

AN ACT

To amend sections 9.90, 109.57, 125.05, 125.13, 1111.01, 3301.011, 3301.0711, 3301.0714, 3301.17, 3301.171, 3301.80, 3301.801, 3301.86, 3301.87, 3301.88, 3301.91, 3302.01, 3302.02, 3302.03, 3302.04, 3302.07, 3311.19, 3311.213, 3311.24, 3313.376, 3313.603, 3313.608, 3313.61, 3313.611, 3313.612, 3313.613, 3313.981, 3314.02, 3314.03, 3314.05, 3314.06, 3314.08, 3314.09, 3314.11, 3314.12, 3314.13, 3315.17, 3316.05, 3316.06, 3317.01, 3317.02, 3317.022, 3317.023, 3317.024, 3317.029, 3317.0212, 3317.0213, 3317.0216, 3317.03, 3317.033, 3317.05, 3317.051, 3317.11, 3317.162, 3317.19, 3317.51, 3318.01, 3318.011, 3318.05, 3318.06, 3318.08, 3318.081, 3318.082, 3318.13, 3318.14, 3318.15, 3318.16, 3318.17, 3318.18, 3318.21, 3318.25, 3318.26, 3318.29, 3318.31, 3318.35, 3319.22, 3319.235, 3332.05, 3332.07, 3332.084, 3332.085, 3333.04, 3333.12, 3333.27, 3345.22, 3365.01 to 3365.03, 3365.041, 3365.05, 3365.07, 3365.09, 3770.01, 3770.06, 4117.101, 5126.12, 5126.16, 5705.29, 5705.412, 5747.01, 5910.032, and 5919.34; to enact new sections 3313.974, 3313.975, 3313.976, 3313.977, 3313.978, 3313.979, and 3317.16 and sections 3301.0726, 3301.311, 3314.011, 3314.012, 3314.013, 3314.021, 3314.071, 3314.15, 3317.014, 3318.021, 3318.032, 3318.083, 3318.33, 3318.36, 3324.01 to 3324.07, 3333.29, and 3333.50; and to repeal sections 3313.21, 3313.974, 3313.975, 3313.976, 3313.977, 3313.978, 3313.979, 3317.0214, 3317.053, 3317.16, 3318.23, 3318.24, and 3318.27 of the Revised

Code and to amend Section 45.32 of Am. Sub. H.B. 117 of the 121st General Assembly, as subsequently amended; to amend Section 50.52.2 of Am. Sub. H.B. 215 of the 122nd General Assembly; to amend Section 18 of Am. Sub. H.B. 650 of the 122nd General Assembly, as subsequently amended; to amend Sections 6, 26, 30.07, 30.10, 30.43, and 31 of Am. Sub. H.B. 850 of the 122nd General Assembly; to amend Section 7 of Am. Sub. S.B. 102 of the 122nd General Assembly; to repeal Sections 50.52.1, 50.52.3, 50.52.6, 50.52.8, 50.52.11, and 50.52.13 of Am. Sub. H.B. 215 of the 122nd General Assembly; and to repeal Sections 50.52.4, 50.52.5, 50.52.7, 50.52.9, and 50.52.10 of Am. Sub. H.B. 215 of the 122nd General Assembly, as subsequently amended, to make appropriations for education programs for the biennium beginning July 1, 1999, and ending June 30, 2001, and to provide authorization and conditions for the operation of those programs.

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

SECTION 1. That sections 9.90, 109.57, 125.05, 125.13, 1111.01, 3301.011, 3301.0711, 3301.0714, 3301.17, 3301.171, 3301.80, 3301.801, 3301.86, 3301.87, 3301.88, 3301.91, 3302.01, 3302.02, 3302.03, 3302.04, 3302.07, 3311.19, 3311.213, 3311.24, 3313.376, 3313.603, 3313.608, 3313.61, 3313.611, 3313.612, 3313.613, 3313.981, 3314.02, 3314.03, 3314.05, 3314.06, 3314.08, 3314.09, 3314.11, 3314.12, 3314.13, 3315.17, 3316.05, 3316.06, 3317.01, 3317.02, 3317.022, 3317.023, 3317.024, 3317.029, 3317.0212, 3317.0213, 3317.0216, 3317.03, 3317.033, 3317.05, 3317.051, 3317.11, 3317.162, 3317.19, 3317.51, 3318.01, 3318.011, 3318.05, 3318.06, 3318.08, 3318.081, 3318.082, 3318.13, 3318.14, 3318.15, 3318.16, 3318.17, 3318.18, 3318.21, 3318.25, 3318.26, 3318.29, 3318.31, 3318.35, 3319.22, 3319.235, 3332.05, 3332.07, 3332.084, 3332.085, 3333.04, 3333.12, 3333.27, 3345.22, 3365.01, 3365.02, 3365.03, 3365.041, 3365.05, 3365.07, 3365.09, 3770.01, 3770.06, 4117.101, 5126.12, 5126.16,

5705.29, 5705.412, 5747.01, 5910.032, and 5919.34 be amended and new sections 3313.974, 3313.975, 3313.976, 3313.977, 3313.978, 3313.979, and 3317.16 and sections 3301.0726, 3301.311, 3314.011, 3314.012, 3314.013, 3314.021, 3314.071, 3314.15, 3317.014, 3318.021, 3318.032, 3318.083, 3318.33, 3318.36, 3324.01, 3324.02, 3324.03, 3324.04, 3324.05, 3324.06, 3324.07, 3333.29, and 3333.50 of the Revised Code be enacted to read as follows:

Sec. 9.90. (A) The governing board of any public institution of higher education, including without limitation state universities and colleges, community college districts, university branch districts, technical college districts, and municipal universities, or the board of education of any school district, may, in addition to all other powers provided in the Revised Code:

(1) Contract for, purchase, or otherwise procure from an insurer or insurers licensed to do business by the state of Ohio for or on behalf of such of its employees as it may determine, life insurance, or sickness, accident, annuity, endowment, health, medical, hospital, dental, or surgical coverage and benefits, or any combination thereof, by means of insurance plans or other types of coverage, family, group or otherwise, and may pay from funds under its control and available for such purpose all or any portion of the cost, premium, or charge ~~therefor~~; for such insurance, coverage, or benefits. However, the governing board, in addition to or as an alternative to the authority otherwise granted by division (A)(1) of this section, may elect to procure coverage for health care services, for or on behalf of such of its employees as it may determine, by means of policies, contracts, certificates, or agreements issued by at least two health insuring corporations holding a certificate of authority under Chapter 1751. of the Revised Code and may pay from funds under the governing board's control and available for such purpose all or any portion of the cost of such coverage.

(2) Make payments to a custodial account for investment in regulated investment company stock for the purpose of providing retirement benefits as described in section 403(b)(7) of the Internal Revenue Code of 1954, as amended. Such stock shall be purchased only from persons authorized to sell such stock in this state.

Any income of an employee deferred under divisions (A)(1) and (2) of this section in a deferred compensation program eligible for favorable tax treatment under the Internal Revenue Code of 1954, as amended, shall continue to be included as regular compensation for the purpose of computing the contributions to and benefits from the retirement system of such employee. Any sum so deferred shall not be included in the computation of any federal and state income taxes withheld on behalf of any

such employee.

(B) All or any portion of the cost, premium, or charge therefor may be paid in such other manner or combination of manners as the governing board or the school board may determine, including direct payment by the employee in cases under division (A)(1) of this section, and, if authorized in writing by the employee in cases under division (A)(1) or (2) of this section, by such governing board or school board with moneys made available by deduction from or reduction in salary or wages or by the foregoing of a salary or wage increase. Division (B)(7) of section 3917.01 and the last paragraph of section 3917.06 of the Revised Code shall not prohibit the issuance or purchase of group life insurance authorized by this section by reason of payment of premiums therefor by the governing board or the school board from its funds, and such group life insurance may be so issued and purchased if otherwise consistent with the provisions of sections 3917.01 to 3917.07 of the Revised Code.

Sec. 109.57. (A)(1) The superintendent of the bureau of criminal identification and investigation shall procure from wherever procurable and file for record photographs, pictures, descriptions, fingerprints, measurements, and other information that may be pertinent of all persons who have been convicted of committing within this state a felony, any crime constituting a misdemeanor on the first offense and a felony on subsequent offenses, or any misdemeanor described in division (A)(1)(a) of section 109.572 of the Revised Code, of all children under eighteen years of age who have been adjudicated delinquent children for committing within this state an act that would be a felony or an offense of violence if committed by an adult or who have been convicted of or pleaded guilty to committing within this state a felony or an offense of violence, and of all well-known and habitual criminals. The person in charge of any county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution and the person in charge of any state institution having custody of a person suspected of having committed a felony, any crime constituting a misdemeanor on the first offense and a felony on subsequent offenses, or any misdemeanor described in division (A)(1)(a) of section 109.572 of the Revised Code or having custody of a child under eighteen years of age with respect to whom there is probable cause to believe that the child may have committed an act that would be a felony or an offense of violence if committed by an adult shall furnish such material to the superintendent of the bureau. Fingerprints, photographs, or other descriptive information of a child who is under eighteen years of age,

has not been arrested or otherwise taken into custody for committing an act that would be a felony or an offense of violence if committed by an adult, has not been adjudicated a delinquent child for committing an act that would be a felony or an offense of violence if committed by an adult, has not been convicted of or pleaded guilty to committing a felony or an offense of violence, and is not a child with respect to whom there is probable cause to believe that the child may have committed an act that would be a felony or an offense of violence if committed by an adult shall not be procured by the superintendent or furnished by any person in charge of any county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution, except as authorized in section 2151.313 of the Revised Code.

(2) Every clerk of a court of record in this state, other than the supreme court or a court of appeals, shall send to the superintendent of the bureau a weekly report containing a summary of each case involving a felony, involving any crime constituting a misdemeanor on the first offense and a felony on subsequent offenses, involving a misdemeanor described in division (A)(1)(a) of section 109.572 of the Revised Code, or involving an adjudication that a child under eighteen years of age is a delinquent child for committing an act that would be a felony or an offense of violence if committed by an adult. The clerk of the court of common pleas shall include in the report and summary the clerk sends under this division all information described in divisions (A)(2)(a) to (f) of this section regarding a case before the court of appeals that is served by that clerk. The summary shall be written on the standard forms furnished by the superintendent pursuant to division (B) of this section and shall include the following information:

(a) The incident tracking number contained on the standard forms furnished by the superintendent pursuant to division (B) of this section;

(b) The style and number of the case;

(c) The date of arrest;

(d) The date that the person was convicted of or pleaded guilty to the offense, adjudicated a delinquent child for committing the act that would be a felony or an offense of violence if committed by an adult, found not guilty of the offense, or found not to be a delinquent child for committing an act that would be a felony or an offense of violence if committed by an adult, the date of an entry dismissing the charge, an entry declaring a mistrial of the offense in which the person is discharged, an entry finding that the person or child is not competent to stand trial, or an entry of a nolle prosequi, or the date of any other determination that constitutes final

resolution of the case;

(e) A statement of the original charge with the section of the Revised Code that was alleged to be violated;

(f) If the person or child was convicted, pleaded guilty, or was adjudicated a delinquent child, the sentence or terms of probation imposed or any other disposition of the offender or the delinquent child.

If the offense involved the disarming of a law enforcement officer or an attempt to disarm a law enforcement officer, the clerk shall clearly state that fact in the summary, and the superintendent shall ensure that a clear statement of that fact is placed in the bureau's records.

(3) The superintendent shall cooperate with and assist sheriffs, chiefs of police, and other law enforcement officers in the establishment of a complete system of criminal identification and in obtaining fingerprints and other means of identification of all persons arrested on a charge of a felony, any crime constituting a misdemeanor on the first offense and a felony on subsequent offenses, or a misdemeanor described in division (A)(1)(a) of section 109.572 of the Revised Code and of all children under eighteen years of age arrested or otherwise taken into custody for committing an act that would be a felony or an offense of violence if committed by an adult. The superintendent also shall file for record the fingerprint impressions of all persons confined in a county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution for the violation of state laws and of all children under eighteen years of age who are confined in a county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution or in any facility for delinquent children for committing an act that would be a felony or an offense of violence if committed by an adult, and any other information that the superintendent may receive from law enforcement officials of the state and its political subdivisions.

