support tech prep consortia, and up to \$7,031,208 in fiscal year 1998 and \$7,193,118 in fiscal year 1999 shall be used to fund the Graduation, Reality, and Dual Role Skills (GRADS) program.~~

~~Funds for nonvocational units necessary for graduation shall be distributed according to rules adopted by the State Board of Education. If federal funds for vocational education cannot be used for local school district leadership in either year under division (M) of section 3317.024 of the Revised Code or division (B) of section 3317.16 of the Revised Code, without being matched by state funds, then an amount as determined by the Superintendent of Public Instruction shall be made available from state funds appropriated for vocational education. If any state funds are used for this purpose, federal funds in an equal amount shall be distributed for vocational education units funded pursuant to division (M) of section 3317.024 or division (B) of section 3317.16 of the Revised Code in accordance with authorization of the state plan for vocational education for Ohio as approved by the Secretary of the United States Department of Education.~~

~~Notwithstanding the prohibition in section 3317.05 of the Revised Code that the State Board of Education annually approve for school districts, educational service centers, and institutions no more than the number of vocational education units for which it determines appropriations have been~~

~~made and notwithstanding the amounts required to be annually paid to school districts, educational service centers, and institutions for approved vocational education units under division (M) of section 3317.024 and division (B) of section 3317.16 of the Revised Code, if the foregoing appropriation item is not sufficient to fund 7,141 vocational education units in fiscal year 1998 and 7,141 vocational units in fiscal year 1999 in accordance with division (M) of section 3317.024 and division (B) of section 3317.16 of the Revised Code, the State Board of Education may approve up to 7,141 vocational education units in fiscal year 1998 and 7,141 vocational education units in fiscal year 1999 and, in lieu of the amounts required to be paid for approved units under division (M) of section 3317.024 and division (B) of section 3317.16 of the Revised Code, shall proportionately reduce those amounts so that the total amount the State Board pays to school districts, educational service centers, and institutions for all approved units does not exceed the amount of funds available in the foregoing appropriation item for such units. During the course of each fiscal year, the State Board may alter its determination of any reduction under this section for that fiscal year.~~

~~Of the foregoing appropriation item 200-507, Vocational Education, up to \$500,000 in each fiscal year shall be used by the Department of Education to establish an employer student apprenticeship training program for high school students in grades 11 and 12. Rules, procedures, and regulations for the employer student apprenticeship program will be developed by the School-to-Work office in the Ohio Bureau of Employment Services.~~

~~The Legislative Office of Education Oversight shall study the various programs designed to serve at risk high school students. Differences and possible overlaps of purposes, goals, objectives and strategies among such programs as Jobs for Ohio Graduates (JOGS), Graduation, Reality, and Dual Role Skills (GRADS), Occupational Work Experience (OWE), Occupational Work Adjustment (OWA) will be identified.~~

~~Of the foregoing appropriation item 200-507, Vocational Education, \$100,000 in fiscal year 1998 shall be used for the Cuyahoga County Vocational Apprenticeship Program, which provides funding for training in the building trades of eligible residents of the City of Cleveland. The program utilizes new housing development and rehabilitation programs of four nonprofit neighborhood development corporations as the focus of the skills training apprenticeship program. The four neighborhood development corporations participating in the program are the Glenville Development Corporation, Northeastern Neighborhood Development Corporation, Bell,~~

~~Burton, and Carr Development Corporation, and the Buckeye Area Development Corporation.~~

Adult Literacy Education

The foregoing appropriation item 200-509, Adult Literacy Education, shall be used to support Adult Basic and Literacy Education instructional programs, the State Literacy Resource Center program, and the State Advisory Council on Adult Education and Literacy.

Of the foregoing appropriation item 200-509, ADULT LITERACY EDUCATION, up to \$410,000 in fiscal year 1998 and \$512,500 in fiscal year 1999 shall be used to satisfy state match requirements for the support and operation of the State Literacy Resource Center and the State Advisory Council on Adult Education and Literacy.

Of the foregoing appropriation item 200-509, Adult Literacy Education, up to \$50,000 in each fiscal year shall be used to provide funds to literacy councils that have not previously received funding. Each of these councils, in order to receive funds, shall have its plan of service approved by the local Family and Children First council.

The remainder shall be used to continue to satisfy the state match requirement for the support and operation of the Ohio Department of Education administered instructional grant program for Adult Basic and Literacy Education in accordance with the department's state plan for Adult Basic and Literacy Education as approved by the State Board of Education and the Secretary of the United States Department of Education.

Auxiliary Services

The foregoing appropriation item 200-511, Auxiliary Services, shall be used by the State Board of Education for the purpose of implementing section 3317.06 of the Revised Code. Of the appropriation, up to \$1,000,000 in each fiscal year of the biennium may be used for payment of the Post-Secondary Enrollment Options Program for nonpublic students pursuant to section 3365.10 of the Revised Code.

Driver Education

The foregoing appropriation item 200-512, Driver Education, shall be used by the State Board of Education for subsidizing driver education courses for which the State Board of Education prescribes minimum standards pursuant to section 3301.07 of the Revised Code and courses for students released by high school principals to attend commercial driver training schools licensed under Chapter 4508. of the Revised Code.

Post-Secondary/Adult Vocational Education

The foregoing appropriation item 200-514, Post-Secondary/Adult Vocational Education, shall be used by the State Board of Education to

provide post-secondary/adult vocational education pursuant to sections 3313.52 and 3313.53 of the Revised Code.

Of the foregoing appropriation item 200-514, POST-SECONDARY/ADULT VOCATIONAL EDUCATION, up to \$500,000 in each fiscal year shall be allocated for the Ohio Career Information System (OCIS) and used for the dissemination of career information data to public schools, libraries, rehabilitation centers, two- and four-year colleges and universities, and other governmental units.

Of the foregoing appropriation item 200-514, Post-Secondary/Adult Vocational Education, up to \$30,000 in each fiscal year shall be used for the statewide coordination of the activities of the Ohio Young Farmers.

Disadvantaged Pupil Impact Aid

The foregoing appropriation item 200-520, Disadvantaged Pupil Impact Aid, shall be distributed to school districts ~~in each fiscal year pursuant to the formula established by division (B) of~~ according to the provisions of section 3317.023 3317.029 of the Revised Code. However, no money shall be distributed for all-day kindergarten to any school district whose three-year average formula ADM exceeds 17,500 but whose DPIA index is not at least equal to 1.00, unless the Department of Education certifies that sufficient funds exist in this appropriation to make all other payments required by section 3317.029 Of the Revised Code.

Annually, \$1,450,000 shall be used by the Department of Education to provide state matching funds to implement the federal building based Effective School Program.

Of the foregoing appropriation item 200-520, Disadvantaged Pupil Impact Aid, up to \$3,000,000 in each year of the biennium shall be used for school breakfast programs. Of the \$3,000,000, \$500,000 shall be used each year by the Department of Education to provide start-up grants to rural school districts that start school breakfast programs. The remainder of the \$3,000,000 shall be used to: (1) partially reimburse school buildings within school districts that are required to have a school breakfast program pursuant to section 3313.813 of the Revised Code, at a rate decided upon by the department, for each breakfast served to any pupil enrolled in the district; (2) partially reimburse districts participating in the National School Lunch Program that have at least 20 per cent of students who are eligible for free and reduced meals according to federal standards, at a rate decided upon by the department; and (3) to partially reimburse districts participating in the National School Lunch Program for breakfast served to children eligible for free and reduced meals enrolled in the district, at a rate decided upon by the department.

Of the ~~portion of the~~ funds distributed to the Cleveland City School District under ~~division (B) of section 3317.023 of the Revised Code~~ section 3317.029 Of the Revised Code calculated under division (F)(2) of that section, up to ~~\$7,100,000 in fiscal year 1998 and \$8,700,000 in fiscal year 1999~~ shall be used to operate a the pilot school choice program in the Cleveland City School District pursuant to sections 3313.974 to 3313.979 of the Revised Code.

Of the foregoing appropriation item 200-520, Disadvantaged Pupil Impact Aid, ~~\$3,850,000 in fiscal year 1998 and \$8,750,000 in fiscal year 1999~~ shall be used for competitive discipline intervention grants for the 21 urban school districts as defined in division ~~(H)(O)~~ of section 3317.02 of the Revised Code as it existed prior to July 1, 1998. The grants shall be administered by the Ohio Department of Education and designed to reduce problems with student attendance, truancy, dropouts, and discipline.

Of the foregoing appropriation item 200-520, Disadvantaged Pupil Impact Aid, ~~\$150,000 in fiscal year 1998 and \$250,000 in fiscal year 1999~~ shall be distributed to the Franklin County Educational Council to provide a cross district alternative learning environment for students with alternative learning requirements, in collaboration with member districts and community services.

Of the foregoing appropriation item 200-520, Disadvantaged Pupil Impact Aid, \$900,000 each year shall be used to support dropout recovery programs administered by the Ohio Department of Education, Jobs for Ohio's Graduates program.

Of the foregoing appropriation item 200-520, Disadvantaged Pupil Impact Aid, up to \$1,000,000 in each year of the biennium shall be used to fund grants to improve reading performance, using programs such as Failure Free Reading, Slavin's Success for All, and other programs that have a demonstrated record of improving reading comprehension. The grants shall be made by the Department of Education to 20 schools in which at least 50 per cent of fourth grade students failed to pass at least four parts of the fourth grade proficiency test. The grants shall be made in the amount of \$50,000 for each school.

Of the foregoing appropriation item 200-520, Disadvantaged Pupil Impact Aid, the Department shall distribute \$75,000 in each fiscal year to the Collinwood Community Center to continue outreach work on the Parents' Pledge of Responsibility in the Cleveland City School District. This distribution shall come from the Cleveland City School District's Disadvantaged Pupil Impact Aid.

Of the foregoing appropriation item 200-520, Disadvantaged Pupil

Impact Aid, up to \$500,000 in each fiscal year shall be used by the Department of Education to encourage school districts to set high academic standards and provide a helping hand for students striving to meet them. ~~Any school district that offers a summer school program for students who have been enrolled in the fourth and sixth grades, whether district-wide, in several school buildings or within a cluster of school buildings, may retain those students who fail to attend summer school programs if those students attend schools that offer such programs.~~ A Summer Proficiency Academy shall be any school district's summer school program that is conducted for students who have been enrolled in the fourth and sixth grades, whether district-wide, in several school buildings or within a cluster of school buildings, that addresses the needs of students who did not pass at least three of the five parts of either the fourth-grade or sixth-grade proficiency test, that is of at least six weeks' duration, and that provides an innovative, enriching educational experience. The department shall use the funds indicated in this paragraph to make grants to those school districts that conduct such Summer Proficiency Academies and that have valuation per pupil less than 150 per cent of the statewide average valuation per pupil, to defray 75 per cent of the costs of conducting such academies. The amount of each grant shall not exceed \$150,000 and each school district shall be eligible for up to four grants in each fiscal year. Grants shall be made to school districts based on the percentage of students failing three or more tests, with first priority given to districts with the highest failure rates. As used in this paragraph, "valuation per pupil"; has the same meaning as in division (A)(4) of section 3317.0212 of the Revised Code as it existed prior to July 1, 1998.

Sec. 50.10. Gifted Pupil Program

The foregoing appropriation item 200-521, Gifted Pupil Program, shall be used for gifted education units not to exceed 927 in fiscal year 1998 and 950 in fiscal year 1999. Up to \$70,000 per year shall be used for the operation and support of the Ohio Summer School for the Gifted. Up to \$600,000 per year shall be used for research and demonstration projects.

Notwithstanding the prohibition in section 3317.05 of the Revised Code that the State Board of Education annually approve for school districts and educational service centers no more than the number of gifted education units for which it determines appropriations have been made and notwithstanding the amounts required to be annually paid to school districts and educational service centers for approved gifted education units under division ~~(O)(2)(Q)~~ of section 3317.024 of the Revised Code, if the foregoing appropriation item is not sufficient to fund the maximum allowable number

of funded gifted education units in each fiscal year of the biennium 1999 in accordance with division ~~(O)(2)(Q)~~ of section 3317.024 of the Revised Code, the State Board of Education may approve up to the maximum allowable number of funded gifted education units in each fiscal year of the biennium and, in lieu of the amounts required to be paid for approved units under division ~~(O)(2)(Q)~~ of section 3317.024 of the Revised Code, shall proportionately reduce those amounts so that the total amount the State Board and educational service centers pays to school districts for all approved units does not exceed the amount of funds available in the foregoing appropriation item for such units. During the course of each fiscal year, the State Board may alter its determination of any reduction under this section for that fiscal year.

Of the foregoing appropriation item 200-521, Gifted Pupil Program, the Department of Education shall be authorized to expend up to \$1,000,000 each year for the Summer Honors Institute for gifted freshmen and sophomore high school students.

Of the foregoing appropriation item 200-521, Gifted Pupil Program, up to \$200,000 each year shall be used for the W.E.B. DuBois Talented Tenth Teacher Training Academy. The program will provide a summer honors program to promising minority students identified by their school districts as potential future teachers, pursuant to section 3313.608 of the Revised Code.

Sec. 50.12. Educational Excellence and Competency

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$35,000 in each year of the biennium shall be reserved for the Ohio Science Olympiad and up to \$35,000 in each year of the biennium shall be reserved for the International Science and Engineering Fair. In each year of the biennium, \$250,000 shall be reserved for a Math and Science Initiative to enhance math and science education for elementary students in a county-wide collaborative.

The Department of Education shall distribute \$100,000 in fiscal year 1998 and \$150,000 in fiscal year 1999 to the Christopher Project. The department shall distribute \$120,000 in each fiscal year to the Regional District/University Consortium to Validate At-Risk Programs for Rural School Districts. The Department shall distribute \$75,000 in each fiscal year to the Cincinnati Artworks Project. In fiscal year 1998, \$100,000 shall be used for the Fairborn Community Vision and \$300,000 in fiscal year 1998 and \$100,000 in fiscal year 1999 shall be used for Ledgemont Education Excellency. In addition, the department shall distribute \$275,000 in each fiscal year to the Summit County Technology Project.

In each fiscal year, \$300,000 shall be used for a pilot project for the

integration and implementation of distance learning, virtual reality, and computer technology to prepare students for careers in industry. Of this amount, \$65,000 in each fiscal year shall be distributed to the Math, Science and Industrial Technology Institute at Kent State University-Trumbull Campus for purposes of this pilot project and \$235,000 in each fiscal year shall be distributed to the Trumbull County Educational Service Center for the Industrial Technology Career Academy pilot project. In each fiscal year, \$140,000 shall be used for the Crouse School Readiness Program.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$90,000 in fiscal year 1998 shall be used for the Cleveland Language pilot program; and \$20,000 in fiscal year 1998 shall be used for the Columbus Language pilot program.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$850,000 in fiscal year 1998 and \$850,000 in fiscal year 1999 shall be used to assist local school districts in the implementation of financial literacy programs. ~~Financial literacy programs shall promote economic awareness and provide students with financial basics such as earning, saving, spending wisely, and planning for the future. In fiscal year 1998, each school district shall be eligible for one \$1,000 grant per kindergarten through third grade classroom for implementation of such programs as part of the school curriculum in kindergarten through grade six. The funds shall be used to purchase financial literacy instructional materials, including student books, hands-on material, and supporting teacher guides, which promote economic awareness by addressing fundamental life skills such as earning money, saving money, and spending money wisely. The financial literacy curriculum shall also introduce students to the concepts of economic interdependence, profit, loss, investment, and supply and demand. In fiscal year 1999, each school district shall be eligible for one \$1,000 grant per for each kindergarten through sixth grade classroom for implementation of such programs level in each school building. A school building with five or more classes per grade level may receive up to \$2,000 for that grade level.~~

The remainder of the appropriation shall be used by the Department of Education to fund programs for at-risk students each year as follows:

Earn and Learn	\$1,030,000
Trumbull County "Make Learning Fun"	\$75,000
LEAF	\$65,000
Coventry	\$25,000
Columbus Youth Corp	\$50,000
Montgomery County Summer Math program	\$215,000

Columbus City District's "I Know I Can"	\$645,000
Dayton-Montgomery County Scholarship Program	\$645,000
Cleveland Scholarship	\$500,000
Cleveland Initiative for Education	\$360,000
Cincinnati Project Succeed Academy	\$100,000
Cincinnati Scholarship Foundation	\$645,000
Improved Solutions for Urban Systems (ISUS)	\$100,000
Lorain County Access	\$150,000
Amer-I-Can	\$850,000
London Learns	\$100,000
Project Succeed	\$1,000,000
Greater Toledo School-To-Work Consortium	\$100,000
Muskingum Valley Services Center	\$100,000

For the Cleveland Initiative in Education program, the grant shall support its mentoring and advocacy program.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$83,000 in fiscal year 1998 and \$83,000 in fiscal year 1999 shall be used for the Shaker Heights Educational Mobility program.

Each program or entity that receives funds under the foregoing appropriation item 200-524, Educational Excellence and Competency, shall submit annually to the chairpersons of the education committees of the House of Representatives and the Senate and to the Department of Education a report that includes a description of the services supported by the funds, a description of the results achieved by those services, an analysis of the effectiveness of the program, and an opinion as to the program's applicability to other school districts. No funds shall be provided by the Department of Education to a district for the fiscal year 1999 until its report for the fiscal year 1998 has been submitted.