(4) The superintendent shall carry out Chapter 2950. of the Revised Code with respect to the registration of persons who are convicted of or plead guilty to a sexually oriented offense and with respect to all other duties imposed on the bureau under that chapter.

(B) The superintendent shall prepare and furnish to every county, multicounty, municipal, municipal-county, or multicounty-municipal jail or workhouse, community-based correctional facility, halfway house, alternative residential facility, or state correctional institution and to every

clerk of a court in this state specified in division (A)(2) of this section standard forms for reporting the information required under division (A) of this section. The standard forms that the superintendent prepares pursuant to this division may be in a tangible format, in an electronic format, or in both tangible formats and electronic formats.

(C) The superintendent may operate a center for electronic, automated, or other data processing for the storage and retrieval of information, data, and statistics pertaining to criminals and to children under eighteen years of age who are adjudicated delinquent children for committing an act that would be a felony or an offense of violence if committed by an adult, criminal activity, crime prevention, law enforcement, and criminal justice, and may establish and operate a statewide communications network to gather and disseminate information, data, and statistics for the use of law enforcement agencies. The superintendent may gather, store, retrieve, and disseminate information, data, and statistics that pertain to children who are under eighteen years of age and that are gathered pursuant to sections 109.57 to 109.61 of the Revised Code together with information, data, and statistics that pertain to adults and that are gathered pursuant to those sections.

(D) The information and materials furnished to the superintendent pursuant to division (A) of this section and information and materials furnished to any board or person under division (F) or (G) of this section are not public records under section 149.43 of the Revised Code.

(E) The attorney general shall adopt rules, in accordance with Chapter 119. of the Revised Code, setting forth the procedure by which a person may receive or release information gathered by the superintendent pursuant to division (A) of this section. A reasonable fee may be charged for this service. If a temporary employment service submits a request for a determination of whether a person the service plans to refer to an employment position has been convicted of or pleaded guilty to an offense listed in division (A)(1), (3), (4), or (5) of section 109.572 of the Revised Code, the request shall be treated as a single request and only one fee shall be charged.

(F)(1) As used in division (F)(2) of this section, "head start agency" means an entity in this state that has been approved to be an agency for purposes of subchapter II of the "Community Economic Development Act," 95 Stat. 489 (1981), 42 U.S.C.A. 9831, as amended.

(2)(a) In addition to or in conjunction with any request that is required to be made under section 109.572, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 5104.012, 5104.013, 5126.28, 5126.281, or 5153.111 of the

Revised Code, the board of education of any school district; any county board of mental retardation and developmental disabilities; any entity under contract with a county board of mental retardation and developmental disabilities; the chief administrator of any chartered nonpublic school; the chief administrator of any home health agency; the chief administrator of or person operating any child day-care center, type A family day-care home, or type B family day-care home licensed or certified under Chapter 5104. of the Revised Code; the administrator of any type C family day-care home certified pursuant to Section 1 of Sub. H.B. 62 of the 121st general assembly or Section 5 of Am. Sub. S.B. 160 of the 121st general assembly; the chief administrator of any head start agency; or the executive director of a public children services agency may request that the superintendent of the bureau investigate and determine, with respect to any individual who has applied for employment in any position after October 2, 1989, or any individual wishing to apply for employment with a board of education may request, with regard to the individual, whether the bureau has any information gathered under division (A) of this section that pertains to that individual. On receipt of the request, the superintendent shall determine whether that information exists and, upon request of the person, board, or entity requesting information, also shall request from the federal bureau of investigation any criminal records it has pertaining to that individual. Within thirty days of the date that the superintendent receives a request, the superintendent shall send to the board, entity, or person a report of any information that the superintendent determines exists, including information contained in records that have been sealed under section 2953.32 of the Revised Code, and, within thirty days of its receipt, shall send the board, entity, or person a report of any information received from the federal bureau of investigation, other than information the dissemination of which is prohibited by federal law.

(b) When a board of education is required to receive information under this section as a prerequisite to employment of an individual pursuant to section 3319.39 of the Revised Code, it may accept a certified copy of records that were issued by the bureau of criminal identification and investigation and that are presented by an individual applying for employment with the district in lieu of requesting that information itself. In such a case, the board shall accept the certified copy issued by the bureau in order to make a photocopy of it for that individual's employment application documents and shall return the certified copy to the individual. In a case of that nature, a district only shall accept a certified copy of records of that nature within one year after the date of their issuance by the bureau.

(3) The state board of education may request, with respect to any individual who has applied for employment after October 2, 1989, in any position with the state board or the department of education, any information that a school district board of education is authorized to request under division (F)(2) of this section, and the superintendent of the bureau shall proceed as if the request has been received from a school district board of education under division (F)(2) of this section.

(4) When the superintendent of the bureau receives a request for information that is authorized under section 3319.291 of the Revised Code, the superintendent shall proceed as if the request has been received from a school district board of education under division (F)(2) of this section.

(5) When a recipient of an OhioReads classroom or community reading grant paid under section 3301.86 or 3301.87 of the Revised Code or an entity approved by the OhioReads council requests, with respect to any individual who applies to participate in providing any program or service through an entity approved by the OhioReads council or funded in whole or in part by the grant, the information that a school district board of education is authorized to request under division (F)(2)(a) of this section, the superintendent of the bureau shall proceed as if the request has been received from a school district board of education under division (F)(2)(a) of this section.

(G) In addition to or in conjunction with any request that is required to be made under section 173.41, 3701.881, 3712.09, 3721.121, or 3722.151 of the Revised Code with respect to an individual who has applied for employment in a position that involves providing direct care to an older adult, the chief administrator of a PASSPORT agency that provides services through the PASSPORT program created under section 173.40 of the Revised Code, home health agency, hospice care program, home licensed under Chapter 3721. of the Revised Code, adult day-care program operated pursuant to rules adopted under section 3721.04 of the Revised Code, or adult care facility may request that the superintendent of the bureau investigate and determine, with respect to any individual who has applied after January 27, 1997, for employment in a position that does not involve providing direct care to an older adult, whether the bureau has any information gathered under division (A) of this section that pertains to that individual. On receipt of the request, the superintendent shall determine whether that information exists and, on request of the administrator requesting information, shall also request from the federal bureau of investigation any criminal records it has pertaining to that individual. Within thirty days of the date a request is received, the superintendent shall send to

the administrator a report of any information determined to exist, including information contained in records that have been sealed under section 2953.32 of the Revised Code, and, within thirty days of its receipt, shall send the administrator a report of any information received from the federal bureau of investigation, other than information the dissemination of which is prohibited by federal law.

(H) Information obtained by a board, administrator, or other person under this section is confidential and shall not be released or disseminated.

(I) The superintendent may charge a reasonable fee for providing information or criminal records under division (F)(2) or (G) of this section.

Sec. 125.05. Except as provided in division (E) of this section, no state agency shall purchase any supplies or services except as provided in divisions (A) to (C) of this section.

(A) Subject to division (D) of this section, a state agency may, without competitive selection, make any purchase of services that cost fifty thousand dollars or less or any purchase of supplies that cost twenty-five thousand dollars or less. The agency may make the purchase directly or may make the purchase from or through the department of administrative services, whichever the agency determines. The department shall establish written procedures to assist state agencies when they make direct purchases. If the agency makes the purchase directly, it shall make the purchase by a term contract whenever possible.

(B) Subject to division (D) of this section, a state agency wanting to purchase services that cost more than fifty thousand dollars or supplies that cost more than twenty-five thousand dollars shall, unless otherwise authorized by law, make the purchase from or through the department. The department shall make the purchase by competitive selection under section 125.07 of the Revised Code. If the director of administrative services determines that it is not possible or not advantageous to the state for the department to make the purchase, the department shall grant the agency a release and permit under section 125.06 of the Revised Code to make the purchase. Section 127.16 of the Revised Code does not apply to purchases the department makes under this section.

(C) An agency that has been granted a release and permit to make a purchase may make the purchase without competitive selection if after making the purchase the cumulative purchase threshold as computed under division (F) of section 127.16 of the Revised Code would:

- (1) Be exceeded and the controlling board approves the purchase;
- (2) Not be exceeded and the department of administrative services approves the purchase.

(D) Not later than January 31, 1997, the amounts specified in divisions (A) and (B) of this section and, not later than the thirty-first day of January of each second year thereafter, any amounts computed by adjustments made under this division, shall be increased or decreased by the average percentage increase or decrease in the consumer price index prepared by the United States bureau of labor statistics (U.S. City Average for Urban Wage Earners and Clerical Workers: "All Items 1982-1984=100") for the twenty-four calendar month period prior to the immediately preceding first day of January over the immediately preceding twenty-four calendar month period, as reported by the bureau. The director of administrative services shall make this determination and adjust the appropriate amounts accordingly.

(E) If the ~~office of information, learning, and technology services; Ohio SchoolNet commission,~~ the department of education, or the Ohio education computer network determines that it can purchase software services or supplies for specified school districts at a price less than the price for which the districts could purchase the same software services or supplies for themselves, the office, department, or network shall certify that fact to the department of administrative services and, acting as an agent for the specified school districts, shall make that purchase without following the provisions in divisions (A) ~~through to~~ (D) of this section.

Sec. 125.13. (A) Except as otherwise provided in section 5139.03 of the Revised Code, whenever a state agency determines that it has excess or surplus supplies, it shall notify the director of administrative services. Upon request by the director and on forms provided by the director, the state agency shall furnish to the director a list of all those excess and surplus supplies and an appraisal of their value.

(B) The director of administrative services shall take immediate control of a state agency's excess and surplus supplies, except for the following excess and surplus supplies:

(1) Excess or surplus supplies that have a value below the minimum value that the director establishes for excess and surplus supplies under division (E) of this section;

(2) Excess or surplus supplies that the director has authorized an agency to donate to a public entity, including, but not limited to, public schools and surplus computers and computer equipment transferred to a public school under division (G) of this section;

(3) Excess or surplus supplies that an agency trades in as full or partial payment when purchasing a replacement item;

(4) Hazardous property.

(C) The director shall inventory excess and surplus supplies in the director's control and may have the supplies repaired.

(D) The director may do either of the following:

(1) Dispose of declared surplus or excess supplies in the director's control by sale, lease, donation, or transfer. If the director does so, the director shall dispose of those supplies in the following order of priority:

(a) To state agencies;

(b) To state-supported or state-assisted institutions of higher education;

(c) To tax-supported agencies, municipal corporations, or other political subdivisions of this state;

(d) To nonpublic elementary and secondary schools chartered by the state board of education under section 3301.16 of the Revised Code;

(e) To the general public by auction, sealed bid, or negotiation.

(2) If the director has attempted to dispose of any declared surplus or excess motor vehicle that does not exceed four thousand five hundred dollars in value pursuant to divisions (D)(1)(a) to (c) of this section, donate the motor vehicle to a nonprofit organization exempt from federal income taxation pursuant to 26 U.S.C. 501(a) and (c)(3) for the purpose of meeting the transportation needs of participants in the Ohio works first program established under Chapter 5107. of the Revised Code and participants in the prevention, retention, and contingency program established under Chapter 5108. of the Revised Code. The director may not donate a motor vehicle furnished to the state highway patrol to a nonprofit organization pursuant to this division.

(E) The director may adopt rules governing the sale, lease, or transfer of surplus and excess supplies in the director's control by public auction, sealed bid, or negotiation, except that no employee of the disposing agency shall be allowed to purchase, lease, or receive any such supplies. The director may dispose of declared surplus or excess supplies, including motor vehicles, in the director's control as the director determines proper if such supplies cannot be disposed of pursuant to division (D) of this section. The director shall by rule establish a minimum value for excess and surplus supplies and prescribe procedures for a state agency to follow in disposing of excess and surplus supplies in its control that have a value below the minimum value established by the director.

(F) No state-supported or state-assisted institution of higher education, tax-supported agency, municipal corporation, or other political subdivision of this state shall sell, lease, or transfer excess or surplus supplies acquired under this section to private entities or the general public at a price greater than the price it originally paid for those supplies.

(G) The director of administrative services may authorize any state agency to transfer surplus computers and computer equipment that are not needed by other state agencies directly to an accredited public school within the state. The computers and computer equipment may be repaired or refurbished prior to transfer. The state agency may charge a service fee to the public schools for the property not to exceed the direct cost of repairing or refurbishing it. The state agency shall deposit such funds into the account used for repair or refurbishment.

Sec. 1111.01. As used in this chapter:

(A) "Charitable trust" means a charitable remainder annuity trust as defined in section 664(d) of the Internal Revenue Code, a charitable remainder unitrust as defined in section 664(d) of the Internal Revenue Code, a charitable lead or other split interest trust subject to the governing instrument requirements of section 508(e) of the Internal Revenue Code, a pooled income fund as defined in section 642(c) of the Internal Revenue Code, a trust that is a private foundation as defined in section 509 of the Internal Revenue Code, or a trust of which each beneficiary is a charity.

For purposes of this division and ~~division~~ divisions (B) and (G) of this section, "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(B) "Charity" means a state university as defined in section 3345.011 of the Revised Code, a community college as defined in section 3354.01 of the Revised Code, a technical college as defined in section 3357.01 of the Revised Code, a state community college as defined in section 3358.01 of the Revised Code, a private college or university that possesses a certificate of authorization issued by the Ohio board of regents pursuant to Chapter 1713. of the Revised Code, a trust or organization exempt from taxation under section 501(c)(3) or section 501(c)(13) of the Internal Revenue Code, or a corporation, trust, or organization described in section 170(c)(2) of the Internal Revenue Code. The term "charities" means more than one trust or organization that is a charity.

(C) "Collective investment fund" means a fund established by a trust company or an affiliate of a trust company for the collective investment of assets held in a fiduciary capacity, either alone or with one or more cofiduciaries, by the establishing trust company and its affiliates.

(D) "Fiduciary investment company" means a corporation that is both of the following:

- (1) An investment company;
- (2) Incorporated, owned, and operated in accordance with rules adopted by the superintendent of financial institutions for the investment of funds

held by trust companies in a fiduciary capacity and for true fiduciary purposes, either alone or with one or more cofiduciaries.

(E) "Instrument" includes any will, declaration of trust, agreement of trust, agency, or custodianship, or court order creating a fiduciary relationship.

(F) "Investment company" means any investment company as defined in section 3 and registered under section 8 of the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-3 and 80a-8.

(G) "Trust business" means accepting and executing trusts of property, serving as a trustee, executor, administrator, guardian, receiver, or conservator, and providing fiduciary services as a business. "Trust business" does not include any of the following:

(1) Any natural person acting as a trustee, executor, administrator, guardian, receiver, or conservator pursuant to appointment by a court of competent jurisdiction;

(2) Any natural person serving as a trustee who does not hold self out to the public as willing to act as a trustee for hire. For purposes of division (G) of this section, the solicitation or advertisement of legal or accounting services by a person licensed in this state as an attorney or a person holding an Ohio permit to practice public accounting issued under division (A) of section 4701.10 of the Revised Code shall not be considered to be the act of holding self out to the public as willing to act as a trustee for hire.

(3) A charity, an officer or employee of a charity, or a person affiliated with a charity, serving as trustee of a charitable trust of which the charity, or another charity with a similar purpose, is a beneficiary;

(4) A nonprofit corporation formed under Chapter 1702. of the Revised Code serving as trustee of a trust the beneficiary of which is an entity described in section 170(c)(1) of the Internal Revenue Code, provided the nonprofit corporation does not receive any compensation for serving as trustee of the trust;

(5) Other fiduciary activities the superintendent determines are not undertaken as a business.

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 that week, and the total number of students enrolled in preschool handicapped units on the first day of December in the district.

Sec. 3301.0711. (A) The department of education shall:

(1) Annually furnish, grade, and score all tests required by section 3301.0710 of the Revised Code to city, local, and exempted village school districts;

(2) Adopt rules for the ethical use of tests and prescribing the manner in which the tests prescribed by section 3301.0710 of the Revised Code shall be administered to students.

(B) Except as provided in divisions (C) and (J)(2) of this section, the board of education of each city, local, and exempted village school district shall, in accordance with rules adopted under division (A) of this section:

(1) Administer the test prescribed under division (A)(1) of section 3301.0710 of the Revised Code to measure skill in reading as follows:

(a) For students entering fourth grade in school years that start prior to July 1, 2001, at least once annually to all students in the fourth grade;

(b) For students entering fourth grade beginning with the school year that starts July 1, 2001, twice annually to all students in the fourth grade who have not attained the score designated for that test under division (A)(1) of section 3301.0710 of the Revised Code and once each summer to students receiving summer remediation services under division (B)(3) of section 3313.608 of the Revised Code.

(2) Administer the tests prescribed under division (A)(1) of section 3301.0710 of the Revised Code to measure skill in writing, mathematics, science, and citizenship at least once annually to all students in the fourth grade.

(3) Administer the tests prescribed under division (A)(2) of section 3301.0710 of the Revised Code at least once annually to all students in the sixth grade.

(4) Administer any tests prescribed under division (A)(3) of section 3301.0710 of the Revised Code at least once annually to any student in the twelfth grade who, on all the tests prescribed under division (B) of that section, has attained the applicable scores designated under such division prior to the first day of January of that year.

(5) Administer any test prescribed under division (B) of section 3301.0710 of the Revised Code as follows:

(a) At least once annually, subsequent to the fifteenth day of March, to all tenth grade students and at least twice annually to all students in eleventh or twelfth grade who have not yet attained the score on that test designated under that division;

(b) To any person who has successfully completed the curriculum in any high school or the individualized education program developed for the person by any high school pursuant to section 3323.08 of the Revised Code

but has not received a high school diploma and who requests to take such test, at any time such test is administered in the district.

(C)(1) Any student receiving special education services under Chapter 3323. of the Revised Code shall be excused from taking any particular test required to be administered under this section if the individualized education program developed for the student pursuant to section 3323.08 of the Revised Code excuses the student from taking that test. In the case of any student so excused from taking a test, the school district board of education shall not prohibit the student from taking the test. Any student enrolled in a chartered nonpublic school who has been identified, based on an evaluation conducted in accordance with section 3323.03 of the Revised Code or section 504 of the "Rehabilitation Act of 1973," 87 Stat. 355, 29 U.S.C.A. 794, as amended, as a child with a disability shall be excused from taking any particular test required to be administered under this section if a plan developed for the student pursuant to rules adopted by the state board excuses the student from taking that test. In the case of any student so excused from taking a test, the chartered nonpublic school shall not prohibit the student from taking the test.

(2) A district board may, for medical reasons or other good cause, excuse a student from taking a test administered under this section on the date scheduled, but any such test shall be administered to such excused student not later than fifteen days following the scheduled date. The board shall annually report the number of students who have not taken one or more of the tests required by this section to the state board of education not later than the thirtieth day of June.

(3) As used in this division, "English-limited student" means a student whose primary language is not English and who has been enrolled in United States schools for less than two full school years.

No English-limited student shall be required to take any test administered under this section. However, no district board or governing authority of a chartered nonpublic school shall prohibit an English-limited student from taking a test.

(D) In the school year next succeeding the school year in which the tests prescribed by division (A)(1) of section 3301.0710 of the Revised Code are administered to any student, the board of education of any school district in which the student is enrolled in that year shall provide intervention services to the student in any skill in which the student failed on those tests to demonstrate at least fourth-grade levels of literacy and basic competency. This division does not apply to any student receiving services pursuant to an individualized education program developed for the student pursuant to

ction 3323.08 of the Revised Code.

(E) Except as provided in section 3313.608 of the Revised Code and division (M) of this section, no school district board of education shall permit any student to be denied promotion to a higher grade level solely because of the student's failure to attain a specified score on any test administered under this section. However, a district board may choose not to promote to the next grade level any student who does not take any proficiency test administered under this section or make up such test as provided by division (C)(2) of this section and who is not exempted from the requirement to take the test under division (C)(1) or (3) of this section.

(F) No person shall be charged a fee for taking any test administered under this section.

(G) Not later than sixty days after any administration of any test prescribed by section 3301.0710 of the Revised Code, the department shall send to each school district board a list of the individual test scores of all persons taking the test.

(H) Individual test scores on any tests administered under this section shall be released by a district board only in accordance with section 3319.321 of the Revised Code and the rules adopted under division (A) of this section. No district board or its employees shall utilize individual or aggregate test results in any manner that conflicts with rules for the ethical use of tests adopted pursuant to division (A) of this section.

(I) Except as provided in division (G) of this section, the department shall not release any individual test scores on any test administered under this section and shall adopt rules to ensure the protection of student confidentiality at all times.

(J) Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this section does not apply to the board of education of any joint vocational or cooperative education school district except as provided under rules adopted pursuant to this division.

(1) In accordance with rules that the state board of education shall adopt, the board of education of any city, exempted village, or local school district with territory in a joint vocational school district or a cooperative education school district established pursuant to divisions (A) to (C) of section 3311.52 of the Revised Code may enter into an agreement with the board of education of the joint vocational or cooperative education school district for administering any test prescribed under this section to students of the city, exempted village, or local school district who are attending school in the joint vocational or cooperative education school district.

(2) In accordance with rules that the state board of education shall

adopt, the board of education of any city, exempted village, or local school district with territory in a cooperative education school district established pursuant to section 3311.521 of the Revised Code shall enter into an agreement with the cooperative district that provides for the administration of any test prescribed under this section to both of the following:

(a) Students who are attending school in the cooperative district and who, if the cooperative district were not established, would be entitled to attend school in the city, local, or exempted village school district pursuant to section 3313.64 or 3313.65 of the Revised Code;

(b) Persons described in division (B)(5)(b) of this section.

Any testing of students pursuant to such an agreement shall be in lieu of any testing of such students or persons pursuant to this section.

(K)(1) Any chartered nonpublic school may participate in the testing program by administering any of the tests prescribed by section 3301.0710 of the Revised Code if the chief administrator of the school specifies which tests the school wishes to administer. Such specification shall be made in writing to the superintendent of public instruction prior to the first day of August of any school year in which tests are administered and shall include a pledge that the nonpublic school will administer the specified tests in the same manner as public schools are required to do under this section and rules adopted by the department.

(2) The department of education shall furnish the tests prescribed by section 3301.0710 of the Revised Code to any chartered nonpublic school electing to participate under this division.

(L)(1) Except as provided in division (L)(3) of this section, the superintendent of the state school for the blind and the superintendent of the state school for the deaf shall administer the tests described by section 3301.0710 of the Revised Code. Each superintendent shall administer the tests in the same manner as district boards are required to do under this section and rules adopted by the department of education.

(2) The department of education shall furnish the tests described by section 3301.0710 of the Revised Code to each superintendent.

(3) Any student enrolled in the state school for the blind or the state school for the deaf shall be excused from taking any particular test required to be administered under division (L)(1) of this section if the individualized education program developed for the student pursuant to section 3323.08 of the Revised Code excuses the student from taking that test. In the case of any student so excused from taking a test, the superintendent of the school shall not prohibit the student from taking the test.

(M) Notwithstanding division (E) of this section, beginning July 1,

1999, a school district may retain any student for an additional year in such student's current grade level if such student has failed to attain the designated scores on three or more of the five tests described by division (A)(1) or (2) of section 3301.0710 of the Revised Code.

This division does not supersede the requirements of section 3313.608 of the Revised Code.

(N)(1) All proficiency tests required by section 3301.0710 of the Revised Code shall become public records pursuant to section 149.43 of the Revised Code on the first day of July following the school year that the test was administered.