Vocational Education Equipment Replacement

~~The foregoing appropriation item 200-526, Vocational Education Equipment Replacement, shall be used to provide an amount to each eligible school district for the replacement or updating of equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education. School districts replacing or updating vocational education equipment may purchase or lease such equipment. The Department of Education shall review and approve all equipment requests and may allot appropriated funds to eligible school districts on the basis of the number of units of vocational~~

~~education in all eligible districts making application for funds.~~

~~The State Board of Education may adopt standards of need for equipment allocation. Pursuant to the adoption of any such standards of need by the State Board of Education, appropriated funds may be allotted to eligible districts according to such standards. Equipment funds allotted under either process shall be provided to a school district on a 40, 50, or 60 per cent of cost on the basis of a district vocational priority index rating developed by the Department of Education for all districts each year. The vocational priority index shall give preference to districts with a large percentage of disadvantaged students and shall include other socio-economic factors as determined by the State Board of Education.~~

Nonpublic Administrative Cost Reimbursement

The foregoing appropriation item 200-532, Nonpublic Administrative Cost Reimbursement, shall be used by the State Board of Education for the purpose of implementing section 3317.063 of the Revised Code.

School-Age Child Care

Of the foregoing appropriation item 200-533, School-Age Child Care, up to \$200,000 in each fiscal year shall be used for the "Training Ohio's Parents for Success" program. Up to \$500,000 in each fiscal year shall be used for the "Parents as Teachers" program.

Of the foregoing appropriation item 200-533, School-Age Child Care, up to \$62,500 in each fiscal year shall be used by the Cincinnati YWCA for its Home Instruction Program for Preschool Youngsters (HIPPY).

As used under this heading "school-age child care" means a program of child care conducted outside of regular school hours for school age children.

The remainder of the foregoing appropriation item 200-533, School-Age Child Care, shall be used by the Department of Education to provide grants to city, local, and exempted village school districts and educational service centers for school-age child care programs. In each fiscal year, the department shall make grants. All grants shall be awarded by the department on the basis of project proposals submitted by school district boards of education or educational service center governing boards. The board of education of each district or governing board of each educational service center that receives a grant shall keep a record of how the grant is used, and issue a report at the end of the school year for which the grant was made explaining the goals and objectives determined, the activities implemented, and the progress made toward achieving goals and objectives.

Desegregation Costs

The foregoing appropriation item 200-534, Desegregation Costs, shall be used to pay desegregation costs.

(A) Notwithstanding any section of law to the contrary, if in each fiscal year, due to federal court order, the Department of Education is obligated to pay for desegregation costs in any school district, the costs shall be paid from the foregoing appropriation item 200-534, Desegregation Costs.

Of the foregoing appropriation item 200-534, Desegregation Costs, up to \$900,000 in fiscal year 1998 and up to \$1,000,000 in fiscal year 1999 may be used to cover the legal fees associated with desegregation cases brought against the state.

By May 1 of each year, the Department of Education will determine if the appropriation exceeds the state's obligation for desegregation costs. Any appropriations in excess of the state's obligation shall be transferred to appropriation item 200-406, Head Start, by the Director of Budget and Management.

(B) As part of managing state desegregation costs, any board of education of a school district subject to a federal court desegregation order that requires the district board to bus students for the purpose of racial balance shall, within one year of the effective date of ~~this act~~ Am. Sub. H.B. 215 of the 122nd General Assembly:

(1) Update its plan required under Am. Sub. H.B. 298 of the 119th General Assembly designed to satisfy the court so as to obtain release from the court's desegregation order; and

(2) Submit an updated copy of the plan to the State Board of Education. Upon request of the district board, the State Board shall provide technical assistance to the school district board in developing a plan.

Within ninety days of the date on which the plan is submitted to the State Board of Education, the district board, or the district board and the State Board of Education jointly if both are parties to the desegregation case, shall submit the plan to the court and apply for release from the court's desegregation order.

Of the foregoing appropriation item 200-534, Desegregation Costs, Cleveland City Schools shall receive \$40,000,000 in fiscal year 1998 and \$38,200,000 in fiscal year 1999; Dayton City Schools shall receive at least \$4,500,000 in each of fiscal year 1998 and fiscal year 1999.

Of the foregoing appropriation item 200-534, Desegregation Costs, \$5,000,000 in each fiscal year shall be used by the Department of Education to support the Cincinnati Magnet School Program.

Sec. 50.13. Special Education Enhancements

Of the foregoing appropriation item 200-540, Special Education Enhancements, up to \$42,000,000 shall be used to fund up to 894 special education classroom and related services units at MR/DD boards and

institutions.

Of the foregoing appropriation item 200-540, Special Education Enhancements, up to \$22,000,000 in each fiscal year shall be used for home instruction and special instructional services for handicapped children; up to \$2,000,000 may be used in each fiscal year for occupational and physical therapy contract services, including services provided by physical therapy assistants and certified occupational therapy assistants; up to \$1,000,000 in fiscal year 1998 and up to \$1,150,000 in fiscal year 1999 shall be used for parent mentoring programs; and \$100,000 shall be expended in each year of the biennium for teacher training.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$1,684,212 in fiscal year 1999 shall be used by the Department of Education to assist school districts in funding aides pursuant to paragraph (A)(3)(c)(i)(b) of Rule 3301-51-04 of the Administrative Code.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$67,352,278 shall be distributed by the Department of Education to county boards of mental retardation and developmental disabilities, educational service centers, and school districts for preschool special education units and preschool supervisory units in accordance with section 3317.161 Of the Revised Code. The department may reimburse county boards of mental retardation and developmental disabilities, educational service centers, and school districts for related services as defined in Rule 3301-01-05 of the Ohio Administrative Code, for preschool occupational and physical therapy services provided by a physical therapy assistant and certified occupational therapy assistant, and for an instructional assistant. To the greatest extent possible, the Department of Education shall allocate these units to school districts and educational service centers. The Controlling Board may approve the transfer of unallocated funds from appropriation item 200-501, Base Cost Funding, to appropriation item 200-540, Special Education Enhancements, to fully fund existing units as necessary or to fully fund additional units. The Controlling Board may approve the transfer of unallocated funds from appropriation item 200-540, Special Education Enhancements, to appropriation item 200-501, Base Cost Funding, to fully fund existing units, as necessary, or to fully fund additional units.

Peer Review

~~The foregoing appropriation item 200-541, Peer Review, shall be used by the Department of Education to develop a peer review program for teachers, to provide training, and to implement the peer review program in school districts on a pilot basis in fiscal year 1998. Funds for fiscal year~~

~~1999 shall be awarded on a competitive basis to school districts wishing to implement peer review programs. In each fiscal year, \$640,000 shall be distributed to the Regional Professional Development Centers to provide training for mentor teachers and for leadership teams from districts implementing peer review programs.~~

~~Of the foregoing appropriation item 200-541, Peer Review, \$125,000 in each fiscal year shall be used by the Rural Appalachian Initiative to develop a peer review and coaching model whereby teachers coach one another. In addition, funds shall be used to train and provide stipends for teacher coaches and mentors, and to develop training modules for professional improvement through establishing and attaining goals.~~

National Board Certification

~~The foregoing appropriation item 200-542, National Board Certification, shall be used by the Department of Education to pay the application fee for teachers from public and chartered nonpublic schools applying to the National Board for Professional Teaching Standards for professional teaching certificates or licenses that the board offers, and to provide grants in each fiscal year to recognize and reward teachers who become certified by the board pursuant to section 3319.55 of the Revised Code.~~

~~In each fiscal year, the appropriation item shall be used to pay for the first 400 applications received by the department. Each prospective applicant for certification or licensure shall submit an application to the Department of Education. When the department has collected a group of applications, but no later than 30 days after receipt of the first application in a group, it shall send the applications to the National Board for Professional Teaching Standards along with a check to cover the cost of the application fee for all applicants in that group.~~

~~Of the foregoing appropriation item 200-542, National Board Certification, up to \$300,000 shall be used each fiscal year by the Department of Education to support the connection of teacher applicants to university programs that enhance applicant learning and professional development during the National Board Certification process.~~

Sec. 50.14. Entry Year Program

~~The foregoing appropriation item 200-543, Entry Year Program, shall be used by the Department of Education to expand the pilot residency programs established pursuant to provisions of Am. Sub. H.B. 152 of the 120th General Assembly.~~

~~The Department of Education shall select eligible beginning teachers to participate in a year-long entry year program which provides for guidance~~

~~and coaching by experienced school district and university faculty and regular teacher performance assessment. The program is designed to assess each beginning teacher with the Education Testing Service's Praxis III examination. These funds shall be used to support the supervisory, teaching, and assessment services associated with the pilot residency program in urban, suburban, and rural sites.~~

Individual Career Plan and Passport

~~The foregoing appropriation item 200-544, Individual Career Plan and Passport, shall be used to enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes.~~

~~The appropriation shall be allocated to school districts pursuant to guidelines developed by the Department of Education for programs described in section 3313.607 of the Revised Code for children in the kindergarten through twelfth grades. Funds so allocated shall be used for educational materials, services, career information, curriculum development, staff development, mentorships, career exploration, and career assessment instruments as needed to develop individualized career plans and passports.~~

Vocational Education Enhancements

Of the foregoing appropriation item 200-545, Vocational Education Enhancements, up to \$125,000,000 shall be used to fund up to 2,800 vocational education units at joint vocational school districts and up to \$2,300,000 shall be used to fund up to 51 vocational education units at institutions. Up to \$7,500,000 in fiscal year 1999 may be used for nonvocational units necessary for graduation pursuant to section 3317.16 of the Revised Code, up to \$6,500,000 in fiscal year 1999 shall be used for joint vocational school equalization pursuant to section 3317.16 of the Revised Code, up to \$300,000 shall be distributed to the Toledo Technology Academy each fiscal year, up to \$9,500,000 in fiscal year 1999 shall be used to fund the Jobs for Ohio Graduates (JOG) program, up to \$2,205,000 in fiscal year 1999 may be used to support tech prep consortia, and up to \$7,193,118 in fiscal year 1999 shall be used to fund the Graduation, Reality, and Dual Role Skills (GRADS) program according to that program's rules, which shall be developed by the Superintendent of Public Instruction. Up to \$3,100,000 may be used to pay for special education classroom and related services units at joint vocational schools.

Funds for nonvocational units necessary for graduation shall be distributed according to rules adopted by the State Board of Education. If

federal funds for vocational education cannot be used for local school district leadership without being matched by state funds, then an amount as determined by the Superintendent of Public Instruction shall be made available from state funds appropriated for vocational education. If any state funds are used for this purpose, federal funds in an equal amount shall be distributed for vocational education in accordance with authorization of the state plan for vocational education for Ohio as approved by the Secretary of the United States Department of Education.

The Legislative Office of Education Oversight shall study the various programs designed to serve at-risk high school students. Differences and possible overlaps of purposes, goals, objectives and strategies among such programs as Jobs for Ohio Graduates (JOG), Graduation, Reality, and Dual Role Skills (GRADS), Occupational Work Experience (OWE), and Occupational Work Adjustment (OWA) will be identified.

Of the foregoing appropriation item 200-545, Vocational Education Enhancements, \$100,000 in fiscal year 1998 shall be used for the Cuyahoga County Vocational Apprenticeship Program, which provides funding for training in the building trades of eligible residents of the City of Cleveland. The program utilizes new housing development and rehabilitation programs of four nonprofit neighborhood development corporations as the focus of the skills training apprenticeship program. The four neighborhood development corporations participating in the program are the Glenville Development Corporation, Northeastern Neighborhood Development Corporation, Bell, Burton, and Carr Development Corporation, and the Buckeye Area Development Corporation.

Of the foregoing appropriation item 200-545, Vocational Education Enhancements, \$5,851,692 in fiscal year 1999 shall be used to enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes.

The amount of \$5,851,692 shall be allocated to school districts pursuant to guidelines developed by the Department of Education for programs described in section 3313.607 of the Revised Code for children in the kindergarten through twelfth grades. Funds so allocated shall be used for educational materials, services, career information, curriculum development, staff development, mentorships, career exploration, and career assessment instruments as needed to develop individualized career plans and passports.

Of the foregoing appropriation item 200-545, Vocational Education Enhancements, \$4,941,622 shall be used to provide an amount to each

eligible school district for the replacement or updating of equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education. School districts replacing or updating vocational education equipment may purchase or lease such equipment. The Department of Education shall review and approve all equipment requests and may allot appropriated funds to eligible school districts on the basis of the number of units of vocational education in all eligible districts making application for funds.

The State Board of Education may adopt standards of need for equipment allocation. Pursuant to the adoption of any such standards of need by the State Board of Education, appropriated funds may be allotted to eligible districts according to such standards. Equipment funds allotted under either process shall be provided to a school district on a 40, 50, or 60 per cent of cost on the basis of a district vocational priority index rating developed by the Department of Education for all districts each year. The vocational priority index shall give preference to districts with a large percentage of disadvantaged students and shall include other socio-economic factors as determined by the State Board of Education.

Of the foregoing appropriation item 200-545, Vocational Education Enhancements, up to \$17,000,000 in fiscal year 1999 shall be used for the Vocational Education Programs set-aside, from which moneys shall be distributed to school districts for vocational education programs in comprehensive high schools. In addition to any other payments made under Chapter 3317. Of the Revised Code, any city, local, or exempted village school district providing an approved vocational education program may receive a supplemental vocational education payment from the set-aside for the purpose of meeting additional costs of providing vocational education. The moneys shall be distributed in accordance with rules adopted by the Superintendent of Public Instruction. The rules shall specify the vocational education related purposes for which the moneys received may be expended and may establish a system of prioritizing the distribution of moneys.

Reading Improvement

The foregoing appropriation item 200-551, Reading Improvement, shall be used by the Department of Education to fund the Reading Recovery training network, to cover the cost of release time for the teacher trainers, and to provide grants to districts to implement other reading improvement programs on a pilot basis. Funds for this appropriation item may also be used to conduct evaluations of the impact and effectiveness of Reading Recovery and other reading improvement programs.

In addition, the Department of Education shall report to the General Assembly and the Governor each fiscal year on the progress that has been made in implementing these programs, including an evaluation of the effectiveness of the programs.

Twenty per cent of the foregoing appropriation item 200-551, Reading Improvement, shall be used for the continuation of a phonics demonstration project as described in Sub. H.B. 81 of the 121st General Assembly. The Department of Education may make a portion of the funds for the demonstration project available to additional school districts that want to participate in the program that did not receive funding under the original project authorized in Sub. H.B. 81 of the 121st General Assembly.

County MR/DD Boards-Vehicle Purchases

The foregoing appropriation item 200-552, County MR/DD Boards-Vehicle Purchases, shall be used to provide financial assistance to MR/DD boards for the purchase of vehicles as permitted in section 3317.07 of the Revised Code.

The foregoing appropriation item 200-553, County MR/DD Boards-Transportation Operating, shall be used to provide financial assistance for transportation operating costs as provided in ~~division (Q)~~ of section 3317.024 of the Revised Code.

Emergency Loan Interest Subsidy

The foregoing appropriation item 200-558, Emergency Loan Interest Subsidy, shall be used to provide a subsidy to school districts receiving emergency school loans pursuant to section 3313.484 Of the Revised Code. The subsidy shall be used to pay these districts the difference between the amount of interest the district is paying on an emergency loan, and the interest that the district would have paid if the interest rate on the loan had been two per cent.

Special Education Aides

~~The foregoing appropriation item 200-589, Special Education Aides, shall be used by the Department of Education to assist school districts in funding aides pursuant to paragraph (A)(3)(c)(i)(b) of Rule 3301-51-04 of the Administrative Code.~~

Special Education Preschool Units

~~The foregoing appropriation item 200-577, Preschool Special Education, shall be distributed by the Department of Education to county boards of mental retardation and developmental disabilities, educational service centers, and school districts for preschool special education units and preschool supervisory units in accordance with divisions (N) and (O)(1) of section 3317.024 of the Revised Code. The department may reimburse~~

~~county boards of mental retardation and developmental disabilities, educational service centers, and school districts for related services as defined in Rule 3301-01-05 of the Ohio Administrative Code, for occupational and physical therapy services provided by a physical therapy assistant and certified occupational therapy assistant, and for an instructional assistant. The State Board of Education shall approve such units pursuant to section 3317.05 of the Revised Code. To the greatest extent possible, the Department of Education shall allocate these units to school districts and educational service centers. The Controlling Board may approve the transfer of unallocated funds from appropriation item 200-504, Special Education, to appropriation item 200-577, Preschool Special Education, to fully fund existing units as necessary or to fully fund additional units. The Controlling Board may approve the transfer of unallocated funds from appropriation item 200-577, Preschool Special Education, to appropriation item 200-504, Special Education, to fully fund existing units, as necessary, or to fully fund additional units.~~

Auxiliary Services Mobile Repair

Notwithstanding section 3317.064 of the Revised Code, if the unobligated cash balance is sufficient then the Treasurer of State shall transfer \$1,500,000 in fiscal year 1998 within thirty days of the effective date of this section and \$1,500,000 in fiscal year 1999 by August 1, 1998, from the Auxiliary Services Personnel Unemployment Compensation Fund to the Department of Education's Auxiliary Services Mobile Repair Fund (Fund 598).