(2) The department may field test proposed proficiency test questions with samples of students to determine the validity, reliability, or appropriateness of test questions for possible inclusion in a future year's proficiency test.

Field test questions shall not be considered in computing test scores for individual students. Field test questions may be included as part of the administration of any proficiency test required by section 3301.0710 of the Revised Code.

(3) Any field test question administered under division (N)(2) of this section shall not be a public record. Such field test questions shall be redacted from any proficiency tests which are released as a public record pursuant to division (N)(1) of this section.

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)(a) 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.

(b) With respect to each student entering kindergarten, whether the student previously participated in a public preschool program, a private preschool program, or a head start program, and the number of years the student participated in each of these programs.

(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 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)(1) The guidelines adopted under this section ~~may~~ shall 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.

(2) The guidelines shall provide for each school district or community school to assign a data verification code to each student whose initial Ohio enrollment is in that district or school and to report all required individual student data for that student utilizing such code. The guidelines shall also provide for assigning data verification codes to all students enrolled in districts or community schools on the effective date of the guidelines established under this section.

Individual student data shall be reported to the department through the data acquisition sites utilizing the code but at no time shall anyone other than an employee of the school district or community school in which the student is enrolled have access to information that would enable any data verification code to be matched to personally identifiable student data.

Each school district shall ensure that the data verification code is included in the student's records reported to any subsequent school district or community school in which the student enrolls and shall remove all references to the code in any records retained in the district or school that pertain to any student no longer enrolled. Any such subsequent district or school shall utilize the same identifier in its reporting of data under this section.

(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.

(O) No person shall release or maintain any information about any student in violation of this section. Whoever violates this division is guilty of a misdemeanor of the fourth degree.

Sec. 3301.0726. The department of education shall develop a packet of high school instructional materials on personal financial responsibility, including instructional materials on the avoidance of credit card abuse, and shall distribute that packet to all school districts. The board of education of any school district may adopt part or all of the materials included in the packet for incorporation into the district's curriculum.

~~Sec. 3301.17. The department of education shall expend state funds to provide driver education to any child enrolled in a high school for which standards are prescribed by the state board of education.~~

The board of education of each city, exempted village, local, and joint vocational school district may make a driver education course available to high school students enrolled in the district in accordance with rules adopted by the state board of education. No school district making such a course available shall require any pupil to enroll in the course in lieu of taking a training course from a commercial driver training school licensed under Chapter 4508. of the Revised Code. The department of education may contract for the use of public school and educational service center governing board facilities to provide technical assistance for driver education courses where practicable or may provide such assistance at facilities established and operated by the department under the supervision of transportation coordinators. ~~The department shall reimburse each school district in the amount of fifty dollars for each pupil in the district having enrolled in and completed a driver education course made available by the district or a training course provided by a licensed driver training school.~~

~~A commercial driver training school licensed under Chapter 4508. of the Revised Code shall receive a fifty dollar subsidy for each school age child who successfully completes the training school's course. The principal of each high school shall annually give written notice to the pupils enrolled in~~

the high school that they may elect, under a procedure that shall be described in the notice, to take a training course from a licensed commercial driver training school or, if available, enroll in a driver education course made available by the pupil's school district of attendance. ~~The department of education shall develop and provide to each city, exempted village, local, and joint vocational school district forms for authorizing the reimbursement of licensed commercial driver training schools. Upon the request of a high school pupil, the principal of the pupil's high school shall complete and sign such a form, and it shall be submitted by the pupil to the operator of the commercial training school prior to the time the pupil enrolls in the training course. Each operator seeking reimbursement under this section shall submit such forms to the board of education of the pupil's public school district of attendance. If the pupil attends a nonpublic school, the operator shall submit such forms to the public school board of education of the district in which the pupil's nonpublic school is located. No operator shall receive a reimbursement for a pupil for whom he does not submit such a form to the board of education as required by this section. A board of education shall pay to each such commercial driver training school fifty dollars for each such student out of funds paid to the district by the state board of education for that purpose.~~

~~Such funds shall be used solely for the purpose of promoting highway safety through driver education.~~

Sec. 3301.171. A board of education that makes available a driver education course pursuant to section 3301.17 of the Revised Code may require pupils enrolled in the course to pay a course fee not to exceed the lesser of fifty dollars, or the actual cost per pupil of providing driver education ~~less the state driver education reimbursement per pupil.~~

Sec. 3301.311. After June 30, 2001, no head start program shall receive any funds from the state unless fifty per cent of the staff members employed by that program as teachers are working toward an associate degree of a type approved by the Department of Education. After June 30, 2003, no head start program shall receive any funds from the state unless each staff member employed by that program as a teacher is working toward an associate degree of a type approved by the department of education. Beginning in fiscal year 2008, no head start program shall receive any funds from the state unless every staff member employed by that program as a teacher has attained such a degree.

Sec. 3301.80. (A) There is hereby created the Ohio SchoolNet commission consisting as an independent agency. The commission shall administer programs to provide financial and other assistance to school

tricts and other educational institutions for the acquisition and utilization of educational technology.

The commission is a body corporate and politic, an agency of the state performing essential governmental functions of the state.

(B)(1) The commission shall consist of eleven members, seven of whom are voting members. Of the voting members, one shall be appointed by the speaker of the house of representatives and one shall be appointed by the president of the senate. The members appointed by the speaker of the house and the president of the senate shall not be members of the general assembly. The state superintendent of public instruction or a designee of the superintendent, the director of ~~the office of~~ budget and management or a designee of the director, the director of administrative services or a designee of the director, the chairperson of the public utilities commission or a designee of the chairperson, and the director of the Ohio educational telecommunications network commission or a designee of the director shall serve on the commission as ex officio voting members. Of the nonvoting members, two shall be members of the house of representatives appointed by the speaker of the house ~~of representatives~~ and two shall be members of the senate appointed by the president of the senate. The members appointed from each house shall not be members of the same political party.

(2) The members shall serve without compensation. The voting members appointed by the speaker of the house of representatives and the president of the senate shall be reimbursed, pursuant to office of budget and management guidelines, for necessary expenses incurred in the performance of official duties.

(3) The terms of office for the members appointed by the speaker of the house and the president of the senate shall be for two years, with each term ending on the same day of the same month as did the term that it succeeds. The members appointed by the speaker of the house and the president of the senate may be reappointed. Any member appointed from the house of representatives or senate who ceases to be a member of the legislative house from which the member was appointed shall cease to be a member of the ~~committee~~ commission Vacancies among appointed members shall be filled in the manner provided for original appointments. Any member appointed to fill a vacancy occurring prior to the expiration date of the term for which a predecessor was appointed shall hold office as a member for the remainder of that term. The members appointed by the speaker of the house and the president of the senate shall continue in office subsequent to the expiration date of that member's term until a successor takes office or until a period of sixty days has elapsed, whichever occurs first.

~~The Ohio SchoolNet commission shall monitor and oversee the operations of, and programs administered by, the Ohio SchoolNet office established under division (B) of this section. In addition, the commission may develop and issue policies and directives to be followed by the Ohio SchoolNet office in implementing the programs under its jurisdiction.~~

~~(B) The Ohio SchoolNet office is hereby established as an independent agency.~~ (C)(1) The office commission shall be under the supervision of an executive director who shall be appointed by the Ohio SchoolNet commission. The executive director shall serve at the pleasure of the commission and shall direct the office commission employees in the administration of all programs for the provision of financial and other assistance to school districts and other educational institutions for the acquisition and utilization of educational technology. The

(2) The employees of the Ohio SchoolNet commission shall be placed in the unclassified service. The commission shall fix the compensation of the executive director. The executive director shall employ and fix the compensation for such employees as necessary to facilitate the activities and purposes of the commission. The employees shall serve at the pleasure of the executive director.

(3) The employees of the Ohio SchoolNet commission shall be exempt from Chapter 4117. of the Revised Code and shall not be public employees as defined in section 4117.01 of the Revised Code.

(D) The Ohio SchoolNet office commission shall do all of the following:

(1) Make grants to institutions and other organizations as prescribed by the general assembly for the provision of technical assistance, professional development, and other support services to enable school districts, community schools established under Chapter 3314. of the Revised Code, and other educational institutions to utilize educational technology;

(2) Contract with the department of education, state institutions of higher education, private nonprofit institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code, and such other public or private entities, and employ such persons as the executive director of the office deems necessary for the administration and implementation of the programs under the office's commission's jurisdiction;

(3) Establish a reporting system to which school districts, community schools established under Chapter 3314. of the Revised Code, and other educational institutions receiving financial assistance pursuant to this section for the acquisition of educational technology report information as to the manner in which such assistance was expended, the manner in which the

equipment or services purchased with the assistance is being utilized, the results or outcome of this utilization, and other information as may be required by the ~~office~~ commission;

(4) Establish necessary guidelines governing purchasing and procurement by participants in programs administered by the ~~office~~ commission that facilitate the timely and effective implementation of such programs;

(5) ~~Implement~~ Take into consideration the efficiency and cost savings of statewide procurement prior to allocating and releasing funds for any programs under its administration.

~~(E)(1) The executive director shall implement policies and directives issued by the Ohio SchoolNet commission established under division (A) of this section.~~

(2) The Ohio SchoolNet ~~office~~ commission may establish a systems support network to facilitate the timely implementation of the programs, projects, or activities for which it provides assistance.

(3) Chapters 123., 124., 125., and 153., and sections 9.331, 9.332, and 9.333 of the Revised Code do not apply to contracts, programs, projects, or activities of the Ohio SchoolNet commission ~~or Ohio SchoolNet office.~~

~~For purposes of exercising collective bargaining rights under Chapter 4117. of the Revised Code, the employees of the Ohio SchoolNet office shall be placed in a bargaining unit separate from any other unit containing employees of the state.~~

Sec. 3301.801. The ~~office of information, learning, and technology services~~ Ohio SchoolNet commission shall create and maintain a clearinghouse for classroom teachers, including any classroom teachers employed by community schools established under Chapter 3314. of the Revised Code, to easily obtain lesson plans and materials and other practical resources for use in classroom teaching. The ~~office~~ commission shall develop a method of obtaining submissions, from classroom teachers and others, of such plans, materials, and other resources that have been used in the classroom and that can be readily used and implemented by classroom teachers in their regular teaching activities. The ~~office~~ commission also shall develop methods of informing classroom teachers of both the availability of such plans, materials, and other resources, and of the opportunity to submit such plans, materials, and other resources and other classroom teaching ideas to the clearinghouse.

The ~~office~~ commission shall periodically report to the speaker and minority leader of the house of representatives, the president and minority leader of the senate, and the chairpersons and ranking minority members of

the education committees of the senate and the house of representatives regarding the clearinghouse and make recommendations for changes in state law or administrative rules that may facilitate the usefulness of the clearinghouse.

Sec. 3301.86. The OhioReads classroom reading grants program is hereby established. The OhioReads council shall award grants under the program in accordance with the ~~guidelines~~ standards it establishes under section 3301.91 of the Revised Code. The OhioReads office is the fiscal agent for the program and shall pay the grants awarded by the council.

Sec. 3301.87. The OhioReads community reading grants program is hereby established. The OhioReads council shall award grants under the program in accordance with the ~~guidelines~~ standards it establishes under section 3301.91 of the Revised Code. The OhioReads office is the fiscal agent for the program and shall pay the grants awarded by the council.

Sec. 3301.88. (A) A recipient of a grant under section 3301.86 or 3301.87 of the Revised Code or an entity approved by the OhioReads council may request from the bureau of criminal identification and investigation a criminal records check on any individual, other than an individual described in division (B) of this section, who applies to participate in providing directly to children any program or service through an entity approved by the OhioReads council or funded in whole or in part by the grant. If a recipient or an entity approved by the OhioReads council elects to request a criminal records check, the request shall consist of a request for the information a school district board of education may request under division (F)(2)(a) of section 109.57 of the Revised Code and shall be accompanied by one of the following identification options:

(1) The form and standard impression sheet prescribed by the bureau under division (C) of section 109.572 of the Revised Code;

(2) A form prescribed by the bureau on which is specified the individual's name, social security number, and date of birth.

(B) A grant recipient or an entity approved by the OhioReads council shall not request a criminal records check under division (A) of this section with respect to any individual who furnishes the grant recipient or an entity approved by the OhioReads council with a certified copy of a report of a criminal records check completed by the bureau within one year prior to applying to participate in providing programs or services through an entity approved by the OhioReads council or under an OhioReads grant.

(C) Except as provided in rules adopted under division (G)(2) of this section, a grant recipient or an entity approved by the OhioReads council shall not allow an individual to participate in providing directly to children

any program or service through an entity approved by the OhioReads council or funded in whole or in part by the grant if the information requested under this section from the bureau indicates that the individual has ever pleaded guilty to or been found guilty by a jury or court of any of the following:

- (1) A felony;
- (2) A violation of section 2903.16, 2903.34, 2905.05, 2907.04, 2907.06, 2907.07, 2907.08, 2907.09, 2907.23, 2907.25, 2907.31, 2919.12, 2919.22, 2919.24, 2925.04, or 3716.11 of the Revised Code; a violation of section 2905.04 of the Revised Code as it existed prior to July 1, 1996; or a violation of section 2919.23 of the Revised Code that would have been a violation of section 2905.04 of the Revised Code as it existed prior to July 1, 1996, had it been committed prior to that date;
- (3) An offense of violence;
- (4) A theft offense, as defined in section 2913.01 of the Revised Code;
- (5) A drug abuse offense, as defined in section 2925.01 of the Revised Code;

(6) A violation of an existing or former ordinance of a municipal corporation or law of the United States or another state that is substantively comparable to an offense listed in divisions (C)(1) to (5) of this section.

(D) A grant recipient or an entity approved by the OhioReads council that elects to request criminal records checks may conditionally allow an individual to participate in providing programs or services directly to children until the criminal records check is completed and the grant recipient or an entity approved by the OhioReads council receives the results. If the results of the criminal records check indicate that the individual has been convicted of or pleaded guilty to an offense listed in division (C) of this section, the grant recipient or an entity approved by the OhioReads council shall not allow the individual to further participate in providing directly to children any program or service through an entity approved by the OhioReads council or funded in whole or in part by the grant, except as provided in the rules adopted under division (G)(2) of this section.

(E) The report of any criminal records check conducted in accordance with division (F)(5) of section 109.57 of the Revised Code pursuant to a request under this section is not a public record for purposes of section 149.43 of the Revised Code. The report shall not be made available to any person other than the individual who is the subject of the criminal records check or the individual's representative, the grant recipient or the grant recipient's representative or an entity approved by the OhioReads council, and any court, hearing officer, or other necessary individual in a case

g with the denial of the individual's participation in a program or service through an entity approved by the OhioReads council or funded by an OhioReads grant.

(F) The OhioReads office shall reimburse each grant recipient or an entity approved by the OhioReads council for each criminal records check the actual amount paid by the grant recipient or an entity approved by the OhioReads council for the portion of the criminal records check conducted by the bureau of criminal identification and investigation. Reimbursement shall be paid under this division only for criminal records checks on individuals who apply to participate in providing directly to children any program or service through an entity approved by the OhioReads council or funded in whole or in part by the grant. To receive it, the grant recipient or an entity approved by the OhioReads council must submit information to the office in the form and manner required by the office. The reimbursement is in addition to the grant awarded to the recipient under section 3301.86 or 3301.87 of the Revised Code.

(G) The department of education shall adopt rules in accordance with Chapter 119. of the Revised Code:

(1) Prescribing the form and manner in which grant recipients or an entity approved by the OhioReads council must submit information to the OhioReads office to receive reimbursement under division (F) of this section;

(2) Specifying circumstances under which a grant recipient or an entity approved by the OhioReads council may allow an individual whose criminal records check report indicates that the individual has been convicted of or pleaded guilty to an offense listed in division (C) of this section, but who meets standards in regard to rehabilitation set forth in the rules, to participate in providing directly to children any program or service through an entity approved by the OhioReads council or funded in whole or in part by the grant.

Sec. 3301.91. (A) The OhioReads council's responsibilities include, but are not limited to, the following:

(1) Advising and consenting to the superintendent of public instruction's appointments to the position of executive director of the OhioReads office;

(2) Evaluating the effectiveness of the OhioReads initiative established by this section and sections 3301.86 and 3301.87 of the Revised Code and conducting annual evaluations beginning in fiscal year 2002;

(3) Developing a strategic plan for identifying, recruiting, training, qualifying, and placing volunteers for the OhioReads initiative;

(4) Establishing ~~guidelines~~ standards for the awarding of classroom

ding grants under section 3301.86 of the Revised Code and community reading grants under section 3301.87 of the Revised Code, including eligibility criteria, grant amounts, purposes for which grants may be used, and administrative, programmatic, and reporting requirements;

(5) Awarding classroom reading grants and community reading grants to be paid by the OhioReads office under sections 3301.86 and 3301.87 of the Revised Code;

(6) Establishing guidelines for and overseeing the general responsibilities and mission of the executive director of the OhioReads office;

(7) Adopting rules pursuant to Chapter 119. of the Revised Code to establish standards required under sections 3301.86 and 3301.87 of the Revised Code.

(B) In performing its duties, the council shall, to the extent practicable:

(1) Give primary consideration to the safety and well-being of children participating in the OhioReads initiative;

(2) Maximize the use of resources to improve reading outcomes, especially the fourth grade reading proficiency test established under division (A)(1) of section 3301.0710 of the Revised Code;

(3) Identify and maximize relevant federal and state resources to leverage OhioReads resources and related programs;

(4) Focus on early reading intervention strategies, professional development, and parental involvement;

(5) Give priority to programs recognized as promising educational practices for accelerating student achievement, including, but not limited to, programs primarily using volunteers and programs that may have been reviewed by the education commission of the states.

Sec. 3302.01. As used in this chapter:

(A) "Dropout ~~rate~~" means ~~one minus the graduation rate~~ a student who withdraws from school before completing course requirements for graduation and who is not enrolled in an education program approved by the state board of education or an education program outside the state. "Dropout" does not include a student who has departed the country.

(B) "Graduation rate" means a calculation of the ~~per cent~~ percentage of ninth grade students who graduate by the end of the summer following their twelfth grade year. The graduation rate is the ratio of the students ~~entering ninth grade to the number of those students~~ receiving a diploma to the number of students who entered ninth grade four years later earlier. Students who transfer into the district are added to the calculation. Students who transfer out of the district for reasons other than dropout are subtracted from

the calculation. Students who do not graduate within four years but who continue their high school education in the following year in the same school district are removed from the calculation for ~~that~~ the year in which they would have graduated and are added to the calculation for the subsequent year following year's graduating class as if the student had entered ninth grade four years before the intended graduation date of that class. In each subsequent year that such students do not graduate but continue their high school education uninterrupted in the same school district, such students shall be reassigned to the district's graduation rate for that year by assuming that the students entered ninth grade four years before the date of the intended graduation. If a student who was a dropout in any previous year returns to the same school district, that student shall be entered into the calculation as if the student had entered ninth grade four years before the graduation year of the graduating class that the student joins.

(C) "Attendance rate" means the ratio of the number of students actually in attendance over the course of a school year to the number of students who were required to be in attendance that school year, as calculated pursuant to rules of the superintendent of public instruction.

(D) "Three-year average" means the average of the most recent consecutive three years of data.

(E) "Required level of improvement" means at least one standard unit of improvement on at least the percentage of performance standards required to demonstrate overall improvement, in accordance with the rule approved under division (A) of section 3302.04 of the Revised Code.

Sec. 3302.02. The following are the expected state performance standards for school districts:

(A) A ~~three~~ ninety per cent ~~dropout~~ graduation rate;

(B) At least seventy-five per cent of fourth graders proficient on the mathematics test prescribed by 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 by 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 by 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 by 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 by 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 by 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 by 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 by 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 by 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 by 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 by 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 by 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 by 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 by 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 by 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 by division (A)(3) of section 3301.0710 of the Revised Code;

(R) At least a ninety-three per cent attendance rate.

When sufficient data concerning the tests given pursuant to division (A)(2) of section 3301.0710 of the Revised Code and the science tests given pursuant to divisions (A)(1), (3), and (B) of section 3301.0710 of the Revised Code are available for the department of education to establish performance standards for those tests, the department shall recommend a

rule adding standards to reflect these additional tests. The department shall also recommend a rule when necessary to allow for the phasing out of the ninth grade proficiency test and its replacement with a high school proficiency test pursuant to section 3301.0710 of the Revised Code as amended by ~~this act~~ Amended Substitute Senate Bill No. 55 of the 122nd general assembly. The rules shall not recommend any standard be established for passage of the fourth grade reading test that is solely based on the test given in the fall for the purpose of determining whether students have met the fourth grade guarantee provisions of section 3313.608 of the Revised Code.

Rules recommended by the department under this section shall not take effect unless approved by joint resolution of the general assembly.

Sec. 3302.03. (A) Beginning with the fiscal year that starts on July 1, 1999, every three years the department of education shall calculate and report for each school district its percentages on each of the performance indicators listed in section 3302.02 of the Revised Code and shall specify for each such district the extent to which the acceptable performance indicator has been achieved and whether the district is an effective school district, needs continuous improvement, is under an academic watch, or is in a state of academic emergency.

(B)(1) A school district shall be declared an effective school district if it meets at least ninety-four per cent of the state performance standards.

(2) A school district shall be declared to be in need of continuous improvement if it meets more than fifty per cent but less than ninety-four per cent of the state performance standards.

(3) A school district shall be declared to be under an academic watch if it meets more than thirty-three per cent but not more than fifty per cent of the state performance standards.

(4) A school district shall be declared to be in a state of academic emergency if it does not meet more than thirty-three per cent of the state performance standards.

(C) Whenever feasible, the department shall utilize three-year averaging of the district's percentages on the performance standards specified in section 3302.02 of the Revised Code.

(D)(1) The department shall issue annual report cards for each ~~school~~ school district and for the state as a whole based on education and fiscal performance data.

(2) The department shall not include in the report card required by this division proficiency test passage data according to any ethnic, racial, or gender classification.

(E) In calculating the proficiency test passage rates under this section, the department shall include all students except:

(1) Those students exempted from the requirement to take the applicable proficiency test pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code, whether or not the student chose to take the test voluntarily in spite of the exemption granted in that division;

(2) Those students to whom the twelfth-grade tests are not administered, pursuant to division (B)(4) of section 3301.0711 of the Revised Code.

Sec. 3302.04. (A) By March 1, 1998, the state board of education shall recommend to the general assembly a rule establishing both of the following:

(1) A standard unit of improvement that any school district would be required to achieve on a specific performance standard that it failed to meet in order to be deemed to have made satisfactory improvement toward meeting that standard.

(2) The percentage of those performance standards that a district did not meet, on which a district would be required to achieve the standard unit of improvement in order to be deemed to be making overall progress toward becoming an effective district.

Upon approval of the general assembly, the rule shall apply to determinations of school district improvement under division (B) of this section.

(B) When a school district has been notified by the department pursuant to division (A) of section 3302.03 of the Revised Code that the district needs continuous improvement, is under an academic watch, or is in a state of academic emergency, the district shall develop a three-year continuous improvement plan containing an analysis of the reasons for the district's failure to meet any of the standards it does not meet and specifying the strategies it will use and the resources it will allocate to address the problem. Copies of the plan shall be made available to the public.

No three-year continuous improvement plan shall be developed or adopted pursuant to this division unless at least one public hearing is held within the territory of the affected school district concerning the final draft of the plan. Notice of the hearing shall be given two weeks prior to the hearing by publication in one newspaper of general circulation within the territory of the affected school district.