Sec. 50.15. Lottery Profits Education Fund

Appropriation item ~~200-670, School Foundation - Basic Allowance fund~~ 017 200-610, Base Cost Funding, shall be used in conjunction with GRF item 200-501 to provide payments to school districts pursuant to Chapter 3317. of the Revised Code.

Of the foregoing appropriation item, ~~200-670, School Foundation Basic Allowance fund~~ 017 200-610, Base Cost Funding, \$25,000,000 in fiscal year 1999 shall be used from the funds transferred from the Unclaimed Prizes Trust Fund pursuant to the section entitled "Transfers from the Unclaimed Prizes Fund" of ~~this act~~ Am. Sub. H.B. 215 of the 122nd General Assembly.

~~Appropriation item 200-671, Special Education, shall be used in conjunction with GRF item 200-504 to provide payments to school districts pursuant to Chapter 3317. of the Revised Code. Appropriation item 200-672, Vocational Education, shall be used in conjunction with GRF item 200-507 to provide payments to school districts pursuant to Chapter 3317.~~

~~of the Revised Code.~~

The Department of Education, with the approval of the Director of Budget and Management, shall determine the monthly distribution schedules of the GRF line item 200-501 and fund 017 line item ~~200-670, GRF line item 200-504 and fund 017 line item 200-671, and GRF line item 200-507 and fund 017 line item 200-672~~ 200-610. If adjustments to the monthly distribution schedule are necessary, the Department of Education shall make such adjustments with the approval of the Director of Budget and Management.

The Director of Budget and Management shall transfer the amount appropriated under the Lottery Profits Education Fund for item 200-682, Lease Rental Payment Reimbursement, to the General Revenue Fund on a schedule determined by the director. These funds shall support the General Revenue Fund appropriation ~~200-413~~ 230-428, Lease Rental Payments, of the School Facilities Commission.

Disability Access Projects

~~(A) As used in this section:~~

~~(1) "Percentile" means the percentile in which a school district is ranked according to the most recent ranking of school districts with regard to income and property wealth under division (B) of section 3318.011 of the Revised Code.~~

~~(2) "School district" means a city, local, or exempted village school district, except for a school district that is one of the state's 21 urban school districts as defined in division (H) of section 3317.02 of the Revised Code.~~

~~(3) As used in this section, "valuation per pupil" means a district's total taxable value as defined in section 3317.02 of the Revised Code divided by the district's ADM as defined in division (A) of section 3317.021 of the Revised Code.~~

~~(B) The Department of Education shall adopt rules for awarding grants to school districts with a valuation per pupil less than \$200,000, to be used for construction, reconstruction, or renovation projects in classroom facilities, the purpose of which is to improve access to such facilities by physically handicapped persons. The rules shall include application procedures.~~

~~No school district shall be awarded a grant under this section in excess of \$100,000. In addition, any school district shall be required to pay a percentage of the cost of the project for which the grant is being awarded equal to the percentile in which the district is so ranked.~~

The foregoing appropriation item 200-649, Disability Access Projects, shall be used to fund capital projects that make buildings more accessible to

~~students with disabilities pursuant to this section. Of the foregoing appropriation item 200-649, Disability Access Projects, \$60,000 shall be used for the Danville High School wheelchair lift.~~

Judgment Loan

The foregoing appropriation item 200-669, Judgment Loan, shall be used to make loans to eligible districts under this ~~section~~ heading.

(A) A school district is an "eligible district" for purposes of division (B) of this ~~subsection~~ heading if, in the two-year period immediately preceding ~~the effective date of this subsection~~ June 30, 1997, the district was the subject of either:

(1) A single final nonappealable judgment, consent judgment, or settlement agreement in a civil action for damages for injury, death, or loss of person or property, the amount of which was equal to at least 90 per cent of the district's annual expenditures for operating expenses for the fiscal year in which the judgment, consent judgment, or settlement agreement was issued;

(2) Multiple final nonappealable judgments, consent judgments, or settlement agreements for such damages arising out of a single transaction or occurrence, or a series of transactions or occurrences arising out of the same wrongful act, the total of which judgments, consent judgments, or settlement agreements was an amount equal to at least 90 per cent of the district's total expenditures for operating expenses in any one of the fiscal years in which any such judgment, consent judgment, or settlement agreement was issued.

(B) Upon application by the board of education of an eligible district and to the extent funds are appropriated for the purpose, the Superintendent of Public Instruction, with the approval of the Director of Budget and Management, may enter into a loan agreement with the board under which the Department of Education shall loan to the district the amount of money necessary to pay all or part of any judgment, consent judgment, or settlement agreement described in division (A) of this ~~section~~ heading, plus any accrued interest. For repayment of the loan, the loan agreement shall require the department to deduct annually from state aid payments due to the district under Chapter 3317. of the Revised Code, and if necessary under sections 321.24 and 323.156 of the Revised Code, an amount equal to two-thousandths of the district's total taxable value reported pursuant to divisions (A)(1) and (2) of section 3317.021 of the Revised Code as that section existed prior to July 1, 1998, for the lesser of the following periods:

(1) A period of twenty-five years, commencing with the later of the year of receipt of the loan or fiscal year 1999;

(2) A period equal to the number of years required to deduct an amount equal to the total amount of the loan from the district's state aid payments, commencing with the later of the year of receipt of the loan or fiscal year 1999.

Bus Purchase One Time Supplement

Of the foregoing appropriation item 200-694, Bus Purchase One Time Supplement, \$2,100,000 shall be distributed by the Department of Education pursuant to the provisions of law governing appropriation line item 200-552, County MR/DD Boards - Vehicle Purchases.

The remaining funds allocated under this ~~section~~ heading shall be distributed by the Department of Education pursuant to the provisions of law governing appropriation line item 200-503, Bus Purchase Allowance.

Lottery Profits Transfers*

On May 15 of each fiscal year, the Director of Budget and Management shall determine if lottery profits transfers will meet the appropriation amounts from the Lottery Profits Education Fund.

On or after the date specified in each fiscal year, if the director determines that lottery profits will not meet appropriations and if other funds are not available to meet the shortfall, the Superintendent of Public Instruction shall take the actions specified under the "Reallocation of Funds" section of ~~this act~~ Am. Sub. H.B. 215 of the 122nd General Assembly.

Transfers from the Unclaimed Prizes Fund

By July 15 of fiscal year 1999, the Director of Budget and Management shall transfer \$25,000,000 from the State Lottery Commission's Unclaimed Prizes Fund to the Lottery Profits Education Fund, to be used solely for purposes specified in the Department of Education's budget. Transfers of unclaimed prizes under this provision shall not count as ~~Lottery Profits~~ lottery profits in the determination made concerning excess profits titled "Lottery Profits" under the Department of Education in ~~this act~~ Am. Sub. H.B. 215 of the 122nd General Assembly.

Teacher Certification and Licensure

The foregoing appropriation item 200-681, Teacher Certification and Licensure, shall be used by the Department of Education in each year of the biennium to administer teacher certification and licensure functions pursuant to sections 3301.071, 3301.074, 3301.50, 3301.51, 3319.088, 3319.22, 3319.24 to 3319.28, 3319.281, 3319.282, 3319.29, 3319.301, 3319.31, and 3319.51 of the Revised Code.

Sec. 50.20. Supplemental Payment

In addition to any other payments made under Chapter 3317. of the Revised Code, or under ~~this act~~ Am. Sub. H.B. 215 of the 122nd General

Assembly, a payment for fiscal year 1998 not greater than the sum of the computation under division (A) of this section and for fiscal year 1999 not greater than the sum of the computation under division (B) of this section may be made to each school district, subject to the recommendation of the Superintendent of Public Instruction and approval of the Controlling Board, for mandated costs not met from increases in funds for the appropriate year from ~~this act~~ H.B. 215. The increases for fiscal year 1998 shall be calculated by determining additional state funds received for the year under other sections of ~~this act~~ H.B. 215 and sections 3317.022 and 3317.023 of the Revised Code, plus additional state funds for approved units in operation for fiscal year 1998 funded under divisions (M), (N), and (O) of section 3317.024 of the Revised Code and the heading "Supplemental Unit Allowance" above amounts received by the district from such sections and divisions and under the heading "Supplemental Payment" in Section 45.11 of Am. Sub. H.B. 117 of the 121st General Assembly and Supplemental Unit Allowance in Section 45.06 of Am. Sub. H.B. 117 of the 121st General Assembly, for fiscal year 1997. The increases for fiscal year 1999 shall be calculated by determining additional state funds received for such year under other sections of ~~this act~~ H.B. 215 and Am. Sub. H.B. 650 of the 122nd General Assembly and sections 3317.022 and 3317.023 of the Revised Code plus additional state funds for approved units in operation for fiscal year 1999 funded under ~~divisions (M), (N), and (O)~~ division (Q) of section 3317.024 of the Revised Code above the amounts received by the district from such sections and divisions and under this section of ~~this act~~ H.B. 215 for fiscal year 1998.

(A) For fiscal year 1998, the amount calculated under this division shall be the cost of employing additional full-time equivalent classroom teachers and educational service personnel whose employment was necessary to avoid a reduction in state aid under divisions (C) and (D) or (E) of section 3317.023 of the Revised Code and who exceed in number the number of full-time equivalent classroom teachers and full-time equivalent educational service personnel who were employed by the district during the first full week of October, 1996. The amount shall equal the minimum salaries for such additional full-time equivalent employees required by section 3317.13 of the Revised Code multiplied by 114 per cent.

(B) For fiscal year 1999, the amount calculated under this division shall be the cost of employing the additional full-time equivalent classroom teachers and educational service personnel whose employment was necessary to avoid a reduction in state aid under divisions ~~(C), (B)~~ and (D) ~~or (E)~~ of section 3317.023 of the Revised Code and who exceed in number the

number of full-time equivalent classroom teachers and educational service personnel who were employed by the district during either the first full week of October 1996, or during the first full week of October 1997, whichever week the number was smaller. The amount shall equal the minimum salaries for such additional full-time equivalent employees required by section 3317.13 of the Revised Code multiplied by 114 per cent.

The Department of Education shall determine application procedures and the schedule for applications and payments, subject to approval by the Controlling Board. The Department of Education may pay during the first half of each fiscal year, an amount equal to one-half of the estimated payment to which a district is entitled under this section. Subsequent to the approval of the Controlling Board, the amount of any over-payments shall be deducted from payments made under ~~this act~~ H.B. 215 during the remainder of the fiscal year.

Only those school districts eligible to receive payments under section 3317.022 of the Revised Code may receive any payment under this section.

The Superintendent of Public Instruction and the Controlling Board, before finalizing recommendations or approving payments pursuant to this section, may consider:

(1) Increases in revenues to a school district from sources other than Chapter 3317. of the Revised Code;

(2) Information relating to assumptions concerning potential state revenues made at the time of adoption of a new salary schedule for the district.

Sec. 50.23 Reallocation of Funds

(A) As used in this section:

(1) "Basic aid" means the amount calculated for the school district received for the fiscal year under ~~sections~~ divisions (A) and (C) of section 3317.022 and sections 3317.023, and 3317.025 to 3317.028 3317.029, 3317.0212, and 3317.0213 of the Revised Code, as modified by language under the headings "Basic Aid Formula Amount," "Basic Aid Guarantees," and "Vocational Education Pupil Recompensations" of this act and section 3317.0212 and the amount computed for a joint vocational school district under section 3317.16 of the Revised Code.

(2) "Nonbasic aid" means:

~~(a) In the case of a school district,~~ the amount computed for ~~the a~~ a school district for fiscal year 1998 or fiscal year 1999 under Chapter 3317. of the Revised Code and this act AM. SUB. H.B. 215 AND AM. SUB. H.B. 650, BOTH OF THE 122nd GENERAL ASSEMBLY, excluding the district's basic aid; and the amount computed under such chapter and acts for

educational service centers, MR/DD boards, and institutions.

~~(b) In the case of a county board of mental retardation and developmental disabilities or for an institution providing special education programs under section 3323.091 of the Revised Code, the amount computed for the board or institution under divisions (N) and (O) of section 3317.024 of the Revised Code.~~

~~(3) "Total taxable value" has the meaning given in section 3317.02 of the Revised Code.~~

~~(4) "Total basic revenue" means the district's basic aid plus one of the following:~~

~~(a) For fiscal year 1998, two and three-tenths per cent of the district's total taxable value for the most recently completed tax year for which data are available for all school districts at the time the computations required by divisions (C) to (E) of this section are made;~~

~~(b) For fiscal year 1999, two and three-tenths per cent of the district's total taxable value for the most recently completed tax year for which data are available for all school districts at the time the computations required by divisions (C) to (E) of this section are made.~~

~~(B) If in either fiscal year of the biennium the Superintendent of Public Instruction determines prior to January 16, 1998, or January 16, 1999, respectively, that the amount appropriated to the Department of Education for distribution under this act and Chapter 3317. of the Revised Code is insufficient to make all of the payments required under such provisions, or if the Governor issues an order under section 126.05 of the Revised Code to reduce expenditures and incurred obligations and the order requires the Superintendent to reduce such state aid education payments, or if lottery profits transfers are insufficient to meet the amounts appropriated from the Lottery Profits Education Fund for basic aid, vocational education, and special education base cost funding, and if other funds are not sufficient to offset the shortfall, the Superintendent shall reduce basic and nonbasic aid payments so that the total amount expended in the fiscal year will not exceed ~~either the amount appropriated or~~ the amount available for expenditure pursuant to the Governor's order. Subject to Controlling Board approval, the Superintendent shall reallocate appropriations not yet expended from one program to another.~~

~~(C)(1) If further reductions in basic and nonbasic aid are necessary following the reallocations implemented pursuant to division (B) of this section, the Superintendent shall request the Controlling Board to approve the use of the money appropriated by this division. The Superintendent shall include with the Superintendent's request a report listing the amount of~~

reductions that each school district will receive ~~pursuant to divisions (D) to (H) of this section~~ if the request is not approved, and also the amount of the reduction, if any, that will still be required if the use of the money appropriated by this section is approved.

(2) In accordance with division (C)(1) of this section, there is hereby appropriated to the Department of Education from the unobligated balance remaining in the Lottery Profits Education Fund at the end of fiscal year ~~1997 and at the end of fiscal year~~ 1998 the lesser of: the unobligated balance in the fund, or the amount needed to preclude a reallocation pursuant to ~~divisions (D) to (H) of this section~~. The money appropriated by this division may be spent or distributed by the department only with the approval of the Controlling Board.

(D) If reductions in ~~basic and~~ nonbasic aid are still necessary following the actions taken pursuant to divisions (B) and (C) of this section, the Superintendent shall determine by what percentage expenditures for ~~basic and~~ nonbasic aid must be reduced for the remainder of the fiscal year to make the total amount distributed for the year equal the amount appropriated or available for distribution. The Superintendent shall reduce by that percentage the amount to be paid in nonbasic aid to each city, exempted village, local, and joint vocational school district, to each educational service center, to each county board of mental retardation and developmental disabilities, and to each institution providing special education programs under section 3323.091 of the Revised Code for the remainder of the fiscal year.

~~(E) As used in divisions (F) to (H) of this section, "school district" means city, local, and exempted village school districts.~~

~~(F) After computing the reduction required by division (D) of this section, the Superintendent shall:~~

~~(1) Determine the difference between the amount by which total basic and nonbasic aid payments must be reduced and the amount of the reductions made under division (D) of this section;~~

~~(2) Determine each school district's total basic revenue;~~

~~(3) Determine the total basic revenue of all such districts;~~

~~(4) Except as otherwise provided in division (G) of this section, reduce each such school district's basic aid by an amount computed as follows:~~

~~(a) Multiply the amount obtained under division (F)(1) of this section by the district's total basic revenue;~~

~~(b) Divide the product thus obtained by the total basic revenue of all districts. The quotient thus obtained shall be the amount by which the district's basic aid shall be reduced for the fiscal year.~~

~~(5) If the amount computed for a district under division (F)(4)(b) of this section equals or exceeds the basic aid remaining to be paid to the district for the fiscal year, the district shall receive no further basic aid in the fiscal year.~~

~~(G) If the amount by which any district's basic aid is required to be reduced under division (F)(4) of this section exceeds the amount of basic aid remaining to be paid to the district for the fiscal year, the department shall further reduce the basic aid to be paid to all other districts as follows:~~

~~(1) Determine the difference between:~~

~~(a) The amount determined under division (F)(1) of this section; and~~

~~(b) The amounts by which basic aid payments were reduced under divisions (F)(4) and (5) of this section.~~

~~(2) Determine the difference between:~~

~~(a) The total basic revenue of all districts; and~~

~~(b) The sum of the total basic revenue of each district to which division (F)(5) of this section applies.~~

~~(3) Reduce each remaining school district's basic aid by an amount computed as follows:~~

~~(a) Multiply the amount computed under division (G)(1) of this section by the district's total basic revenue;~~

~~(b) Divide the product obtained by the amount computed under division (G)(2) of this section. The quotient thus obtained shall be the additional amount by which the district's basic aid shall be reduced for the fiscal year.~~

~~(H) If the sum of the reductions under divisions (F) and (G) of this section equals or exceeds the amount of basic aid remaining to be paid to the district for the fiscal year, the district shall receive no further basic aid payments in the fiscal year and the department shall further reduce the amount of basic aid to be paid to the remaining school districts in accordance with the procedure set forth in division (G) of this section, but substituting the remaining amount of the deficit after the first operation of division (G) for the amount specified in division (G)(1) of this section, and subtracting the total basic revenue of those districts no longer participating in the allocation from the amount specified in division (G)(2) of this section.~~

Sec. 50.24. Lottery Profits

(A) There is hereby created the Lottery Profits Education Reserve Fund (Fund 018) in the State Treasury. At no time shall the amount to the credit of the fund exceed \$50,000,000. Investment earnings of the Lottery Profits Education Reserve Fund shall be credited to the fund. Notwithstanding any provisions of law to the contrary, for fiscal years 1998 and 1999, there is hereby appropriated to the Department of Education, from the Lottery

Profits Education Reserve Fund, an amount necessary to make loans authorized by sections 3317.0210, 3317.0211, and 3317.62 of the Revised Code. All loan repayments from loans made in fiscal years 1992, 1993, 1994, 1995, 1996, 1997, or 1998 shall be deposited into the credit of the Lottery Profits Education Reserve Fund.