(C) When a school district has been notified by the department pursuant to division (A) of section 3302.03 of the Revised Code that the district is under an academic watch or in a state of academic emergency, the district shall be subject to any rules establishing intervention in academic watch or

emergency school districts that have been recommended to the general assembly by the department of education and approved by joint resolution of the general assembly. The department shall recommend such rules by July 1, 1998.

(D)(1) Within one hundred twenty days after any school district is declared to be in a state of academic emergency under section 3302.03 of the Revised Code, the Department shall initiate a site evaluation of the school district.

(2) If any school district that is declared to be in a state of academic emergency or in a state of academic watch under section 3302.03 of the Revised Code fails to demonstrate to the Department satisfactory improvement or fails to submit to the Department any information required under rules established by the state board of education, prior to approving a three-year continuous improvement plan for the school district under rules established by the state board of education, the Department shall conduct a site evaluation of the school district to determine whether the school district is in compliance with minimum standards established by law or rule.

(3) Site evaluations conducted under divisions (D)(1) and (2) of this section shall include, but not be limited to, the following:

(a) Determining whether teachers are assigned to subject areas for which they are licensed or certified;

(b) Determining pupil-teacher ratios;

(c) Examination of Compliance with minimum instruction time requirements for each school day and for each school year;

(d) Determining whether the school district has materials and equipment necessary to implement the curriculum approved by the school district board.

Sec. 3302.07. (A) The board of education of any school district ~~or~~, the governing board of any educational service center, or the administrative authority of any chartered nonpublic school may submit to the state board of education an application proposing an innovative education pilot program the implementation of which requires exemptions from specific statutory provisions or rules. If a district or service center board employs teachers under a collective bargaining agreement adopted pursuant to Chapter 4117. of the Revised Code, any application submitted under this division shall include the written consent of the teachers' employee representative designated under division (B) of section 4117.04 of the Revised Code. The exemptions requested in the application shall be limited to any requirement of Title XXXIII of the Revised Code or of any rule of the state board adopted pursuant to that title except that the application may not propose an

exemption from any requirement of or rule adopted pursuant to Chapter 3307. or 3309., sections 3319.07 to 3319.21, or Chapter 3323. of the Revised Code.

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

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

Sec. 3311.19. (A) The management and control of a joint vocational school district shall be vested in the joint vocational school district board of education. Where a joint vocational school district is composed only of two or more local school districts located in one county, or when all the participating districts are in one county and the boards of such participating districts so choose, the educational service center governing board of the county in which the joint vocational school district is located shall serve as the joint vocational school district board of education. Where a joint vocational school district is composed of local school districts of more than one county, or of any combination of city, local, or exempted village school districts or educational service centers, unless administration by the educational service center governing board has been chosen by all the participating districts in one county pursuant to this section, the board of education of the joint vocational school district shall be composed of one or more persons who are members of the boards of education from each of the city or exempted village school districts or members of the educational service centers' governing boards affected to be appointed by the boards of education or governing boards of such school districts and educational service centers. In such joint vocational school districts the number and terms of members of the joint vocational school district board of education and the allocation of a given number of members to each of the city and exempted village districts and educational service centers shall be determined in the plan for such district, provided that each such joint vocational school district board of education shall be composed of an odd number of members.

(B) Notwithstanding division (A) of this section, a governing board of an educational service center that has members of its governing board serving on a joint vocational school district board of education may make a request to the joint vocational district board that the joint vocational school district plan be revised to provide for one or more members of boards of education of local school districts that are within the territory of the educational service district and within the joint vocational school district to serve in the place of or in addition to its educational service center governing board members. If agreement is obtained among a majority of the boards of education and governing boards that have a member serving on the joint vocational school district board of education and among a majority of the local school district boards of education included in the district and located within the territory of the educational service center whose board requests the substitution or addition, the state board of education may revise the joint vocational school district plan to conform with such agreement.

(C) If the board of education of any school district or educational service center governing board included within a joint vocational district that has had its board or governing board membership revised under division (B) of this section requests the joint vocational school district board to submit to the state board of education a revised plan under which one or more joint vocational board members chosen in accordance with a plan revised under such division would again be chosen in the manner prescribed by division (A) of this section, the joint vocational board shall submit the revised plan to the state board of education, provided the plan is agreed to by a majority of the boards of education represented on the joint vocational board, a majority of the local school district boards included within the joint vocational district, and each educational service center governing board affected by such plan. The state board of education may revise the joint vocational school district plan to conform with the revised plan.

(D) The vocational schools in such joint vocational school district shall be available to all youth of school age within the joint vocational school district subject to the rules adopted by the joint vocational school district board of education in regard to the standards requisite to admission. A joint vocational school district board of education shall have the same powers, duties, and authority for the management and operation of such joint vocational school district as is granted by law, except by this chapter and Chapters 124., 3317., 3323., and 3331. of the Revised Code, to a board of education of a city school district, and shall be subject to all the provisions of law that apply to a city school district, except such provisions in this chapter and Chapters 124., 3317., 3323., and 3331. of the Revised Code.

(E) Where a governing board of an educational service center has been designated to serve as the joint vocational school district board of education, the educational service center superintendent shall be the executive officer for the joint vocational school district, and the governing board may provide for additional compensation to be paid to ~~him~~ the educational service center superintendent by the joint vocational school district, but ~~he~~ the educational service center superintendent shall have no continuing tenure other than that of educational service center superintendent. The superintendent of schools of a joint vocational school district shall exercise the duties and authority vested by law in a superintendent of schools pertaining to the operation of a school district and the employment and supervision of its personnel. The joint vocational school district board of education shall appoint a treasurer of the joint vocational school district who shall be the fiscal officer for such district and who shall have all the powers, duties, and authority vested by law in a treasurer of a board of education. Where a governing board of an educational service center has been designated to serve as the joint vocational school district board of education, such board may appoint the educational service center superintendent as the treasurer of the joint vocational school district.

(F) Each member of a joint vocational school district board of education may be paid such compensation as the board provides by resolution, but it shall not exceed eighty dollars per member for ~~meetings~~ each meeting attended, ~~not exceeding twelve meetings in any one year,~~ plus mileage, at the rate per mile provided by resolution of the board, to and from ~~such~~ meetings of the board.

The board may provide by resolution for the deduction of amounts payable for benefits under division (D) of section 3313.202 of the Revised Code. No member of a board of a joint vocational school district who is purchasing any category of benefits under such section offered by a city, local, or exempted village school board or educational service center governing board, shall purchase the same category of benefits as a member of the joint vocational school board.

Sec. 3311.213. (A) With the approval of the board of education of a joint vocational school district which is in existence, any school district in the county or counties comprising the joint vocational school district or any school district in a county adjacent to a county comprising part of a joint vocational school district may become a part of the joint vocational school district. On the adoption of a resolution of approval by the board of education of the joint vocational school district, it shall advertise a copy of such resolution in a newspaper of general circulation in the school district

proposing to become a part of such joint vocational school district once each week for at least two weeks immediately following the date of the adoption of such resolution. Such resolution shall not become ~~legally~~ effective ~~on~~ until the sixtieth ~~later of the sixty-first~~ day after its adoption ~~unless prior to the expiration of such sixty-day period~~ qualified electors residing in the school district proposed to become a part of the joint vocational school district equal in number to a majority of the qualified electors voting at the last general election file with such board of education a petition of remonstrance against such transfer or until the board of elections certifies the results of an election in favor of joining of the school district to the joint vocational school district if such an election is held under division (B) of this section

(B) During the sixty-day period following the date of the adoption of a resolution to join a school district to a joint vocational school district under division (A) of this section, the electors of the school district that proposes joining the joint vocational school district may petition for a referendum vote on the resolution. The question whether to approve or disapprove the resolution shall be submitted to the electors of such school district if a number of qualified electors equal to twenty per cent of the number of electors in the school district who voted for the office of governor at the most recent general election for that office sign a petition asking that the question of whether the resolution shall be disapproved be submitted to the electors. The petition shall be filed with the board of elections of the county in which the school district is located. If the school district is located in more than one county, the petition shall be filed with the board of elections of the county in which the majority of the territory of the school district is located. The board shall certify the validity and sufficiency of the signatures on the petition.

The board of elections shall immediately notify the board of education of the joint vocational school district and the board of education of the school district that proposes joining the joint vocational school district that the petition has been filed.

The effect of the resolution shall be stayed until the board of elections certifies the validity and sufficiency of the signatures on the petition. If the board of elections determines that the petition does not contain a sufficient number of valid signatures and sixty days have passed since the adoption of the resolution, the resolution shall become effective.

primary election held at least seventy-five days after but no later than six months after the board of elections certifies the validity and sufficiency of signatures on the petition. If there is no general or primary election held at least seventy-five days after but no later than six months after the board of elections certifies the validity and sufficiency of signatures on the petition, the board shall submit the question to the electors at a special election to be held on the next day specified for special elections in division (D) of section 3501.01 of the Revised Code that occurs at least seventy-five days after the board certifies the validity and sufficiency of signatures on the petition. The election shall be conducted 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.

If a majority of the electors voting on the question disapprove the resolution, the resolution shall not become effective.

(C) If ~~such the~~ resolution becomes ~~legally~~ effective, the board of education of the joint vocational school district shall notify the county auditor of the county in which the school district becoming a part of the joint vocational school district is located, who shall thereupon have any outstanding levy for building purposes, bond retirement, or current expenses in force in the joint vocational school district spread over the territory of the school district becoming a part of the joint vocational school district. On the addition of a city or exempted village school district or an educational service center to the joint vocational school district, pursuant to this section, the board of education of such joint vocational school district shall submit to the state board of education a proposal to enlarge the membership of such board by the addition of one or more persons at least one of whom shall be a member of the board of education or governing board of such additional school district or educational service center, and the term of each such additional member. On the addition of a local school district to the joint vocational school district, pursuant to this section, the board of education of such joint vocational school district may submit to the state board of education a proposal to enlarge the membership of such board by the addition of one or more persons who are members of the educational service center governing board of such additional local school district. On approval by the state board of education additional members shall be added to such joint vocational school district board of education.

Sec. 3311.24. (A) Except as provided in division (B) of this section, if the board of education of a city ~~school district or of an~~, exempted village, ~~or local~~ school district deems it advisable to transfer territory from such district to an adjoining city ~~or~~, exempted village, or local school district ~~or to an~~

~~educational service center~~, or if a petition, signed by seventy-five per cent of the qualified electors residing within that portion of a city ~~or~~, exempted village, or local school district proposed to be transferred voting at the last general election, requests such a transfer, the board of education of the district in which such proposal originates shall file such proposal, together with a map showing the boundaries of the territory proposed to be transferred, with the state board of education prior to the first day of April in any even-numbered year. The state board of education may, if it is advisable, provide for a hearing in any suitable place in any of the school districts affected by such proposed transfer of territory. The state board of education or its representatives shall preside at any such hearing.

Not later than the first day of September the state board of education shall either approve or disapprove a proposed transfer of territory filed with it as provided by this section and shall notify, in writing, the boards of education of the districts affected by such proposed transfer of territory of its decision.

If the decision of the state board of education is an approval of the proposed transfer of territory then the board of education of the district in which the territory is located shall, within thirty days after receiving the state board of education's decision, adopt a resolution transferring the territory and shall forthwith submit a copy of such resolution to the treasurer of the board of education of the city ~~or~~, exempted village, or local school district ~~or educational service center~~ to which the territory is transferred. Such transfer shall not be complete however, until:

(1) A resolution accepting the transfer has been passed by a majority vote of the full membership of the board of education of the city ~~or~~, exempted village, or local school district ~~or educational service center governing board~~ to which the territory is transferred;

(2) An equitable division of the funds and indebtedness between the districts ~~and educational service centers~~ involved has been made by the board of education making the transfer;

(3) A map showing the boundaries of the territory transferred has been filed, by the board of education ~~or educational service center~~ accepting the transfer, with the county auditor of each county affected by the transfer.

When such transfer is complete the legal title of the school property in the territory transferred shall be vested in the board of education or governing board of the school district ~~or educational service center~~ to which the territory is transferred.

(B) Whenever the transfer of territory pursuant to this section is initiated by a board of education, the board shall, before filing a proposal for transfer

with the state board of education under this section, make a good faith effort to negotiate the terms of transfer with any other school district ~~or educational service center~~ whose territory would be affected by the transfer. Before the state board may hold a hearing on the transfer, or approve or disapprove any such transfer, it must receive the following:

(1) A resolution requesting approval of the transfer, passed by the school district submitting the proposal;

(2) 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;

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

Negotiations held pursuant to this section shall be governed by the rules adopted by the state board under division (D) of section 3311.06 of the Revised Code. Districts ~~and educational service centers~~ involved in a transfer under division (B) of this section 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.

Sec. 3313.376. As used in this section, "client district" means a city or exempted village school district that has entered into an agreement with an educational service center pursuant to section 3313.843 of the Revised Code.

For the purpose of obtaining quantity discounts in purchasing textbooks; computer equipment, including computer software; ~~and school buses; and~~ natural gas, electricity, and other utility services, the governing boards of two or more ~~education~~ educational service centers may enter into ~~an agreement~~ agreements, including installment purchase and lease-purchase contracts, to jointly purchase such commodities to be utilized by local school districts, or by client districts, being served by the ~~education~~ educational service centers.

Sec. 3313.603. (A) As used in this section:

(1) "One unit" means a minimum of one hundred twenty hours of course instruction, except that for a laboratory course, "one unit" means a minimum of one hundred fifty hours of course instruction.

(2) "One-half unit" means a minimum of sixty hours of course instruction, except that for physical education courses, "one-half unit" means a minimum of one hundred twenty hours of course instruction.

(B) Beginning September 15, 2001, the requirements for graduation

from every high school shall include twenty-one units earned in grades nine through twelve and shall be distributed as follows:

- (1) English language arts, four units;
- (2) Health, one-half unit;
- (3) Mathematics, three units;
- (4) Physical education, one-half unit;
- (5) Science, two units until September 15, 2003, and three units thereafter, which at all times shall include both of the following:
 - (a) Biological sciences, one unit;
 - (b) Physical sciences, one unit.
- (6) Social studies, three units, which shall include both of the following:
 - (a) American history, one-half unit;
 - (b) American government, one-half unit.
- (7) Elective units, eight units until September 15, 2003, and seven units thereafter.

Each student's electives shall include at least one unit, or two half units, chosen from among the areas of business/technology, fine arts, and/or foreign language.

(C) Every high school may permit students below the ninth grade to take advanced work for credit. A high school shall count such advanced work toward the graduation requirements of division (B) of this section if the advanced work was both:

- (1) Taught by a person who possesses a license or certificate issued under section 3301.071, 3319.22, or 3319.222 of the Revised Code that is valid for teaching high school;
- (2) Designated by the board of education of the city, local, or exempted village school district ~~or~~, the board of the cooperative education school district, or the governing authority of the chartered nonpublic school as meeting the high school curriculum requirements.

(D) Units earned in English language arts, mathematics, science, and social studies that are delivered through integrated academic and technical instruction are eligible to meet the graduation requirements of division (B) of this section.

Sec. 3313.608. (A) Beginning with students who enter fourth grade in the school year that starts July 1, 2001, no city, exempted village, or local school district shall promote to fifth grade any student who fails to attain the score designated under division (A)(1) of section 3301.0710 of the Revised Code on the test prescribed under that division to measure skill in reading, unless either of the following applies:

- (1) The pupil was excused from taking the test under division (C)(1) of

section 3301.0711 of the Revised Code;

(2) The pupil's principal and reading teacher agree that the pupil is academically prepared, as determined pursuant to the district policy adopted under section 3313.609 of the Revised Code, to be promoted to fifth grade.

(B)(1) To assist students in meeting this fourth grade guarantee established by this section, each city, exempted village, and local school district shall adopt policies and procedures with which it shall, beginning in the school year that starts July 1, 1998, annually assess the reading skills of each student at the end of first, second, and third grade and identify students who are reading below their grade level. The policy and procedures shall require the students' classroom teachers to be involved in the assessment and the identification of students reading below grade level. The district shall notify the parent or guardian of each student whose reading skills are below grade level and, in accordance with division (C) of this section, provide intervention services to each student reading below grade level.

(2) For each student identified as reading below grade level at the end of third grade, the district shall offer intense remediation services during the summer following third grade.

(3) For each student entering fourth grade after July 1, 2001, who does not attain by the end of the fourth grade the score designated under division (A)(1) of section 3301.0710 of the Revised Code on the test prescribed under that division to measure skill in reading, the district also shall offer intense remediation services, and another opportunity to take that test, during the summer following fourth grade.

(C) For each student required to be offered remediation services under this section, the district shall involve the student's parent or guardian and classroom teacher in developing the intervention strategy, and shall offer to the parent or guardian the opportunity to be involved in the intervention services.

(D) Beginning in the summer of 1999, in addition to the remediation requirements of divisions (B) and (C) of this section, every city, exempted village, or local school district shall offer summer remediation to any student who has failed to attain the designated scores on three or more of the five tests described by division (A)(1) or (2) of section 3301.0710 of the Revised Code.

(E) Any summer remediation services funded in whole or in part by the state and offered by school districts to students under this section shall meet the following conditions:

(1) The remediation methods are based on reliable educational research.

(2) The school districts conduct testing before and after students

participate in the program to facilitate monitoring results of the remediation services.

(3) The parents of participating students are involved in programming decisions.

(4) The services are conducted in a school building or community center and not on an at-home basis.

Sec. 3313.61. (A) A diploma shall be granted by the board of education of any city, exempted village, or local school district that operates a high school to any person to whom all of the following apply:

(1) The person has successfully completed the curriculum in any high school or the individualized education program developed for the person by any high school pursuant to section 3323.08 of the Revised Code;

(2) The person has attained at least the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all the tests required by that division unless the person was excused from taking any such test pursuant to division (C)(1) of section 3301.0711 or section 3313.532 of the Revised Code or unless division (H) of this section applies to the person;

(3) The person is not eligible to receive an honors diploma granted pursuant to division (B) of this section.

Except as provided in divisions (C), (E), and (J) of this section, no diploma shall be granted under this division to anyone except as provided under this division.

(B) In lieu of a diploma granted under division (A) of this section, an honors diploma shall be granted, in accordance with rules of the state board of education, by any such district board to anyone who successfully completes the curriculum in any high school or the individualized education program developed for the person by any high school pursuant to section 3323.08 of the Revised Code, who has attained at least the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all the tests required by that division, and who has met additional criteria established by the state board for the granting of such a diploma. Except as provided in divisions (C), (E), and (J) of this section, no honors diploma shall be granted to anyone failing to comply with this division and no more than one honors diploma shall be granted to any student under this division.

The state board shall adopt rules prescribing the granting of honors diplomas under this division. These rules may prescribe the granting of honors diplomas that recognize a student's achievement as a whole or that recognize a student's achievement in one or more specific subjects or both. In any case, the rules shall designate two or more criteria for the granting of

each type of honors diploma the board establishes under this division and the number of such criteria that must be met for the granting of that type of diploma. The number of such criteria for any type of honors diploma shall be at least one less than the total number of criteria designated for that type and no one or more particular criteria shall be required of all persons who are to be granted that type of diploma.

(C) Any such district board administering any of the tests required by section 3301.0710 of the Revised Code to any person requesting to take such test pursuant to division (B)(5)(b) of section 3301.0711 of the Revised Code shall award a diploma to such person if the person attains at least the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all the tests administered and if the person has previously attained the applicable scores on all the other tests required by division (B) of that section or has been exempted or excused from any such test pursuant to division (H) of this section or division (C)(1) of section 3301.0711 or section 3313.532 of the Revised Code.

(D) Each diploma awarded under this section shall be signed by the president and treasurer of the issuing board, the superintendent of schools, and the principal of the high school. Each diploma shall bear the date of its issue, be in such form as the district board prescribes, and be paid for out of the district's general fund.

(E) A person who is a resident of Ohio and is eligible under state board of education minimum standards to receive a high school diploma based in whole or in part on credits earned while an inmate of a correctional institution operated by the state or any political subdivision thereof, shall be granted such diploma by the correctional institution operating the programs in which such credits were earned, and by the board of education of the school district in which the inmate resided immediately prior to the inmate's placement in the institution. The diploma granted by the correctional institution shall be signed by the director of the institution, and by the person serving as principal of the institution's high school and shall bear the date of issue.

(F) Persons who are not residents of Ohio but who are inmates of correctional institutions operated by the state or any political subdivision thereof, and who are eligible under state board of education minimum standards to receive a high school diploma based in whole or in part on credits earned while an inmate of the correctional institution, shall be granted a diploma by the correctional institution offering the program in which the credits were earned. The diploma granted by the correctional institution shall be signed by the director of the institution and by the person

serving as principal of the institution's high school and shall bear the date of issue.

(G) The state board of education shall provide by rule for the administration of the tests required by section 3301.0710 of the Revised Code to inmates of correctional institutions.

(H) Any person to whom all of the following apply shall be exempted from attaining the applicable score on the test in citizenship designated under division (B) of section 3301.0710 of the Revised Code:

- (1) The person is not a citizen of the United States;
- (2) The person is not a permanent resident of the United States;
- (3) The person indicates no intention to reside in the United States after the completion of high school.

(I) Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this section and section 3311.611 of the Revised Code do not apply to the board of education of any joint vocational school district or any cooperative education school district established pursuant to divisions (A) to (C) of section 3311.52 of the Revised Code.

(J) Upon receipt of a notice under division (D) of section 3325.08 of the Revised Code that a student has received a diploma under that section, the board of education receiving the notice may grant a high school diploma under this section to the student, except that such board shall grant the student a diploma if the student meets the graduation requirements that the student would otherwise have had to meet to receive a diploma from the district. The diploma granted under this section shall be of the same type the notice indicates the student received under section 3325.08 of the Revised Code.

(K) As used in this division, "English-limited student" has the same meaning as in division (C)(3) of section 3301.0711 of the Revised Code.

Notwithstanding the exemption for English-limited students provided in division (C)(3) of section 3301.0711 of the Revised Code, no English-limited student who has not attained the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all five proficiency tests required by that division shall be awarded a diploma under this section.

Sec. 3313.611. (A) The state board of education shall adopt, by rule, standards for awarding high school credit equivalent to credit for completion of high school academic and vocational education courses to applicants for diplomas under this section. The standards may permit high school credit to be granted to an applicant for any of the following:

(1) Work experiences or experiences as a volunteer;
(2) Completion of academic, vocational, or self-improvement courses offered to persons over the age of twenty-one by a chartered public or nonpublic school;

(3) Completion of academic, vocational, or self-improvement courses offered by an organization, individual, or educational institution other than a chartered public or nonpublic school;

(4) Other life experiences considered by the board to provide knowledge and learning experiences comparable to that gained in a classroom setting.

(B) The board of education of any city, exempted village, or local school district that operates a high school shall grant a diploma of adult education to any applicant if all of the following apply:

(1) The applicant is a resident of the district;

(2) The applicant is over the age of twenty-one and has not been issued a diploma as provided in section 3313.61 of the Revised Code;

(3) The applicant has attained the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all of the tests required by that division or was excused or exempted from any such test pursuant to division (C)(1) of section 3301.0711, section 3313.532, or division (H) of section 3313.61 of the Revised Code;

(4) The district board determines, in accordance with the standards adopted under division (A) of this section, that the applicant has attained sufficient high school credits, including equivalent credits awarded under such standards, to qualify as having successfully completed the curriculum required by the district for graduation.

(C) If a district board determines that an applicant is not eligible for a diploma under division (B) of this section, it shall inform the applicant of the reason ~~he~~ the applicant is ineligible and shall provide a list of any courses required for the diploma for which the applicant has not received credit. An applicant may reapply for a diploma under this section at any time.