~~(B)(1) On or before July 15, 1997, the Director of Budget and Management shall determine the amount by which lottery profit transfers received by the Lottery Profits Education Fund for fiscal year 1997 exceed \$661,200,000.~~

~~After certifying fiscal year 1997 excess lottery profits pursuant to this division, and notwithstanding divisions (C) and (D) of this section, the Director of Budget and Management shall allocate up to \$30,000,000 of the certified fiscal year 1997 excess lottery profits to support appropriations in fiscal year 1998 and fiscal year 1999 from the Lottery Profits Education Fund (Fund 017) for appropriation item 228-690, SchoolNet Electrical Infrastructure, to be used for the purposes specified in this act.~~

~~The remaining balance of certified fiscal year 1997 excess lottery profits shall be distributed in fiscal year 1998 pursuant to divisions (C) and (D) of this section.~~

~~(2) On or before July 15, 1998, the Director of Budget and Management shall determine the amount by which lottery profit transfers received by the Lottery Profits Education Fund for fiscal year 1998 exceed \$679,417,200. The amount so determined shall be distributed in fiscal year 1999 pursuant to divisions (E)(C) and (F)(D) of this section.~~

The Director of Budget and Management shall annually certify the amounts determined pursuant to this section to the Speaker of the House of Representatives and the President of the Senate.

~~(C) Not later than January 16, 1998, the Department of Education, in consultation with the Director of Budget and Management, shall determine, based upon estimates, if a reallocation of funds as described in the section titled "Reallocation of Funds" of this act.~~

~~If a reallocation of funds is required, then the Superintendent of Public Instruction shall request Controlling Board approval for a release of any balances in the Lottery Profits Education Fund available for the purpose of this division and pursuant to divisions (C)(1) and (2) of the section titled "Reallocation of Funds" of this act. Any moneys so released are hereby appropriated.~~

~~(D) In fiscal year 1998, if the Department of Education does not determine that a reallocation of funds is necessary by January 16, as provided in division (C) of this section, or if there is a balance in the Lottery~~

~~Profits Education Fund after the release of any amount needed to preclude a reallocation of funds as provided in division (C) of this section, the moneys in the Lottery Profits Education Fund shall be allocated as provided in this division. Any amounts so allocated are hereby appropriated.~~

~~(1) An amount equal to five per cent of the estimated lottery profits of \$661,200,000 in fiscal year 1997 or the amount remaining in the fund, whichever is the lesser amount, shall be transferred to the Lottery Profits Education Reserve Fund within the limitations specified in division (A) of this section and be reserved and shall not be available for allocation or distribution during fiscal year 1998. Any amounts exceeding \$50,000,000 shall be distributed pursuant to divisions (D)(2), (3), and (4) of this section.~~

~~(2) After reserving the required amount under division (D)(1) of this section, an amount equal to \$25,000,000 or the unreserved amount remaining in the fund, whichever is the lesser amount, shall be transferred to the Public School Building Fund (Fund 021) to be allocated and distributed in accordance with Chapter 3318. of the Revised Code. The Department of Education shall submit annually a report to the Governor and General Assembly on the use of these funds. The report shall include for each project, a description of the need for the project, the total cost, the state and local share of the cost, and the project repayment schedule.~~

~~(3) After the allocation under division (D)(2) of this section, an amount equal to \$20,000,000 or the unreserved amount remaining in the fund, whichever is the lesser amount, shall be allocated to the Department of Education to assist school districts in complying with federal regulations on asbestos abatement and removal and to assist school districts in making school buildings accessible to the handicapped.~~

~~(4) After the allocation under division (D)(3) of this section, the unreserved amount remaining in the fund shall be distributed pursuant to division (G) of this section.~~

~~(E) Not later than January 16, 1999, the Department of Education, in consultation with the Director of Budget and Management, shall determine, based upon estimates, if a reallocation of funds as described in the section titled "Reallocation of Funds" of this act Am. Sub. H.B. 215 of the 122nd General Assembly is required.~~

If a reallocation of funds is required, then the Superintendent of Public Instruction shall request Controlling Board approval for a release of any balances in the Lottery Profits Education Fund available for the purpose of this division and pursuant to divisions (C)(1) and (2) of the section titled "Reallocation of Funds" of ~~this act~~ H.B. 215. Any moneys so released are hereby appropriated.

~~(F)(D)~~ In fiscal year 1999, if the Department of Education does not determine that a reallocation of funds is necessary by January 16, as provided in division ~~(E)(C)~~ of this section, or if there is a balance in the Lottery Profits Education Fund after the release of any amount needed to preclude a reallocation of funds as provided in division ~~(E)(C)~~ of this section, the moneys in the Lottery Profits Education Fund shall be allocated as provided in this division. Any amounts so allocated are hereby appropriated.

(1) An amount equal to five per cent of the estimated lottery profits transfers of \$679,417,200 in fiscal year 1998 or the amount remaining in the fund, whichever is the lesser amount, shall be transferred to the Lottery Profits Education Reserve Fund within the limitations specified in division (A) of this section and be reserved and shall not be available for allocation or distribution during fiscal year 1999. Any amounts exceeding \$50,000,000 shall be distributed pursuant to divisions ~~(F)(D)~~(2), (3), and (4) of this section.

(2) After reserving the required amount under division ~~(F)(D)~~(1) of this section, an amount equal to \$25,000,000 or the unreserved amount remaining in the fund, whichever is the lesser amount, shall be transferred to the School Building Fund (Fund 021) to be allocated and distributed in accordance with Chapter 3318. of the Revised Code. The ~~Department of Education~~ School Facilities Commission shall submit annually a report to the Governor and General Assembly on the use of these funds. The report shall include for each project, a description of the need for the project, the total cost, the state and local share of the cost, and the project repayment schedule.

(3) After the allocation under division ~~(F)(D)~~(2) of this section, an amount equal to \$20,000,000 or the unreserved amount remaining in the fund, whichever is the lesser amount, shall be allocated to the ~~Department of Education~~ School Facilities Commission to assist school districts in complying with federal regulations on asbestos abatement and removal and to assist school districts in making school buildings accessible to the handicapped.

(4) After the allocation under division ~~(F)(D)~~(3) of this section, the amount remaining in the fund shall be distributed pursuant to division ~~(G)(E)~~ of this section.

~~(G)(E)~~ In the appropriate fiscal year, any remaining amounts after the operations required by division ~~(D)(C)~~ or ~~(F)(D)~~ of this section, respectively, shall be available for distribution in accordance with this division.

(1) As used in this division:

(a) "State basic aid" means:

~~(i) In the case of a school district, the amount computed for a district under sections 3317.022, 3317.023, and 3317.025 to 3317.028 of the Revised Code exclusive of amounts computed under division (B) of section 3317.023 of the Revised Code, plus any amount computed for the district under section 3317.0212 of the Revised Code or under the heading "Basic Aid Guarantee" of this act or any amount computed under section 3317.11 or 3317.16 of the Revised Code.~~

~~(ii) In the case of a 169 board, the amount computed under divisions (N) and (O) of section 3317.024 of the Revised Code.~~

(b) "ADM" means:

~~(i) In the case of a city, local, or exempted village school district, the district's average daily membership determined pursuant to section 3317.03 of the Revised Code, exclusive of those pupils who are enrolled in units for which an educational service center governing board receives funding under division (N) of section 3317.024 of the Revised Code or who formula ADM as defined in section 3317.02 Of the Revised Code, minus the portion of ADM computed under division (A)(3) of section 3317.03 Of the Revised Code for students that are enrolled in a joint vocational school district;~~

~~(ii) In the case of a joint vocational school district, the sum of the number of pupils excluded from city, local, or exempted village school district ADMs under division (G)(1)(b)(i) of this section by virtue of their enrollment enrolled in that joint vocational school district;~~

~~(iii) In the case of an educational service center, the sum of the number of pupils excluded from city, local, and exempted village school district ADMs under division (G)(1)(b)(i) of this section by virtue of their enrollment in a unit for which that educational service center governing board receives funding under division (N) of section 3317.024 of the Revised Code;~~

~~(iv) In the case of a 169 board, the sum of the pupils included in classes and units approved for funding under section 3317.05 of the Revised Code.~~

~~(c) "169 board" means a county board of mental retardation and developmental disabilities.~~

(2) Ninety-seven and forty-three one-hundredths per cent of the amount made available for distribution under this division in each fiscal year shall be distributed to city, local, joint vocational, and exempted village school districts ~~and educational service centers~~ eligible to receive funds pursuant to Chapter 3317. of the Revised Code ~~and to 169 boards~~ in proportion to the percentage that the ADM of each such district, ~~educational service center, or~~

~~board~~ is of the ADM of all such districts, ~~educational service centers, and boards~~ and shall be for the use of the public schools of the district ~~or educational service center and 169 board programs~~. Two and fifty-seven one-hundredths per cent of such amount made available for distribution under this division in each fiscal year shall be distributed to nonpublic schools for the purposes of section 3317.063 of the Revised Code. Not later than the first day of March of each fiscal year, the Department of Education shall compute each school district's, ~~each educational service center's, and each 169 board's~~ share for that year of the amount to be distributed under this division and shall, subject to Controlling Board approval, distribute the shares so determined.

Amounts distributed to school districts, ~~educational service centers, and 169 boards~~ pursuant to this division shall be used solely to purchase textbooks and equipment. If funds have been appropriated by a board for any purposes permitted under this section, the amounts distributed to the district or educational service center under this division shall be used for additional expenditures for such purposes and shall not be substituted for funds previously appropriated by the board.

(3) Districts, ~~educational service centers, 169 boards,~~ and nonpublic schools shall report to the Department of Education no later than the last day of May of each fiscal year on the usage of funds received under this division. The Department of Education shall compile district ~~and educational service center~~ data and report on the usage of all funds distributed under this division to the Controlling Board by the last day of June of each fiscal year. If the department determines that a district ~~or educational service center or a 169 board~~ used funds distributed pursuant to this division for purposes not permitted, it shall reduce the district's, ~~educational service center's, or board's~~ state basic aid payments for the ensuing fiscal year by the amount improperly used.

It is the intent of the General Assembly that moneys distributed pursuant to this section shall not be included in any spending base calculations when appropriations for the 1999-2000 biennium are being considered.

Sec. 50.26.* For the school year commencing July 1, 1997, or the school year commencing July 1, 1998, or both, the Superintendent of Public Instruction may waive for the board of education of any school district the ratio of teachers to pupils in kindergarten through fourth grade required under paragraph (A)(3) of rule 3301-35-03 of the Administrative Code if the following conditions apply:

- (A) The board of education requests the waiver;
- (B) After the Department of Education conducts an on-site evaluation of

the district related to meeting the required ratio, the board of education demonstrates to the satisfaction of the Superintendent of Public Instruction ~~either of the following:~~

~~(1) That that providing the facilities necessary to meet the required ratio during the district's regular school hours with pupils in attendance would impose an extreme hardship on the district;~~

~~(2) That the cost of providing the necessary facilities or personnel to meet the required ratio would require the board of education to take action under division (E) of section 3313.483 of the Revised Code.;~~

(C) The board of education provides assurances that are satisfactory to the Superintendent of Public Instruction that the board will act in good faith to meet the required ratio as soon is possible.

Sec. 50.32. Private Treatment Facility Pilot Project

(A) As used in this section:

(1) The following are "participating residential treatment centers":

(a) Private residential treatment facilities which have entered into a contract with the Ohio Department of Youth Services to provide services to children placed at the facility by the Department and which, in fiscal year 1998 or 1999 or both, the department pays through appropriation item 470-401, Care and Custody.

(b) Abraxas, in Shelby;

(c) Paint Creek, in Bainbridge;

(d) Act One, in Akron;

(e) Friars Club, in Cincinnati.

(2) "Education program" means an elementary or secondary education program or a special education program and related services.

(3) "Served child" means any child receiving an education program pursuant to division (B) of this section.

(4) "School district responsible for tuition" means a city, exempted village, or local school district that, if tuition payment for a child by a school district is required under law that existed in fiscal year 1998, is the school district required to pay that tuition.

(5) "Residential child" means a child who resides in a participating residential treatment center and who is receiving an educational program under division (B) of this section.

(B) A youth who is a resident of the State of Ohio and has been assigned by a juvenile court or other authorized agency to a residential treatment facility specified in division (A) of this section shall be enrolled in an approved educational program located in or near the facility. Approval of the educational program shall be contingent upon compliance with the

criteria established for such programs by the Department of Education for fiscal years 1998 and 1999. The educational program shall be provided by a school district or educational service center, or by the residential facility itself. Maximum flexibility shall be given to the residential treatment facility to determine the provider. In the event that a voluntary agreement cannot be reached and the residential facility does not choose to provide the educational program, the educational service center in the county in which the facility is located shall provide the educational program at the treatment center to children under the age of twenty-two years residing in the treatment center.

The Ohio Family and Children First Cabinet Council shall recommend educational criteria to the Department of Education within thirty days of the enactment of this section. Prior to September 1, 1998, the Department of Education shall develop educational criteria, which take into consideration the recommendations of the Family and Children First Cabinet Council.

(C) Any school district responsible for tuition for a residential child shall, notwithstanding any conflicting provision of the Revised Code regarding tuition payment, pay tuition for the child for fiscal years 1998 and 1999 to the education program provider and in the amount specified in this division. If there is no school district responsible for tuition for a residential child and if the participating residential treatment center to which the child is assigned is located in the city, exempted village, or local school district that, if the child were not a resident of that treatment center, would be the school district where the child is entitled to attend school under sections 3313.64 and 3313.65 of the Revised Code, that school district shall, notwithstanding any conflicting provision of the Revised Code, pay tuition for the child for fiscal years 1998 and 1999 under this division unless that school district is providing the educational program to the child under division (B) of this section.

A tuition payment under this division shall be made to the school district, educational service center, or residential treatment facility providing the educational program to the child.

The amount of tuition paid shall be:

(1) The amount of tuition determined for the district under division (A) of section 3317.08 of the Revised Code;

(2) In addition, for any student receiving special education pursuant to an individualized education program as defined in section 3323.01 of the Revised Code, a payment for excess costs. This payment shall equal the actual cost to the school district, educational service center, or residential treatment facility of providing special education and related services to the

student pursuant to the student's individualized education program, minus the tuition paid for the child under division (C)(1) of this section.

A school district paying tuition under this division shall not include the child for whom tuition is paid in the district's average daily membership certified under division (A) of section 3317.03 of the Revised Code.

(D) In each of fiscal years 1998 and 1999, the Department of Education shall reimburse, from appropriations made for the purpose, a school district, educational service center, or residential treatment facility, whichever is providing the service, which has demonstrated that it is in compliance with the funding criteria for each served child for whom a school district must pay tuition under division (C) of this section. The amount of this reimbursement in either fiscal year shall be the formula amount specified in section 3317.022 of the Revised Code except that the department shall proportionately reduce this reimbursement if sufficient funds are not available to pay this amount to all qualified providers.

(E) Funds provided to a school district, educational service center, or residential treatment facility under this section shall be used to supplement, not supplant, funds from other public sources for which the school district, service center, or residential treatment facility is entitled or eligible.

(F) The Department of Education shall track the utilization of funds provided to school districts, educational service centers, and residential treatment facilities under this section and monitor the effect of the funding on the educational programs they provide in participating residential treatment facilities. The department shall monitor the programs for educational accountability.

Sec. 50.40. Urban Initiative Funding

(A) The following amounts within the line items specified below are hereby identified as "urban initiative moneys": ~~line item 200-501, School Foundation Basic Allowance, \$23,000,000 in fiscal year 1998 and \$63,800,000 in fiscal year 1999 for extended and full-day kindergarten;~~ line item 200-411, Family and Children First, \$3,900,000 in fiscal year 1998 and \$6,300,000 in fiscal year 1999, for school readiness resource centers; line item 200-507, Vocational Education, \$1,500,000 in fiscal year 1998 and \$1,800,000 in fiscal year 1999 for the Jobs for Ohio Graduates program, and \$900,000 in each fiscal year for the graduation, reality and dual role skills program; line item 200-417, Professional Development, \$6,000,000 in fiscal year 1998 for urban leadership academies; and line item 200-541, Peer Review, \$1,840,000 in fiscal year 1998 and \$3,640,000 in fiscal year 1999 for teacher peer review.

(B) Districts shall be entitled to receive the "urban initiative money"

described in division (A) of this section unless they do not meet criteria in divisions (C)(1) and (2) of this section by the date specified. If a district does not meet the criteria, "urban initiative moneys" shall cease to be provided on a monthly basis by the Department of Education.

(C) In order to receive "urban initiative moneys" as described in division (A) of this section, "big eight" school districts and "urban school districts" as identified in section 3317.02 of the Revised Code, as that section existed prior to July 1, 1998, shall meet the following criteria:

(1) Within six months upon receiving the recommendations of the Auditor of State's performance audit, or, in the case of the Cleveland City School District and the Youngstown City School District, by October 30, 1997, the board of education or other managing authority of the district must adopt a plan to promote economy and efficiency in operations consistent with the recommendations of such performance audit. The plan must be approved by the Superintendent of Public Instruction, in consultation with the Director of Budget and Management.

(2) The board of education or other managing authority of the district must implement an academic performance benchmarking program that is approved by the State Board of Education by May 30, 1998. The plan must contain baseline data on performance indicators including graduation rates, attendance rates, dropout rates, and levels of literacy and basic competency as assessed under sections 3301.0710 and 3301.0711 of the Revised Code. The plan must establish an action plan for achieving enhanced performance levels on all indicators.

Sec. 50.43. There is hereby created the Ohio Schools Technology Implementation Task Force composed of six voting members, three of whom shall be members of the Senate appointed by the President of the Senate and three of whom shall be members of the House of Representatives appointed by the Speaker of the House of Representatives. Not more than two members from each house shall be members of the same political party. From among these six voting members, the President of the Senate and the Speaker of the House of Representatives jointly shall appoint a chair of the Task Force. The Task Force shall include as ex officio nonvoting members the Superintendent of Public Instruction or the Superintendent's designee; the Directors of Budget and Management, Administrative Services, and the Office of Information, Learning, and Technology Services or their designees; a representative designated by the head of the Ohio Education Computer Network; a representative designated by the Chairperson of the Public Utilities Commission of Ohio; and a representative appointed by the Chairperson of the Ohio Education Broadcasting Network Commission. The

voting members may, by majority vote, elect to include any number of additional nonvoting members on the Task Force.

The Legislative Service Commission and the Legislative Budget Office of the Legislative Service Commission shall provide any staffing assistance requested by the Task Force.

The Task Force shall develop recommendations for a comprehensive framework for coordinating the planning and implementation of technology in Ohio schools and issue a report not later than ~~January 31~~ August 1, 1998. Upon issuing its report, the Task Force shall cease to operate.

Sec. 50.44. (A) There is hereby created the Teacher Professional Development Task Force. The purpose of the task force shall be to develop a comprehensive structure for the delivery of continuing professional development for teachers employed in the state's primary, secondary, vocational, and special educational system. On or before ~~January 31~~ August 1, 1998, the task force shall issue to the President of the Senate, the Speaker of the House of Representatives, and the State Superintendent of Public Instruction a report outlining a comprehensive structure for the delivery of continuing professional development to such school teachers. On the date of the issuance of its report, the task force is abolished.

(B) The task force shall be composed of six legislators, three appointed by the President of the Senate and three by the Speaker of the House of Representatives. No more than two of the appointed members from each house shall be members of the same political party. From among these six appointed members, the President of the Senate and the Speaker of the House of Representatives jointly shall appoint a chair of the Task Force. Ex-officio nonvoting members of the task force shall include the State Superintendent of Public Instruction, or the Superintendent's designee; the Director of Budget and Management, or the Director's designee; a member appointed by the head official of the Ohio State School Boards Association; a member appointed by the head official of the Ohio Association of Educational Service Center Superintendents; a member appointed by the head official of the Ohio Education Association; a member appointed by the head official of the Ohio Federation of Teachers; a member appointed by the head official of the Buckeye Association of School Administrators; and two members of the institutions of higher education that have teacher education colleges, one member of which shall be from such a public institution appointed by the Chancellor of the Board of Regents and the other shall be from such a private institution appointed by the head official of the Association of Independent Colleges and Universities of Ohio. The voting members of the task force may appoint, by a majority vote, additional

ex-officio nonvoting members to serve on the task force. The Legislative Service Commission and the Legislative Budget Office shall provide staff and services to the task force.

Sec. 69.03. SchoolNet Plus

In fiscal year 1998, by July 10, the Director of Budget and Management shall transfer \$28,000,000 cash from the General Revenue Fund to the Office of Information, Learning and Technology Services' SchoolNet Plus Fund (4Y4). In fiscal year 1998, by July 10, the Director of Budget of Management shall transfer \$3,664,253 from the Lottery Commission's Unclaimed Prizes Fund (Fund 872) to the Office of Information, Learning and Technology Services' SchoolNet Plus Fund (4Y4). In addition, on or before July 31, 1997, pursuant to the section titled "Transfer of Fiscal Year 1997 Ending Balances" \$94,400,000 in surplus revenue shall be transferred to the SchoolNet Plus Fund (4Y4). A total of \$31,664,253 shall be distributed from Fund (4Y4) ~~line~~ APPROPRIATION item 228-698, SchoolNet Plus, to ~~non-qualifying~~ nonqualifying districts to bring their total SchoolNet Plus payment up to \$350 per pupil for students in kindergarten through the fourth grade.

To complete the SchoolNet Plus program, the Director of Budget and Management shall transfer in fiscal year 1999 \$30,600,000 cash from the General Revenue Fund to the office's SchoolNet Plus Fund (4Y4).

Before any city, local, or exempted village school district applies for and receives additional funds through the SchoolNet Plus program, it must certify to the Office of Information, Learning, and Technology Services that it has used any previous moneys received through the SchoolNet Plus program to purchase and install computers for children enrolled in grades kindergarten through four, and that the equipment and software are being utilized daily as of the certification date. School districts may use their SchoolNet Plus moneys for assistant technology for disabled students.

Interactive Video Distance Learning

The foregoing appropriation item ~~200-650~~ 228-650, Interactive Video Distance Learning, shall be used in fiscal year 1998 to help fund interactive video distance learning projects in local, exempted village, city, and joint vocational schools. The Office of Information, Learning, and Technology shall determine grant amounts in accordance with the guidelines of this section. Priority shall be given to consortiums of schools where a significant number of all the schools in a geographic area have demonstrated a desire to participate in the program and where no interactive video distance learning project involving multiple school districts now exists. Efforts shall be made to ensure that consortiums funded are geographically dispersed around the

state.

The Office of Information, Learning, and Technology Services shall calculate a maximum grant amount for each approved school district or consortium. Such maximum grant shall be the amount sufficient to equip one classroom in each high school building of the participating school districts capable of both originating and receiving programming and may include one additional classroom in each high school building for receiving only. The maximum grant amount may also include funds for interconnecting the various sites involved in the consortium, for planning and for professional development. The percentage of the maximum grant amount awarded to school districts or consortia shall be greater for lower property valuation districts, and consortia of lower property valuation districts, and less for higher property valuation districts, and consortia. The amount awarded shall take into account the subsidy and discount available through the Federal Communication Commission's telephone universal service plan for schools, and may include a subsidy, up to the maximum permissible under the Snow-Rockefeller amendment, of the monthly telephone, cable, or other connection charges incurred by school districts or by new or existing consortia involving school districts with education-related organizations whose inclusion will enhance education for Ohio's students. for operation of the interactive distance learning programming. School districts or consortia of school districts whose per pupil valuation for the average of the preceding two years exceed 60 per cent of the statewide median valuation per pupil shall be eligible for funds only if they commit, as part of the application process, to provide programming without charge or at minimal cost to school districts whose valuation is below the statewide median valuation per pupil.

Sec. 76. LSC LEGISLATIVE SERVICE COMMISSION

General Revenue Fund

GRF 035-321	Operating Expenses	\$	7,231,000	\$	7,445,000
GRF 035-402	Legislative Interns	\$	705,000	\$	740,000
GRF 035-403	Legislative Budget Office	\$	2,405,000	\$	2,521,000
GRF 035-404	Legislative Office of Education Oversight	\$	658,933	\$	683,891 <u>758,891</u>
GRF 035-405	Correctional Institution Inspection Committee	\$	475,000	\$	490,000
GRF 035-406	ATMS Replacement Project	\$	80,000	\$	80,000
GRF 035-407	Legislative Task Force on Redistricting, Reapportionment, and Demographic Research	\$	830,000	\$	320,000
GRF 035-409	National Associations	\$	510,957	\$	376,729
GRF 035-410	Legislative Information	\$	3,200,000	\$	3,200,000

		Systems			
<u>GRF 035-412</u>	<u>Study Committee on Property Tax</u>	\$	<u>200,000</u>	\$	<u>0</u>
TOTAL GRF General Revenue Fund		\$	16,095,890	\$	15,856,620
			<u>16,295,890</u>		<u>15,931,620</u>
General Services Fund Group					
410 035-601	Sale of Publications	\$	25,000	\$	25,000
4F6 035-603	Legislative Budget Services	\$	120,000	\$	128,000
4F7 035-605	Head Start Study	\$	60,000	\$	0
TOTAL GSF General Services Fund Group		\$	205,000	\$	153,000
TOTAL ALL BUDGET FUND GROUPS		\$	16,300,890	\$	16,009,620
			<u>16,500,890</u>		<u>16,084,620</u>

ATMS Replacement Project

Of the foregoing appropriation item 035-406, ATMS Replacement Project, any amounts not used for the ATMS project may be used to pay the operating expenses of the Legislative Service Commission.

National Associations

Of the foregoing appropriation item 035-409, National Associations, \$8,000 in each fiscal year shall be used for the State and Local Legal Center.

Legislative Office of Education Oversight

The foregoing appropriation item 035-404, Legislative Office of Education Oversight, shall be used to support the legislative oversight activities of the Legislative Committee on Education Oversight established in section 3301.68 of the Revised Code.

The Legislative Office of Education Oversight shall study ways for school districts to create a collaborative high school with neighboring districts. The study will determine the types of incentives, including state assistance, necessary to encourage schools toward this type of collaboration. The Legislative Office of ~~Education~~ Education Oversight shall report their recommendations to the Speaker of the House and the President of the Senate no later than June 30, 1999.

No later than January 31, 1999, the Legislative Office of Education Oversight shall issue a report on the status of the educational service center consolidations mandated by Section 45.32 of Am. Sub. H.B. 117 of the 121st General Assembly, as amended. The Office shall submit its report to the Speaker of the House of Representatives and the President of the Senate.

Study Committee on Property Tax

Within forty-five days after the effective date of this amendment, the President of the Senate and Speaker of the House of Representatives shall appoint a twelve-person study committee to study Ohio's property tax system. The committee shall be composed of six members of each house of the General Assembly, and no more than four of the members from each

house shall be of the same political party. The President and Speaker each shall appoint one member as a co-chairperson of the committee. The Legislative Service Commission shall engage experts as directed by the study committee to assist with the study at a cost not to exceed \$200,000. The committee shall submit interim recommendations to the legislative service commission by December 31, 1998, and shall submit its final recommendations to the commission by June 30, 1999. Upon submitting its final recommendations, the committee shall cease to exist.

The foregoing appropriation item 035-412, Study Committee on Property Tax, shall be used to fund the expenses of the property tax study committee.

Of the foregoing appropriation item 035-412, Study Committee on Property Tax, any unencumbered and unallotted fiscal year 1998 amounts shall be transferred by the Director of Budget and Management to appropriation item 035-412, Study Committee on Property Tax, in fiscal year 1999. Those amounts so transferred from fiscal year 1998 to fiscal year 1999 are hereby appropriated.

Head Start Study

The foregoing appropriation item 035-605, Head Start Study, shall be used by the Legislative Office of Education Oversight to conduct research on Head Start. The purpose of the study is to evaluate the implementation of Head Start, including the nature and quality of the educational programming, its cost, staff, and facilities, and the program's impact on participating children and families.

The Director of the Legislative Office of Education Oversight shall notify the Director of Budget and Management upon completion of the Head Start Study. The Director of Budget and Management shall transfer any unexpended and unobligated cash balances in Fund 4F7 to the General Revenue Fund.

~~Section 103.41 Report~~

SECTION 103.141 REPORT

Notwithstanding section ~~103.41~~ 103.141 of the Revised Code, the Legislative Budget Office of the Legislative Service Commission may submit the estimates required by that section for calendar years 1996 and 1997 in October, 2000.

Workforce Study Committee Additional Duties

The Legislative Service Commission Study Committee on Job Training and Workforce Development Programs appointed on February 5, 1997, by motion of the Commission pursuant to its authority in section 103.12 of the Revised Code, shall review the functions and duties of state, county, and

other programs, including those performed by local offices of the Bureau of Employment Services and by state and county human services offices, that are directed toward job training, job placement, and workforce development. The Study Committee, after consulting with interested parties including the Director of Human Services and the Administrator of the Bureau of Employment Services, shall make recommendations to the Governor and to the Speaker and the Minority Leader of the House of Representatives and the President and the Minority Leader of the Senate, on behalf of the General Assembly, to improve the integration, efficiency, effectiveness, and collaboration of federal, state, and locally funded job training, job placement, and workforce development efforts.

Sec. 130.01. Lottery Transfers in Fiscal Year 1999

Notwithstanding division (B) of section 3770.06 of the Revised Code, from the amounts that the Director of Budget and Management transfers in fiscal year 1999 from the State Lottery Fund to the Lottery Profits Education Fund, the Director shall transfer the initial \$15,000,000 of such amounts from the lottery profits education fund to Fund 5F8, the Instructional Materials Education Fund. This money shall be combined with the \$10,000,000 that Fund 5F8 receives from fiscal year 1997 surplus revenue, to provide \$25,000,000 in fiscal year 1999 to school districts for the purchase of textbooks and instructional materials for schools. This transfer is in addition to the amount necessary to meet all other appropriations from the Lottery Profits Education Fund in fiscal year 1999."

SECTION 4. That existing Sections 50, 50.04, 50.07, 50.08, 50.09, 50.10, 50.12, 50.13, 50.14, 50.15, 50.20, 50.23, 50.24, 50.26, 50.32, 50.40, 50.43, 50.44, 69.03, 76, and 130.01 of Am. Sub. H.B. 215 of the 122nd General Assembly are hereby repealed.

SECTION 5. That Subsections 5 and 10 of Section 50.52 of Am. Sub. H.B. 215 of the 122nd General Assembly be amended to read as follows:

"Subsec. 5. Each contract entered into between a sponsor and the governing authority of a community school shall specify the following:

(A) That the school shall be established as a nonprofit corporation established under Chapter 1702. of the Revised Code;

(B) The education program of the school, including the school's mission, the characteristics of the students the school is expected to attract, the ages and grades of students, and the focus of the curriculum;

(C) Performance standards and assessments by which the success of the

school will be evaluated by the sponsor, which shall include the statewide proficiency tests;

(D) The admission standards of Subsection 8 of this section;

(E) Dismissal procedures;

(F) The ways by which the school will achieve racial and ethnic balance reflective of the community it serves;

(G) Requirements and procedures for program and financial audits, including audits by the Auditor of State and the Department of Education. The contract shall require financial records of the school to be maintained in the same manner as are financial records of school districts, pursuant to rules of the Auditor of State.

(H) Facilities to be used, their location, and their method of acquisition;

(I) Qualifications of teachers, including a requirement that the school's classroom teachers be certificated in accordance with sections 3319.22 to 3319.31 of the Revised Code, except that a community school may engage noncertificated persons to teach up to twelve hours per week pursuant to section 3319.301 of the Revised Code;

(J) That the school will comply with the following requirements:

(1) The school will provide learning opportunities to a minimum of twenty-five students for a minimum of nine hundred twenty hours per school year;

(2) The governing authority will purchase liability insurance, or otherwise provide for the potential liability of the school;

(3) The school will be nonsectarian in its programs, admission policies, employment practices, and all other operations, and will not be operated by a sectarian school or religious institution;

(4) The school will comply with sections 9.90, 9.91, 109.65, 121.22, 149.43, 2151.358, 2151.421, 2313.18, 3301.0710, 3301.0711, 3301.0714, 3313.33, 3313.50, 3313.643, 3313.66, 3313.661, 3313.662, 3313.67, 3313.672, 3313.673, 3313.69, 3313.71, 3313.80, 3313.96, 3319.321, 3319.39, 3321.01, 3327.10, 4111.17, and 4113.52 and Chapters 102., 117., 1347., 2744., 4112., 4123., 4141., and 4167. of the Revised Code as if it were a school district;

(5) The school will comply with sections 3313.61 and 3313.611 of the Revised Code, except that the requirement in those sections that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma may be met by completing the curriculum adopted by the governing authority of the community school rather than the curriculum specified in Title XXXIII of the Revised Code or any rules of the state board of education;

(6) The school governing authority will submit an annual report of its activities and progress in meeting the goals and standards of division (C) of this subsection and its financial status to the sponsor and to the parents of all students enrolled in the school. The financial statement shall be in such form as shall be prescribed by the Auditor of State.

(K) Arrangements for providing health and other benefits to employees;

(L) The length of the contract, which shall not exceed five years nor extend beyond June 30, 2003;

(M) The governing authority of the school, which shall be responsible for carrying out the provisions of the contract, and a description of the process by which the governing authority will be selected in the future;

(N) A financial plan detailing an estimated school budget for each year of the period of the contract and specifying the total estimated per pupil expenditure amount for each such year. The plan shall specify for each year the base formula amount that will be used for purposes of funding calculations under section 3314.08 of the Revised Code. This base formula amount for any year shall not exceed the ~~dollar~~ formula amount ~~specified for the year~~ defined under division (B) of section 3317.022 3317.02 of the Revised Code.

(O)(1) Requirements and procedures regarding the disposition of employees, equipment, materials, supplies, and facilities of the school in the event the contract is terminated or not renewed pursuant to this section;

(2) Provisions to ensure that, if for any reason a school must close prior to June 30, 2003, the school will be kept open for students to attend until the end of the school year in which it is determined that the school must close;

(3) Provisions establishing procedures for resolving disputes or differences of opinion between the sponsor and the governing authority of the community school.

(P) Whether or not the school is to be created by converting all or part of an existing public school and, if it is, specification of any duties or responsibilities of an employer that the board of education that operated the school before conversion is delegating to the governing authority of the community school with respect to all or any specified group of employees provided the delegation is not prohibited by a collective bargaining agreement applicable to such employees.

(Q) Any additional details concerning the management and administration of the school;

(R) If the proposed community school is a currently existing public school, alternative arrangements, approved by the board of education of the school district in which the school is located, for current public school

students who choose not to attend the school and teachers who choose not to teach in the school after conversion.

Subsec. 10. (A) As used in this subsection:

(1) "Base formula amount" means the amount specified as such in a community school's financial plan for a school year pursuant to Subsection 5 of this section.

(2) "Cost-of-doing-business factor" has the same meaning as in ~~division (E) of~~ section 3317.02 of the Revised Code.

(3) "IEP" means an individualized education program defined by division (E) of section 3323.01 of the Revised Code.

(4) "Actual cost" means the actual cost of providing special education and related services to a special education student pursuant to an IEP in the school district where that student is entitled to attend school pursuant to sections 3313.64 and 3313.65 of the Revised Code, as calculated in a manner acceptable to the Superintendent of Public Instruction.

(5) "Basic aid" ~~has the same meaning as in division~~ means the same meaning as in division ~~amount computed for a district under divisions (A)(4) and (C) of section 3317.022~~ of the Revised Code.

(6) "Guarantee funds" means any payments received by a school district pursuant to section 3317.0212 of the Revised Code.

(7) "Per pupil state funds" for a district means the figure obtained when the sum of the district's total annual basic aid payments plus guarantee funds is divided by the district's formula ADM as ~~defined~~ certified in division (A) of section 3317.02 3317.03 of the Revised Code.

(8) "Entitled to attend school in the district" means a student is entitled to attend school in a district pursuant to the provisions of section 3313.64 or 3313.65 of the Revised Code.

(B) The state board of education shall adopt rules requiring both of the following:

(1) The board of education of each city, exempted village, and local school district in the Lucas County area to annually report the number of students entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code who are enrolled in a community school established under this chapter and for each child, both of the following:

(a) The community school in which the child is enrolled. In addition, for each such child receiving special education and related services in a community school pursuant to an IEP the board shall report the actual cost for such child.

(b) If the district receives disadvantaged pupil impact aid for the child pursuant to section ~~3317.023~~ 3317.029 of the Revised Code, the amount

received for such child.

(2) The governing authority of each community school established under this section to annually report the number of students enrolled in kindergarten through grade twelve in the school who are not receiving special education and related services pursuant to an IEP, the number of enrolled students in kindergarten through grade twelve who are receiving special education and related services pursuant to an IEP ~~and, the number of such enrolled preschool~~ students counted in a unit approved by the State Board of Education ~~and funded under division (N) of section 3317.024~~ 3317.05 of the Revised Code, the community school's base formula amount, and for each student, the city, exempted village, or local school district the student is entitled to attend under section 3313.64 or 3313.65 of the Revised Code.

(C) From the payments made to a city, exempted village, or local school district under Chapter 3317. and, if necessary, sections 321.14 and 323.156 of the Revised Code, the Department of Education shall annually subtract all of the following:

(1) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the number of the district's students reported under division (B)~~(1)~~(2) of this subsection who are enrolled in in kindergarten through grade twelve in that community school and are not receiving special education and related services pursuant to an IEP is multiplied by the base formula amount of that community school as adjusted by the school district's cost-of-doing-business factor.

(2) The sum of the actual costs for all district students reported under division (B)~~(1)~~(2) of this subsection who are to be receiving special education and related services pursuant to an IEP in their respective community schools, less the sum of the prorated share for each such preschool handicapped student of any amounts received from state funded units or from any federal funds to provide special education and related services to students in kindergarten through grade twelve in the respective community schools. This prorated share of state unit funding or federal funds received for each such student shall be determined on the basis of all such funds received by a community school for students receiving similar services, as calculated in a manner acceptable to the Superintendent of Public Instruction.

(3) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the number of the district's students enrolled in that community school and residing in the district in a family ~~receiving assistance under Title IV-A of the "Social~~

~~Security Act," 110 Stat. 2113 (1996), 42 U.S.C.A. 601, as amended, participating in Ohio works first under Chapter 5107. Of the Revised Code~~ is multiplied by the per pupil amount of disadvantaged pupil impact aid the school district receives that year under section 3317.029 Of the Revised Code.

(D) The Department shall annually pay to a community school, or to the Lucas County Educational Service Center on behalf of a start-up school for which the Service Center's Treasurer is the chief financial officer and custodian of its funds pursuant to subsection 12 of this section, all of the following:

(1) An amount equal to the sum of the amounts obtained when, for each school district where the community school's students are entitled to attend school under section 3313.64 or 3313.65 of the Revised Code, the number of students enrolled in kindergarten through grade twelve in the school as reported under division (B)(2) of this subsection who are not receiving special education and related services pursuant to an IEP is multiplied by the community school's base formula amount, as adjusted by that school district's cost-of-doing-business factor;

(2) For each student enrolled in the school receiving special education and related services pursuant to an IEP, an amount equal to the actual cost for such student, less a prorated share for ~~the~~ a preschool handicapped student of any amount received from state funded units or for any student, a prorated share of any federal funds to provide special education and related services to students in the community school. This prorated share shall be determined as described under division (C)(2) of this subsection.

(3) An amount equal to the sum of the amounts obtained when, for each school district where the community school's students are entitled to attend school under section 3313.64 or 3313.65 of the Revised Code, the number of that district's students enrolled in the community school and ~~residing in the district in a family receiving assistance under Title IV-A of the "Social Security Act"~~ participating in Ohio works first is multiplied by the per pupil amount of disadvantaged pupil impact aid that school district receives that year under section 3317.029 Of the Revised Code.

~~(E)(1) Each city, exempted village, and local school district shall count in its ADM certified under division (A)(1) of section 3317.03 of the Revised Code, any student entitled to attend school in the district enrolled in a community school, except that a school district may instead count a student enrolled in a community school in its ADM certified under division (A)(3) of that section if the district had counted the student under division (A)(3) of that section immediately prior to the student's enrollment in the community~~

~~school.~~

For purposes of counting students in average daily membership under ~~this division~~ section 3317.03 Of the Revised Code, prior to the first day of classes each year in any community school established under this section, the parent, guardian, or custodian of each student who is enrolled or intends to enroll that year in the community school shall register the student's name and address with the superintendent of the school district in which the student is entitled to attend school. The superintendent shall include all such students in the district's average daily membership as if the students were enrolled during the first full week of October in that school year.

~~(2)(F)~~ During the first year of operation of a community school under this section, in addition to all other payments made to any school district in which a student enrolled in the community school is entitled to attend school pursuant to Chapter 3317. of the Revised Code, the Department of Education shall pay such school district for each student enrolled in the community school who is otherwise entitled to attend school in the district an amount equal to 50 per cent of the district's per pupil state funds.

~~(F)(G)~~ A community school may apply to the Department of Education for preschool handicapped or gifted unit funding the school would receive if it were a school district. Upon request of its governing authority, a community school that received unit funding as a school district-operated school before it was converted to a community school shall retain any units awarded to it as a school district-operated school, provided the school continues to meet eligibility standards for the unit.

A community school shall be considered a school district and its governing authority shall be considered a board of education for the purpose of applying to any state or federal agency for grants that a school district may receive under federal or state law or any appropriations act of the General Assembly. The governing authority of a community school may apply to any private entity for additional funds.

~~(G)(H)~~ A board of education sponsoring a community school may utilize local funds to make enhancement grants to the school or may agree, either as part of the contract or separately, to provide any specific services to the community school at no cost to the school.

~~(H)(I)~~ A community school may not levy taxes or issue bonds secured by tax revenues.

~~(I)(J)~~ No community school shall charge tuition for the enrollment of any student.

~~(J)(K)~~ A community school may borrow money to pay any necessary and actual expenses of the school in anticipation of the receipt of any

portion of the payments to be received by the school pursuant to division (D) of this subsection. The school may issue notes to evidence such borrowing to mature no later than the end of the fiscal year in which such money was borrowed. The proceeds of the notes shall be used only for the purposes for which the anticipated receipts may be lawfully expended by the school.

~~(K)~~(L) For purposes of determining the number of students for which division (D)(3) of this subsection applies in any school year, a community school may submit to the state Department of Human Services, no later than the first day of March, a list of the students enrolled in the school. For each student on the list, the community school shall indicate the student's name, address, and date of birth and the school district where the student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code. Upon receipt of a list under this division, the Department of Human Services shall determine, for each school district where one or more students on the list are entitled to attend school under section 3313.64 or 3313.65 of the Revised Code, the number of students residing in that school district ~~in a family receiving assistance under Title IV-A of the "Social Security Act."~~ who were included in the Department's report required by section 3317.10 Of the Revised Code. The Department shall make this determination on the basis of information readily available to it. Upon making this determination and no later than ninety days after submission of the list by the community school, the Department shall report to the state Department of Education the number of students on the list who reside in each school district ~~in a family receiving assistance under Title IV-A of the "Social Security Act."~~ who were included in the Department's report made pursuant to section 3317.10 Of the Revised Code. In complying with this division, the Department of Human Services shall not report to the state Department of Education any personally identifiable information on any student."

SECTION 6. That existing Subsections 5 and 10 of Section 50.52 of Am. Sub. H.B. 215 of the 122nd General Assembly are hereby repealed.

SECTION 7. That Sections 50.06 and 50.11 of Am. Sub. H.B. 215 of the 122nd General Assembly, as amended by Am. Sub. H.B. 182 of the 122nd General Assembly, be amended to read as follows:

"Sec. 50.06. ~~School Foundation Basic Allowance~~
Base Cost Funding

Of the foregoing appropriation item 200-501, ~~School Foundation Basic~~

~~Allowance~~ Base Cost Funding, up to \$6,000,000 in each year of the biennium shall be expended by the State Board of Education for the extended service allowance which shall be the teachers' salaries pursuant to the schedule contained in section 3317.13 of the Revised Code, plus fifteen per cent for retirement and sick leave; up to \$425,000 shall be expended in each year of the biennium for court payments pursuant to section 2151.357 of the Revised Code; up to \$150,000 in each year of the biennium shall be expended pursuant to section 3313.64 of the Revised Code; ~~the Superintendent of Public Instruction shall expend in each year of the biennium the amount necessary for the purpose of making payments for the vocational education pupil recomputation pursuant to division (M) of section 3317.024 of the Revised Code and the provisions under the section headed "Vocational Education Pupil Recomputation" in this act and the special education pupil recomputation pursuant to division (I) of section 3317.023 of the Revised Code;~~ up to \$100,000 shall be expended in each year of the biennium for supplemental payments pursuant to the section headed "Supplemental Payment" of ~~this act~~ Am. Sub. H.B. 215 of the 122nd General Assembly; an amount shall be available each year of the biennium for the cost of the reappraisal guarantee pursuant to section 3317.04 of the Revised Code; up to \$9,000,000 in each year of the biennium shall be reserved for payments pursuant to sections ~~3317.026~~, 3317.027; and 3317.028 of the Revised Code; up to \$2,000,000 in each year of the biennium shall be reserved for Youth Services tuition payments pursuant to ~~division (F) of section 3317.024 of the Revised Code~~, up to \$1,300,000 in fiscal year 1998 and \$1,300,000 in fiscal year 1999 for small district aid; for districts with an ADM of less than 100, in addition to other funds, an amount shall be paid equal to the amount above the actual fiscal year 1996 and 1997 amounts for basic aid, including any guarantee aid the district would have received in fiscal years 1996 and 1997 had the amendments to divisions (D) and (E) of section 3317.0212 of the Revised Code, as amended in ~~this act~~ Am. Sub. H.B. 215 of the 122nd General Assembly, been in effect; up to \$500,000 in each fiscal year shall be used to make payments to school districts that lose enrollment due to the implementation of the community schools program pursuant to ~~this act~~ Am. Sub. H.B. 215 of the 122nd General Assembly; \$500,000 shall be transferred each year by the Director of Budget and Management to appropriation item 200-422, School Management Assistance, to help the Department of Education administer, monitor, and implement the fiscal emergency and fiscal watch provisions under Chapter 3316. of the Revised Code. Up to \$45,330,000 in fiscal year 1998 and up to \$47,795,600 in fiscal year 1999 shall be reserved to fund the

state reimbursement of educational service centers pursuant to section 3317.11 of the Revised Code; and up to ~~\$1,200,000~~ 1,260,000 in fiscal year 1998 shall be used by the Superintendent of Public Instruction to make incentive payments in any amounts the superintendent deems necessary to joint educational service centers established pursuant to section 3311.053 of the Revised Code. These supplemental payments may be made in fiscal year 1998 to defray the direct or indirect expenses of dissolving participating educational service centers. Each joint educational service center seeking a supplemental payment in fiscal year 1998 shall submit to the Superintendent of Public Instruction any documents and information that the Superintendent may require no later than December 31, 1997.

Notwithstanding any contrary provision of section 3313.843 or 3317.11 Of the Revised Code as amended by Amended Substitute House Bill No. 650 of the 122nd general assembly, students receiving special education programs or related services in fiscal year 1998 through a state-funded special education classroom unit or a state-funded special education related services unit operated by an educational service center shall receive that program or those services from that educational service center in fiscal year 1999 through a contract entered into between the educational service center and the students' school district of enrollment unless the service center and district mutually agree that it is in the best interests of students to provide the program or services in a different manner. The contract for fiscal year 1999 shall provide for payment to the service center by the students' school district of enrollment for the program or services provided by the service center. If the service center and school district fail to agree on a payment amount for the students, they shall notify the department of education and the department shall determine the amount to be paid. If the service center and the district disagree that it is in the best interests of students to have the students receive the program or services in fiscal year 1999 from the service center, the district or service center shall notify the department of education and, prior to March 31, 1998, the department shall determine what manner of program or services in fiscal year 1999 is in the best interests of the students.

Of the foregoing appropriation item; 200-501, ~~School Foundation Basic Allowance~~ Base Cost Funding, up to \$1,000,000 in each fiscal year shall be used by the Department of Education for a pilot program to pay for educational services for youth who have been assigned by a juvenile court or other authorized agency to any of the facilities described in division (A) of the section titled "Private Treatment Facility Pilot Project."

The remaining portion of this appropriation item shall be expended for

~~basic state aid~~ base cost funding for the public schools of city, local, and exempted village school districts pursuant to divisions (A) and (C) of section 3317.022 Of the Revised Code. Any amounts which were encumbered in fiscal year 1997 by the Department of Education from appropriation item 200-501, School Foundation Basic Allowance, for any of the uses described in Section 45.05 of Am. Sub. H.B. 117 of the 121st General Assembly, but which, on the effective date of this amendment of this section, remain unexpended, may be used by the Department of Education to make payments for the purposes of sections 3317.027 and 3317.028 Of the Revised Code in excess of the amounts specified in Section 45.05 of Am. Sub. H.B. 117 of the 121st General Assembly, for fiscal year 1997 obligations pursuant to sections 3317.027 and 3317.028 Of the Revised Code.

Sec. 50.11. Supplemental Unit Allowance

(A) As used under this heading:

(1) "~~Basic aid~~ State share" has the same meaning as in division ~~(A)(1)(B)~~ of section ~~3317.0212~~ 3317.022 of the Revised Code.

~~(2) "Adjusted formula amount" has the same meaning as in division (A)(6) of section 3313.98 of the Revised Code.~~

~~(3) "ADM" has the same meaning as in section 3317.02 of the Revised Code.~~

~~(4) "Per pupil basic aid" means a district's basic aid divided by its ADM.~~

~~(5)(2)~~ "Dollar amount" means the amount shown in the following table for the corresponding type of unit and the appropriate fiscal year:

TYPE OF UNIT	DOLLAR AMOUNT	
	FY 1998	<u>FY</u> <u>1999</u>
Division (M) of R.C. 3317.024	\$5,345	
Division (N)(B) of R.C. 3317.024 <u>3317.05</u>	\$5,702	<u>\$8,334</u>
Division (O)(1)(C) of R.C. 3317.024 <u>3317.05</u>	\$2,293	<u>\$3,234</u>
Division (O)(2)(F) of R.C. 3317.024 <u>3317.05</u>	\$2,523	<u>\$3,550</u>

~~(6) "FY" means fiscal year.~~

~~(7)(3)~~ "Average unit amount" means the amount shown in the following table for the corresponding type of unit and the appropriate fiscal year:

TYPE OF UNIT	AVERAGE UNIT AMOUNT
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	FY 1998	<u>FY 1999</u>
Division (M) of R.C. 3317.024	\$4,937	
Division (N) (B) of R.C. 3317.024	\$5,360	<u>\$7,799</u>
<u>3317.05</u>		
Division (O) (1)(C) of R.C. 3317.024	\$2,129	<u>\$2,966</u>
<u>3317.05</u>		
Division (O) (2)(F) of R.C. 3317.024	\$2,343	<u>\$3,251</u>
<u>3317.05</u>		

(B) In the case of each unit described in division ~~(M)~~, ~~(N)~~, or ~~(O)~~ (B), (C), or (F) of section ~~3317.024~~ 3317.05 of the Revised Code and allocated to a city, local, or exempted village school district, the Department of Education, in addition to the amounts specified in such divisions, shall pay a supplemental unit allowance equal to the sum of the following amounts:

- (1) An amount equal to 50% of the average unit amount for the unit;
- (2) An amount equal to the percentage of the dollar amount for the unit that ~~is obtained by dividing the district's basic aid per pupil by its adjusted formula amount~~ equals the district's state share.

If, prior to the fifteenth day of May of a fiscal year, a school district's basic aid computed under section 3317.022 Of the Revised Code is recomputed pursuant to section 3317.027 or 3317.028 of the Revised Code, the department shall also recompute the district's entitlement to payment under this section utilizing a new ~~basic aid per pupil amount under division (B)(1) of this section~~ state share. Such new ~~basic aid per pupil amount~~ state share shall be determined using the district's recomputed basic aid amount pursuant to section 3317.027 or 3317.028 of the Revised Code. During the last six months of the fiscal year, the department shall pay the district a sum equal to one-half of the recomputed payment in lieu of one-half the payment otherwise calculated under this section.

(C)(1) In the case of each unit ~~described in division (M) of section 3317.024 of the Revised Code that is allocated to any entity other than a city, exempted village, or local~~ a joint vocational school district or institution pursuant to division (A) of section 3317.05 Of the Revised Code, the Department, in addition to the amount specified in ~~such division and in section 3317.16~~ 3317.161 of the Revised Code, shall pay a supplemental unit allowance of ~~\$4,937 in fiscal year 1998~~ 7,227 in fiscal year 1999.

(2) In the case of each unit described in division ~~(N)~~(B) OR ~~(D)~~(1) of section ~~3317.024~~ 3317.05 of the Revised Code that is allocated to any entity other than a city, exempted village, or local school district, the Department, in addition to the amount specified in ~~such division and in~~ section 3317.16

3317.161 of the Revised Code, shall pay a supplemental unit allowance of ~~\$5,360 in fiscal year 1998~~ 7,799 in fiscal year 1999.

(3) In the case of each unit described in division ~~(O)(1)~~ (C) OR (D)(2) of section ~~3317.024~~ 3317.05 of the Revised Code and allocated to any entity other than a city, exempted village, or local school district, the Department, in addition to the amounts specified in ~~such division and in~~ section ~~3317.16~~ 3317.161 of the Revised Code, shall pay a supplemental unit allowance of ~~\$2,129 in fiscal year 1998~~ 2,966 in fiscal year 1999.

(4) In the case of each unit described in division ~~(O)(2)~~ (F) of section ~~3317.024~~ 3317.05 of the Revised Code and allocated to any entity other than a city, exempted village, or local school district, the Department, in addition to the amounts specified in ~~such division and in~~ section ~~3317.16~~ 3317.161 of the Revised Code, shall pay a supplemental unit allowance of ~~\$2,343 in fiscal year 1998~~ 3,251 in fiscal year 1999."

SECTION 8. That existing Sections 50.06 and 50.11 of Am. Sub. H.B. 215 of the 122nd General Assembly, as amended by Am. Sub. H.B. 182 of the 122nd General Assembly, are hereby repealed.

SECTION 9. That Section 50.16 of Am. Sub. H.B. 215 of the 122nd General Assembly, as amended by Am. Sub. S.B. 55 of the 122nd General Assembly, be amended to read as follows:

"Sec. 50.16. Property Tax Allocation

The Superintendent of Public Instruction shall not request and the Controlling Board shall not approve the transfer of funds from appropriation item 200-901, Property Tax Allocation--Education, to any other appropriation line item.

Textbooks/Instructional Materials

As used in this section, "valuation per pupil" means a district's total taxable value of ~~the preceding~~ fiscal year 1998 as defined in section 3317.02 of the Revised Code, ~~as that section existed prior to July 1, 1998,~~ divided by the district's ADM of ~~the preceding~~ fiscal year 1998 as defined in division (A) of ~~such former~~ section 3317.02 of the Revised Code.

Money in the foregoing appropriation item 200-645, Textbooks/Instructional Materials, shall be distributed in fiscal year 1999 on a per pupil basis to all city, exempted village, and local school districts with a valuation per pupil less than \$200,000. City, exempted village, and local school districts shall use moneys received from the appropriation item for textbooks, instructional software, instructional materials, and any other

materials the district deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science, and citizenship.

School District Solvency Assistance

The foregoing appropriation item 200-687, School District Solvency Assistance, shall be used to make advancements to school districts to enable them to remain solvent pursuant to section 3316.20 of the Revised Code. Advancements shall be subject to approval by the Controlling Board. Reimbursements from school districts for any amounts advanced shall be made to the School District Solvency Assistance Fund."

SECTION 10. That existing Section 50.16 of Am. Sub. H.B. 215 of the 122nd General Assembly, as amended by Am. Sub. S.B. 55 of the 122nd General Assembly, is hereby repealed.

SECTION 11. That Sections 50.05, 50.18, 50.22, and 50.25 of Am. Sub. H.B. 215 of the 122nd General Assembly are hereby repealed.

SECTION 12. That Section 5 of Am. Sub. S.B. 102 of the 122nd General Assembly, as amended by Am. Sub. H.B. 215 of the 122nd General Assembly, be amended to read as follows:

"Sec. 5. SFC SCHOOL FACILITIES COMMISSION

General Revenue Fund

GRF 230-428 Lease Rental Payments	\$	27,020,000	\$	57,176,000
TOTAL GRF General Revenue Fund	\$	27,020,000	\$	57,176,000

State Special Revenue Fund

5E3 230-644 Operating Expenses	\$	2,000,000	\$	2,400,000
Total SSR State Special Revenue Fund Group	\$	2,000,000	\$	2,400,000

Lottery Profit Education Fund Group

<u>018 230-649 Disability Access Project</u>	\$	<u>5,000,000</u>	\$	<u>0</u>
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TOTAL LPE Lottery Profits

<u>Education Fund Group</u>	\$	<u>5,000,000</u>	\$	<u>0</u>
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TOTAL ALL BUDGET FUND GROUPS	\$	29,020,000	\$	59,576,000
		<u>34,020,000</u>		

Operating Expenses

The foregoing appropriation item 230-644, Operating Expenses, shall be used by the Ohio School Facilities Commission to carry out its responsibilities pursuant to this section and Chapter 3318. of the Revised Code.

There is hereby created in the state treasury the Ohio School Facilities

Commission Fund (Fund 5E3). The fund shall consist of transfers of moneys authorized by the General Assembly, grants and other revenues described in division (D) of section 3318.31 of the Revised Code, and investment earnings of the fund. Moneys credited to the fund may be used by the commission for staffing and other administrative expenses, to conduct evaluations of school facilities, to prepare building design specifications, to provide project management services, and for any other purposes deemed necessary by the commission consistent with Chapter 3318. of the Revised Code.

Within 10 days of the effective date of this section, the Director of Budget and Management shall transfer up to \$2,000,000 by intrastate transfer voucher from the School Facilities Commission's appropriation item 230-428, Lease Rental Payments, to the Ohio School Facilities Commission Fund (Fund 5E3). In fiscal year 1999, by July 10, 1998, the Director of Budget and Management shall transfer up to \$2,400,000 by intrastate transfer voucher from the School Facilities Commission's line item 230-428 Lease Rental Payments to the Ohio School Facilities Commission Fund (Fund 5E3). Investment earnings to the School Building Assistance Fund (Fund 032) in excess of the amounts required to meet estimated federal arbitrage rebate requirements may be transferred at the request of the Ohio School Facilities Commission by the Director of Budget and Management to the Ohio School Facilities Commission Fund (Fund 5E3). Investment earnings to the Public School Building Fund (Fund 021) and repayments to the Public School Building Fund (Fund 021) made pursuant to Chapter 3318. of the Revised Code may be transferred at the request of the Ohio School Facilities Commission by the Director of Budget and Management to the Ohio School Facilities Commission Fund (Fund 5E3).

Lease Rental Payments

After the transfers described in this section under the heading, "Operating Expenses" are made, the remaining appropriation shall be used by the School Facilities Commission to meet all payments at the times required to be made during the period from July 1, 1997, to June 30, 1999, to pay bond service charges on obligations issued pursuant to Chapter 3318. of the Revised Code.

Disability Access Projects

(A) As used in this section:

(1) "Percentile" means the percentile in which a school district is ranked according to the most recent ranking of school districts with regard to income and property wealth under division (B) of section 3318.011 of the Revised Code.

(2) "School district" means a city, local, or exempted village school district, except for a school district that is one of the state's 21 urban school districts as defined in division (O) of section 3317.02 of the Revised Code, as that section existed prior to July 1, 1998.

(3) As used in this section, "valuation per pupil" means a district's total taxable value as defined in section 3317.02 of the Revised Code divided by the district's ADM as defined in division (A) of section 3317.02 of the Revised Code as that section existed prior to July 1, 1998.

(B) The School Facilities Commission shall adopt rules for awarding grants to school districts with a valuation per pupil less than \$200,000, to be used for construction, reconstruction, or renovation projects in classroom facilities, the purpose of which is to improve access to such facilities by physically handicapped persons. The rules shall include application procedures.

No school district shall be awarded a grant under this section in excess of \$100,000. In addition, any school district shall be required to pay a percentage of the cost of the project for which the grant is being awarded equal to the percentile in which the district is so ranked.

The foregoing appropriation item 200-649, Disability Access Project, shall be used to fund capital projects that make buildings more accessible to students with disabilities pursuant to this section. Of the foregoing appropriation item 200-649, Disability Access Project, \$60,000 shall be used for the Danville High School wheelchair lift."

SECTION 13. That existing Section 5 of Am. Sub. S.B. 102 of the 122nd General Assembly, as amended by Am. Sub. H.B. 215 of the 122nd General Assembly, is hereby repealed.

SECTION 14.

Transfer of Fiscal Year 1998 Ending GRF Balances

(A) Notwithstanding division (B)(1)(b) of section 131.44 of the Revised Code, Fiscal Year 1998 surplus revenue that would otherwise have been transferred to the Income Tax Reduction Fund shall instead be distributed as provided in division (B) of this section.

(B)(1) The first \$30,000,000 of such surplus revenue shall be transferred from the General Revenue Fund to the School District Solvency Assistance Fund created in section 3316.20 of the Revised Code.

(2) The next \$170,000,000 of surplus revenue shall be transferred from the General Revenue Fund to Fund 021, School Building Assistance. Of this

amount, \$30,000,000 is hereby appropriated and shall be used by the Ohio School Facilities Commission to complete all requests submitted by equity districts prior to January 15, 1998, under the Emergency School Building Repair Program, pursuant to section 3318.35 of the Revised Code. Any remaining moneys deposited in Fund 021 under division (B)(2) of this section are hereby appropriated to pay for school building construction or renovation for low-wealth school districts as provided by Am. Sub. S.B. 102 of the 122nd General Assembly and other generally applicable provisions of law.

(3) Any surplus revenue in excess of the amounts distributed under division (B)(1) or (2) of this section shall be transferred to the Income Tax Reduction Fund and distributed in accordance with section 131.44 of the Revised Code.

SECTION 15. Within 15 days after July 1, 1998, the Director of Budget and Management shall transfer \$10,000,000 from the Lottery Profits Education Reserve Fund (Fund 18) to the Department of Education's General Revenue Fund 200-545, Vocational Education Enhancements.

SECTION 16.

Appropriation Reductions

(A) The General Revenue Fund appropriations for Fiscal Year 1999 are hereby reduced by an amount equal to three per cent of the Fiscal Year 1999 appropriations authorized in any act of the 122nd General Assembly prior to the effective date of this act with the following exceptions:

(1) Appropriations to the following agencies are exempt from any reductions made in this section: the Department of Education; the Ohio School for the Blind; the Ohio School for the Deaf; the Office of Information, Learning and Technology Services; and the School Facilities Commission.

(2) Appropriations for the following purposes are exempt from any reductions made in this section: property tax allocation appropriations; tangible tax exemption appropriations; all appropriations for debt service, including lease rental payments; all state office building rent and office building appropriations made to the Department of Administrative Services; and pension systems' payments made by the Treasurer of State.

(3) The following appropriation line items are exempt from any reductions: 005-321, Operating Expenses - Judiciary; 110-506, Utility Bill Credits; 235-503, Ohio Instructional Grants; 235-504, War Orphans'

Scholarships; 235-514, Central State Supplement; 235-530, Academic Scholarships; 235-531, Student Choice Grants; 235-549, Part-Time Student Instructional Grants; 400-411, TANF Federal Block Grant; 400-413, Day Care Match/Maintenance of Effort; 400-511, Disability Assistance; 400-528, Adoption Services; and 911-401, Emergency Purposes/Contingencies.

(4) Except for items included under divisions (A)(2) and (3) of this section, appropriations to the Board of Regents shall be reduced by one-half of one per cent, except for appropriation line items 235-100, Personal Services; 235-200, Maintenance; and 235-300, Equipment, which shall be reduced by three per cent.

(5) Except for items included under divisions (A)(2) and (3) of this section, appropriations to the Department of Mental Retardation and Developmental Disabilities, the Department of Youth Services, and the Department of Rehabilitation and Correction shall be reduced by two per cent.

(6) Except for items included under divisions (A)(2) and (3) of this section, appropriations to the Ohio Veterans' Home; the Department of Taxation; the Department of Mental Health; the Joint Committee on Agency Rule Review; the Department of Commerce; the Commission on Dispute Resolution and Conflict Management; the Ohio Elections Commission; the Environmental Review Appeals Commission; the Ohio Ethics Commission; the Ohio Expositions Commission; the Commission on Hispanic/Latino Affairs; the Office of the Inspector General; the Legal Rights Service; the Joint Legislative Ethics Committee; the Commission on Minority Health; the Ohioana Library Association; the State Personnel Board of Review; the State Board of Proprietary School Registration; the Rehabilitation Services Commission; the State and Local Government Commission of Ohio; the Veterans' Organizations; and the Women's Policy and Research Commission shall be reduced by one per cent.

(7) The Director of Budget and Management may reduce the appropriation for appropriation line item 400-525, Health Care/Medicaid, by an amount not to exceed one per cent. In fiscal year 1999, the Director of Human Services shall provide \$868,429 from appropriation item 400-411, Federal TANF Block Grant, to county departments of human services for the purchase of drug and alcohol services for recipients under the Ohio Works First and the Prevention, Retention, and Contingency programs for the purpose of enhancing employability of participants in those programs.

(8) The sum of all reductions made by this section shall not be less than \$100,000,000.

(B) For all agencies that are subject to a reduction in appropriations, the agency director may allocate the reductions in division (A) of this section among the agency's appropriation line items with the approval of the Director of Budget and Management. The reductions shall be allocated such that cuts to the operating expenses, excluding subsidy payments and transfer payments, of the agency are equal to the maximum percentage reduction applied to the agency as defined in division (A) of this section. When appropriations are reduced in an appropriation line item with amounts specified for a special purpose, the specified amount may be reduced by a percentage up to the percentage by which the line item itself is reduced.

(C) For the purpose of complying with this section, the reductions made to Fiscal Year 1999 line item appropriations that have state and federal shares identified in any act of the 122nd General Assembly prior to this act shall be made against the state share of such line items. Once that reduction in the state share is determined, the Director of Budget and Management shall, in determining the total reduction to such line items, add the corresponding amounts of federal matching funds at the percentages indicated by the state and federal division of the appropriation for such line items.

SECTION 17. The General Assembly shall enact a budget for the fiscal year 2000-2001 biennium for the Department of Education, the Ohio Board of Regents, and any other state agency established solely to carry out functions related to primary and secondary education or higher education, in legislation separate from the main operating appropriations act for that biennium.

SECTION 18. (A) As used in this section:

(1) "FY 1998 state aid" means the total amount of state money received by a school district under sections 3317.022, 3317.023, and 3317.025 to 3317.028 of the Revised Code, prior to any deductions or credits required by division (G), (I), (J), or (K) of section 3317.023, plus any amounts for which the district was eligible pursuant to divisions (K), (M), (N), and (O) of section 3317.024 and sections 3317.0212 and 3317.0213 of the Revised Code, as those divisions and sections existed in fiscal year 1998.

(2) "FY 1999 state aid," "FY 2000 state aid," "FY 2001 state aid," and "FY 2002 state aid" mean the total amount of state money a school district is eligible to receive for the applicable fiscal year under sections 3317.022, 3317.023, 3317.025 to 3317.028, 3317.029, 3317.0212, and 3317.0213 of

the Revised Code, plus any amount for which the district is eligible pursuant to division (Q) of section 3317.024 of the Revised Code and prior to any deductions or credits required by division (F), (H), or (I) of section 3317.023 of the Revised Code, as those sections are enacted and amended by this act.

(3) "FY 1999 actual aid," "FY 2000 actual aid," "FY 2001 actual aid," and "FY 2002 actual aid" means the amount of the state aid described in division (A)(2) of this section that was actually paid to a school district in the applicable fiscal year after the application of divisions (B) to (E) of this section.

(4) "FY 1998 ADM" has the meaning prescribed in section 3317.0212 of the Revised Code.

(5) "Formula amount" has the meaning prescribed in section 3317.02 of the Revised Code.

(B) In fiscal year 1999, notwithstanding any provision of law to the contrary, no school district shall receive FY 1999 state aid that is equal to more than 110 per cent of FY 1998 state aid. If a district's projected FY 1999 state aid is more than 110 per cent of its FY 1998 state aid, such district shall receive only 110 per cent of its FY 1998 state aid in fiscal year 1999.

(C) In fiscal year 2000, notwithstanding any provision of law to the contrary, no school district shall receive FY 2000 state aid that is equal to more than 110 per cent of FY 1999 actual aid. If a district's projected FY 2000 state aid is more than 110 per cent of its FY 1999 actual aid, such district shall receive only 110 per cent of its FY 1999 actual aid in fiscal year 2000.

(D) In fiscal year 2001, notwithstanding any provision of law to the contrary, no school district shall receive FY 2001 state aid that is equal to more than 110 per cent of FY 2000 actual aid. If a district's projected FY 2001 state aid is more than 110 per cent of its FY 2000 actual aid, such district shall receive only 110 per cent of its FY 2000 actual aid in fiscal year 2001.

(E) In fiscal year 2002, notwithstanding any provision of law to the contrary, no school district shall receive FY 2002 state aid that is equal to more than 110 per cent of FY 2001 actual aid. If a district's projected FY 2002 state aid is more than 110 per cent of its FY 2001 actual aid, such district shall receive only 110 per cent of its FY 2001 actual aid in fiscal year 2002.

(F) Notwithstanding any provision of law to the contrary:

(1) The amount by which a school district's FY 1999 actual aid exceeds its FY 1998 state aid is hereby deemed to first consist of the disadvantaged

pupil impact aid (DPIA) calculated under section 3317.029 of the Revised Code. In fiscal year 1999, each district shall spend for the purposes set forth in section 3317.029 of the Revised Code at least the lesser of the amount calculated under that section or the amount by which its FY 1999 actual aid exceeds its FY 1998 state aid.

(2) The amount by which a school district's FY 2000 actual aid exceeds its FY 1999 actual aid is hereby deemed to first consist of the DPIA calculated under section 3317.029 of the Revised Code. In fiscal year 2000, each district shall spend for the purposes set forth in section 3317.029 of the Revised Code at least the lesser of the amount calculated under that section or the amount by which its FY 2000 actual aid exceeds its FY 1999 actual aid.

(3) The amount by which a school district's FY 2001 actual aid exceeds its FY 2000 actual aid is hereby deemed to first consist of the DPIA calculated under section 3317.029 of the Revised Code. In fiscal year 2001, each district shall spend for the purposes set forth in section 3317.029 of the Revised Code at least the lesser of the amount calculated under that section or the amount by which its FY 2001 actual aid exceeds its FY 2000 actual aid.

(4) The amount by which a school district's FY 2002 actual aid exceeds its FY 2001 actual aid is hereby deemed to first consist of the DPIA calculated under section 3317.029 of the Revised Code. In fiscal year 2002, each district shall spend for the purposes set forth in section 3317.029 of the Revised Code at least the lesser of the amount calculated under that section or the amount by which its FY 2002 actual aid exceeds its FY 2001 actual aid.

(G)(1) In lieu of the limitation on the amount of aid a district may receive in fiscal year 1999 provided in division (B) of this section, the district may receive an amount calculated under the following formula, if such amount is greater than the amount provided in division (B) of this section:

1.06 times (the district's FY 1999 state aid/district's FY 1999 formula ADM) minus (the district's FY 1998 state aid/district's FY 1998 ADM) times the district's FY 1999 formula ADM

(2) In lieu of the limitation on the amount of aid a district may receive in fiscal year 2000 provided in division (C) of this section, the district may receive an amount calculated under the following formula, if such amount is greater than the amount provided in division (C) of this section:

1.06 times (the district's FY 2000 state aid/district's FY 2000 formula ADM) minus (the district's FY 1999 actual aid/district's FY 1999 formula ADM)

times the district's FY 2000 formula ADM

(3) In lieu of the limitation on the amount of aid a district may receive in fiscal year 2001 provided in division (D) of this section, the district may receive an amount calculated under the following formula, if such amount is greater than the amount provided in division (D) of this section:

1.06 times (the district's FY 2001 state aid/district's FY 2001 formula ADM) minus (the district's FY 2000 actual aid/district's FY 2000 formula ADM) times the district's FY 2001 formula ADM

(4) In lieu of the limitation on the amount of aid a district may receive in fiscal year 2002 provided in division (E) of this section, the district may receive an amount calculated under the following formula, if such amount is greater than the amount provided in division (E) of this section:

1.06 times (the district's FY 2002 state aid/district's FY 2002 formula ADM) minus (the district's FY 2001 actual aid/district's FY 2001 formula ADM) times the district's FY 2002 formula ADM

SECTION 19. There is hereby established a pupil transportation pilot project to demonstrate innovative, efficient, and cost-reducing cooperative methods of transporting pupils on a countywide basis. The Superintendent of Public Instruction shall receive proposals from educational service centers and shall approve two locations for the pupil transportation pilot project. One location shall be an educational service center with a majority of its territory included in the same county as a big eight school district; the other location shall be an educational service center serving three or more school districts in a small, rural county. The Superintendent of Public Instruction shall select an educational service center to participate only if a majority of the superintendents of the school districts receiving services from the educational service center agree to participate in the project and only if the participating school districts are contiguous.

Under the supervision of the educational service center, the superintendents of the participating school districts shall cooperatively develop a plan for the transportation of pupils by the most efficient method designed to effect savings in the aggregate transportation costs of all the participating school districts. The plan may propose the cooperative operation of the equipment and use of the personnel of any participating school district and other agreed to alternative methods of transporting pupils designed to achieve efficiency. Provided however, that every pupil entitled under Chapter 3327. of the Revised Code to receive transportation shall continue to be transported.

The Legislative Office of Education Oversight shall monitor the

implementation of the pilot project to determine whether the programs suggest innovative, effective cooperative ways to deal with the transportation of pupils that may be applicable beyond the pilot project locations.

As used in this section, "big eight school district" has the same meaning as in section 3314.02 of the Revised Code.

SECTION 20. (A) Notwithstanding section 3317.0215 of the Revised Code as enacted by this act, each school district entitled to a payment under that section for fiscal year 1999, 2000, or 2001 shall receive the following percentage of the amount otherwise computed for the district under that section:

Fiscal Year	Percentage
1999	25%
2000	50%
2001	75%

For fiscal year 2002 and thereafter, school districts shall receive the amount computed under section 3317.0215 of the Revised Code.

(B) In lieu of the amount calculated for a school district under divisions (D)(2) and (3) of section 3317.022 of the Revised Code as amended by this act, in fiscal year 1999, each district shall receive the greater of the amount calculated for the district under those divisions or the amount calculated for the district in fiscal year 1998 under former division (K) of section 3317.024 of the Revised Code, as that division of that section existed in fiscal year 1998.

SECTION 21. Each educational service center shall conduct a study, establish priorities, and develop a plan for ensuring the availability of upper level high school courses, advanced placement credit courses, and other enhanced curriculum opportunities to the school districts within the territory of the service center and the client districts of the service center. In adopting its plan, the educational service center shall strive to make challenging upper level course work, advanced placement courses, and first-year college courses available to high school juniors and seniors in a comprehensive and cost-effective manner using available funds.

The plan may provide course opportunities through cooperative programs, sharing programs, distance learning, regional magnet programs, use of part-time specialized teachers, cooperation with a local community college, technical school, university branch, or university, the planned use of

the post-secondary enrollment option under Chapter 3365. of the Revised Code, and other innovative methods. The plan may rely on students to provide their own transportation when necessary.

The plan may be phased in over a period of not more than three years. Each educational service center shall file its plan by December 31, 1998, with the Department of Education and annually shall report to the Department on the implementation, progress, and success of the plan in making upper level courses more available in an efficient and cost-effective manner.

Following the initial submission of the plan or any interim phase-in report to the Department of Education, each educational service center shall prepare materials detailing the available courses and other opportunities and shall distribute the materials in the spring of each year to apprise students, parents, counselors, and administrators of the courses and other opportunities that will be available in the succeeding school year.

SECTION 22. The amendment by this act of section 3313.843 of the Revised Code is a remedial law as contemplated by section 1.11 of the Revised Code.

SECTION 23. Not later than December 31, 1999, the Legislative Office of Education Oversight shall issue a report to the General Assembly to recommend a new indicator to be used to distribute resources to school districts with high concentrations of poverty and low-income families in order to address problems in the current Disadvantaged Pupil Impact Aid program related to the decrease in the number of Ohio Works First families.

SECTION 24. Not later than December 31, 2000, the Legislative Office of Education Oversight shall issue a report to the General Assembly that includes, but is not limited to, the following:

(A) An evaluation of state funding of primary and secondary student transportation and the purchase of buses, including an assessment of school districts with higher-than-state-average costs for student transportation;

(B) An analysis of the student transportation funding formula and how it allocates resources to school districts and how it relates to costs districts incur.

SECTION 25. Not later than December 31, 2000, the Legislative Office of

Education Oversight shall issue a report to the General Assembly that includes, but is not limited to, the following:

- (A) An evaluation of state funding for vocational education, including state and local funding for joint vocational schools;
- (B) An analysis of districts' vocational education costs;
- (C) A recommendation for a mechanism for funding vocational education costs through a weighted pupil mechanism or some other type of funding mechanism.

SECTION 26. Upon the effective date of this act, the Legislative Office of Education Oversight shall develop an evaluation mechanism for measuring the educational benefits of all-day kindergarten and reduced class size. Not later than two years after the effective date of this section, the Legislative Office of Education Oversight shall issue a report to the General Assembly that does both of the following:

- (A) Evaluates the extent to which the state-supported efforts to implement all-day kindergarten and reduced class sizes in primary grade classrooms have been successful, and the problems encountered in implementing these programs where they have not yet been fully implemented;
- (B) Establishes a method to monitor whether state-supported efforts to implement all-day kindergarten and reduced class sizes have positive effects on students that are a part of such efforts, including the effect of improving the percentage of students attaining the designated scores on the tests prescribed under division (A)(1) of section 3301.0710 of the Revised Code.

SECTION 27. Section 102.02 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. H.B. 215 and Sub. H.B. 269 of the 122nd General Assembly, with the new language of neither of the acts shown in capital letters. Sections 3317.023 and 3318.05 of the Revised Code are presented in this act as composites of the sections as amended by both Am. Sub. H.B. 215 and Sub. H.B. 408 of the 122nd General Assembly, with the new language of neither of the acts shown in capital letters. This is in recognition of the principle stated in division (B) of section 1.52 of the Revised Code that such amendments are to be harmonized where not substantively irreconcilable and constitutes a legislative finding that such is the resulting version in effect prior to the effective date of this act.

SECTION 28. The codified sections of law contained within the purview of Sections 1 and 2 of this act are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the codified sections of law contained within the purview of Sections 1 and 2 of this act are entitled to go into immediate effect when this act becomes law. However, the codified sections of law contained within the purview of Sections 1 and 2 of this act take effect on July 1, 1998, or the day this act becomes law, whichever is later.

SECTION 29. (A) This section and Sections 3 to 26, 28, and 30 of this act are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, this section and Sections 3 to 26, 28, and 30 of this act go into immediate effect when this act becomes law.

(B) Section 27 of this act is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, Section 26 of this act is entitled to go into immediate effect when this act becomes law. However, Section 27 of this act takes effect on July 1, 1998, or the day the act becomes law, whichever is later.

SECTION 30. As authorized by Ohio Constitution, Article II, Section 26, if Ohio Constitution, Article XII, Section 14 has been approved by a majority of the electors voting on the section at the special election held on May 5, 1998, and if Section 14 of Article XII as thus approved imposes an increase in the sales tax the proceeds of which are devoted to funding elementary and secondary education and providing property tax relief, then and only then Section 31 of this act takes effect July 1, 1998.

SECTION 31. All items in this section are hereby appropriated as designated out of moneys in the state treasury to the credit of the School Trust Fund. For all appropriations made in this act, those in the first column are for fiscal year 1998 and those in the second column are for fiscal year 1999. The appropriations made in this act are in addition to any other appropriations made for the 1997-1999 biennium.

EDU DEPARTMENT OF EDUCATION

School Trust Fund

XXX 200-YYY Vocational Education	\$	0	\$	5,000,000
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	Enhancements			
XXX 200-XXX	Alternative Schools	\$	0	\$ 10,000,000
Total STF School Trust Fund Group		\$	0	\$ 15,000,000
TOTAL ALL BUDGET FUND GROUPS		\$	0	\$ 15,000,000

Comprehensive High School Vocational Education Program

The foregoing appropriation item 200-YYY, Vocational Education Enhancements, shall be used for the same purposes as the set-aside for Vocational Education Programs in comprehensive high school.

Alternative Schools

(A) As used in this section:

(1) "Proposing district" means either of the following:

(a) An educational service center acting on behalf of school districts within its territory or districts that have entered into an agreement with the service center pursuant to section 3313.843 of the Revised Code;

(b) A school district representing a consortia of two or more school districts cooperating under section 3313.533 of the Revised Code to form a joint alternative school.

(B) Any proposing district may submit a plan to the Superintendent of Public Instruction for the establishment and operation of an alternative school under section 3313.533 of the Revised Code together with a request for a planning and start-up grant. The Superintendent shall establish criteria that a proposing district must meet in order to receive a grant, which shall include the requirements specified in section 3313.533 of the Revised Code. The criteria shall include provisions to ensure the school serves a sufficient number of students so that it will operate in an efficient and effective manner.

The Superintendent shall make a grant of up to \$50,000 in accordance with appropriations for such purpose to any proposing district with a plan meeting the established criteria. School districts submitting acceptable plans shall be awarded grants on a first-come, first-serve basis. The grant shall be used to defray planning and initial start-up costs for the alternative school. In the first year of operation of an alternative school, the Superintendent may make an additional grant of no more than \$100,000 in accordance with appropriations for such purpose to the proposing district to partially defray any additional start-up costs. The actual amount of the grant shall be based on a thorough examination of the financial needs of the alternative school.

(C) Any district operating an alternative school pursuant to section 3313.533 of the Revised Code prior to the effective date of this section may apply to the Department of Education for a grant of no more than \$100,000 in accordance with appropriations for such purpose for the on-going operations of the alternative school.

NET OFFICE OF INFORMATION, LEARNING, AND TECHNOLOGY SERVICES

School Trust Fund Group

XXX 228-XXX Distance Learning	\$	0	\$	30,000,000
XXX 228-YYY Technology for Schools	\$	0	\$	50,000,000
Total STF School Trust Fund Group	\$	0	\$	80,000,000
TOTAL ALL BUDGET FUND GROUPS	\$	0	\$	80,000,000

Distance Learning

The foregoing appropriation item 228-XXX, Distance Learning, shall be distributed by the Office of Information, Learning, and Technology Services for funding for approved projects based on project criteria and a distribution formula to be developed by the Ohio Schools Technology Implementation Task Force. The Task Force shall include the formula in its report, to be issued no later than August 1, 1998.

Technology for Schools

The foregoing appropriation item 228-YYY, Technology for Schools, shall be distributed by the Office of Information, Learning, and Technology Services for funding for approved projects based on project criteria and a distribution formula to be developed by the Ohio Schools Technology Implementation Task Force. The Task Force shall include the formula in its report, to be issued no later than August 1, 1998.

SFC SCHOOL FACILITIES COMMISSION

School Trust Fund Group

XXX CAP-XXX School Building Assistance	\$	0	\$	250,000,000
Total STF School Trust Fund Group	\$	0	\$	250,000,000
TOTAL ALL BUDGET FUND GROUPS	\$	0	\$	250,000,000

School Building Assistance

(A) Except as provided in division (B) of this section, the foregoing appropriation item CAP-XXX, School Building Assistance, shall be used by the School Facilities Commission to pay for school building construction for low-wealth school districts pursuant to sections 3318.01 to 3318.32 of the Revised Code.

(B) The Commission shall designate a portion of the \$250,000,000 appropriated under this section to establish an emergency facility repair program for school districts that were not among the 292 districts receiving funds pursuant to section 3317.0213 of the Revised Code, as of May 20, 1997, but whose valuation per pupil as of that date did not exceed \$200,000. The Commission shall adopt rules similar to those it adopts for the program established under section 3318.35 of the Revised Code to ensure a fair and orderly allocation of funds for this program for any of the same types of repair projects permitted by that section. The rules shall require districts to be ranked by valuation per pupil and shall provide for the state's percentage

of the project costs to vary based on the district's ranking.

Within the limits set forth in this section, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this section, and shall determine the form and manner in which appropriation accounts shall be maintained. Expenditures from appropriations contained in this section shall be accounted for as though made by the 122nd General Assembly in Am. Sub. H.B. 215.

This section is not subject to the referendum.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

This act is not of a general and permanent nature and does not require a code section number.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the

Am. Sub. H. B. No. 650

276

____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____