(D) If a district board awards an adult education diploma under this section, the president and treasurer of the board and the superintendent of schools shall sign it. Each diploma shall bear the date of its issuance, be in such form as the district board prescribes, and be paid for from the district's general fund, except that the state board may by rule prescribe standard language to be included on each diploma.

(E) As used in this division, "English-limited student" has the same meaning as in division (C)(3) of section 3301.0711 of the Revised Code.

Notwithstanding the exemption for English-limited students provided in

division (C)(3) of section 3301.0711 of the Revised Code, no English-limited student who has not attained the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all five proficiency tests required by that division shall be awarded a diploma under this section.

Sec. 3313.612. On and after September 15, 1998, no nonpublic school chartered by the state board of education; shall grant any high school diploma to any person unless the person has attained at least the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all the tests required by that division except as follows:

(A) This prohibition does not apply to any person with regard to any test from which the person was excused pursuant to division (C)(1) of section 3301.0711 of the Revised Code;

(B) This prohibition does not apply to any person with regard to the citizenship test if all of the following apply:

(1) The person is not a citizen of the United States;

(2) The person is not a permanent resident of the United States;

(3) The person indicates ~~he does not intend~~ no intention to reside in the United States after completion of high school.

(C) As used in this division, "English-limited student" has the same meaning as in division (C)(3) of section 3301.0711 of the Revised Code.

Notwithstanding the exemption for English-limited students provided in division (C)(3) of section 3301.0711 of the Revised Code, no English-limited student who has not attained the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all five proficiency tests required by that division shall be awarded a diploma under this section.

Sec. 3313.613. (A) Except as provided in division (B) of this section, and notwithstanding any other section of the Revised Code, the board of education of any city, exempted village, or local school district that operates a high school shall award high school credit for a course successfully completed outside of regular school hours by a student at an accredited post-secondary institution. Such course may either be free of charge or paid for by the parent, guardian, or custodian of the student. High school credit awarded for a course successfully completed under this section shall count toward the graduation requirements and subject area requirements of the school district. If a course comparable to the course successfully completed under this section is offered by the school district, the district board shall award comparable credit for the completed equivalent course. If no comparable course is offered by the school district, the district board shall

grant to the student an appropriate number of credits in a similar subject area.

(B) The board of education of a city, local, or exempted village school district or the governing authority of a community school, when applicable, may adopt a policy under which it may deny high school credit under this section and Chapter 3365. of the Revised Code for post-secondary courses any portion of which were taken during the period of an expulsion imposed by the district's superintendent or the school's governing authority under division (B) of section 3313.66 of the Revised Code or extended under division (F) of that section.

Sec. 3313.974. As used in this section and in sections 3313.975 to 3313.979 of the Revised Code:

(A) "Individualized education program" and "handicapped child" have the same meanings as in section 3323.01 of the Revised Code.

(B) "Mainstreamed handicapped student" means a handicapped child who has an individualized education program providing for the student to spend more than half of each school day in a regular school setting with nonhandicapped students.

(C) "Separately educated handicapped student" means a handicapped child who has an individualized education program providing for the student to spend at least half of each school day in a class or setting separated from nonhandicapped students.

(D) "Low-income family" means a family whose income is below the level which the superintendent of public instruction shall establish.

(E) "Parent" has the same meaning as in section 3313.98 of the Revised Code.

(F) "Registered private school" means a school registered with the superintendent of public instruction pursuant to section 3313.976 of the Revised Code.

(G) "Alternative school" means a registered private school located in a school district or a public school located in an adjacent school district.

(H) "Tutorial assistance" means instructional services provided to a student outside of regular school hours approved by the commission on school choice pursuant to section 3313.976 of the Revised Code.

Sec. 3313.975. As used in this section and in sections 3313.975 to 3313.979 of the Revised Code, "the pilot project school district" or "the district" means any school district included in the pilot project scholarship program pursuant to this section.

(A) The superintendent of public instruction shall establish a pilot project scholarship program and shall include in such program any school

districts that are or have ever been under federal court order requiring supervision and operational management of the district by the state superintendent. The program shall provide for a number of students residing in any such district to receive scholarships to attend alternative schools, and for an equal number of students to receive tutorial assistance grants while attending public school in any such district.

(B) The state superintendent shall establish an application process and deadline for accepting applications from students residing in the district to participate in the scholarship program. In the initial year of the program students may only use a scholarship to attend school in grades kindergarten through third.

The state superintendent shall award as many scholarships and tutorial assistance grants as can be funded given the amount appropriated for the program. In no case, however, shall more than fifty per cent of all scholarships awarded be used by students who were enrolled in a nonpublic school during the school year of application for a scholarship.

(C)(1) The pilot project program shall continue in effect each year that the general assembly has appropriated sufficient money to fund scholarships and tutorial assistance grants. In each year the program continues, no new students may receive scholarships unless they are enrolled in grade kindergarten, one, two, or three. However, any student who has received a scholarship the preceding year may continue to receive one until the student has completed grade eight.

(2) If the general assembly discontinues the scholarship program, all students who are attending an alternative school under the pilot project shall be entitled to continued admittance to that specific school through all grades up to the eighth grade that are provided in such school, under the same conditions as when they were participating in the pilot project. The state superintendent shall continue to make scholarship payments in accordance with division (A) or (B) of section 3313.979 of the Revised Code for students who remain enrolled in an alternative school under this provision in any year that funds have been appropriated for this purpose.

If funds are not appropriated, the tuition charged to the parents of a student who remains enrolled in an alternative school under this provision shall not be increased beyond the amount equal to the amount of the scholarship plus any additional amount charged that student's parent in the most recent year of attendance as a participant in the pilot project, except that tuition for all the students enrolled in such school may be increased by the same percentage.

(D) Notwithstanding sections 124.39, 3307.35, and 3319.17 of the

Revised Code, if the pilot project school district experiences a decrease in enrollment due to participation in a state-sponsored scholarship program pursuant to sections 3313.974 to 3313.979 of the Revised Code, the district board of education may enter into an agreement with any teacher it employs to provide to that teacher severance pay or early retirement incentives, or both, if the teacher agrees to terminate the employment contract with the district board, provided any collective bargaining agreement in force pursuant to Chapter 4117. of the Revised Code does not prohibit such an agreement for termination of a teacher's employment contract.

Sec. 3313.976. (A) No private school may receive scholarship payments from parents pursuant to section 3313.979 of the Revised Code until the chief administrator of the private school registers the school with the superintendent of public instruction. The state superintendent shall register any school that meets the following requirements:

(1) The school is located within the boundaries of the pilot project school district;

(2) The school indicates in writing its commitment to follow all requirements for a state-sponsored scholarship program specified under sections 3313.974 to 3313.979 of the Revised Code, including, but not limited to, the requirements for admitting students pursuant to section 3313.977 of the Revised Code;

(3) The school meets all state minimum standards for chartered nonpublic schools in effect on July 1, 1992, except that the state superintendent at the superintendent's discretion may register nonchartered nonpublic schools meeting the other requirements of this division;

(4) The school does not discriminate on the basis of race, religion, or ethnic background;

(5) The school enrolls a minimum of ten students per class or a sum of at least twenty-five students in all the classes offered;

(6) The school does not advocate or foster unlawful behavior or teach hatred of any person or group on the basis of race, ethnicity, national origin, or religion;

(7) The school does not provide false or misleading information about the school to parents, students, or the general public;

(8) The school agrees not to charge any tuition to low-income families participating in the scholarship program in excess of ten per cent of the scholarship amount established pursuant to division (C)(1) of section 3313.978 of the Revised Code, excluding any increase described in division (C)(2) of that section. The school shall permit any such tuition, at the discretion of the parent, to be satisfied by the low-income family's provision

of in-kind contributions or services.

(B) The state superintendent shall revoke the registration of any school if, after a hearing, the superintendent determines that the school is in violation of any of the provisions of division (A) of this section.

(C) Any public school located in a school district adjacent to the pilot project district may receive scholarship payments on behalf of parents pursuant to section 3313.979 of the Revised Code if the superintendent of the district in which such public school is located notifies the state superintendent prior to the first day of March that the district intends to admit students from the pilot project district for the ensuing school year pursuant to section 3327.06 of the Revised Code.

(D) Any parent wishing to purchase tutorial assistance from any person or governmental entity pursuant to the pilot project program under sections 3313.974 to 3313.979 of the Revised Code shall apply to the state superintendent. The state superintendent shall approve providers who appear to possess the capability of furnishing the instructional services they are offering to provide.

Sec. 3313.977. (A)(1) Each registered private school shall admit students to kindergarten and first, second, and third grades in accordance with the following priorities:

(a) Students who were enrolled in the school during the preceding year;

(b) Siblings of students enrolled in the school during the preceding year, at the discretion of the school;

(c) Children from low-income families attending school or residing in the school district in which the school is located until the number of such students in each grade equals the number that constituted twenty per cent of the total number of students enrolled in the school during the preceding year in such grade. Admission of such twenty per cent shall be by lot from among all low-income family applicants who apply prior to the fifteenth day of February prior to admission.

(d) All other applicants residing anywhere, provided that all remaining available spaces shall be filled from among such applicants by lot.

Children from low-income families not selected by lot under division (A)(1)(c) of this section shall be included in the lottery of all remaining applicants pursuant to division (A)(1)(d) of this section.

(2) Each registered private school shall first admit to grades four through eight students who were enrolled in the school during the preceding year. Any remaining spaces for students in these grades may be filled as determined by the school.

(B) Notwithstanding division (A) of this section, except where

otherwise prohibited by federal law, a registered private school may elect to admit students of only one gender and may deny admission to any separately educated handicapped student.

(C) If a scholarship student who has been accepted in accordance with this section fails to enroll in the school for any reason or withdraws from the school during the school year for any reason, the school may elect to replace such student with another scholarship student only by first offering the admission to any low-income scholarship students who filed applications by the preceding fifteenth day of February and who were not accepted at that time due to space limitations.

Sec. 3313.978. (A) Annually by the first day of November, the superintendent of public instruction shall notify the pilot project school district of the number of initial scholarships that the state superintendent will be awarding in each of grades kindergarten through third.

The state superintendent shall provide information about the scholarship program to all students residing in the district, shall accept applications from any such students until such date as shall be established by the state superintendent as a deadline for applications, and shall establish criteria for the selection of students to receive scholarships from among all those applying prior to the deadline, which criteria shall give preference to students from low-income families. For each student selected, the state superintendent shall also determine whether the student qualifies for seventy-five or ninety per cent of the scholarship amount. Students whose family income is at or above two hundred per cent of the maximum income level established by the state superintendent for low-income families shall qualify for seventy-five per cent of the scholarship amount and students whose family income is below two hundred per cent of that maximum income level shall qualify for ninety per cent of the scholarship amount. The state superintendent shall notify students of their selection prior to the fifteenth day of January and whether they qualify for seventy-five or ninety per cent of the scholarship amount.

(1) A student receiving a pilot project scholarship may utilize it at an alternative public school by notifying the district superintendent, at any time before the beginning of the school year, of the name of the public school in an adjacent school district to which the student has been accepted pursuant to section 3327.06 of the Revised Code.

(2) A student may decide to utilize a pilot project scholarship at a registered private school in the district if all of the following conditions are met:

(a) By the fifteenth day of February of the preceding school year, or at

any time prior to the start of the school year, the parent makes an application on behalf of the student to a registered private school.

(b) The registered private school notifies the parent and the state superintendent as follows that the student has been admitted:

(i) By the fifteenth day of March of the preceding school year if the student filed an application by the fifteenth day of February and was admitted by the school pursuant to division (A) of section 3313.977 of the Revised Code;

(ii) Within one week of the decision to admit the student if the student is admitted pursuant to division (C) of section 3313.977 of the Revised Code.

(c) The student actually enrolls in the registered private school to which the student was first admitted or in another registered private school in the district or in a public school in an adjacent school district.

(B) The state superintendent shall also award in any school year tutorial assistance grants to a number of students equal to the number of students who receive scholarships under division (A) of this section. Tutorial assistance grants shall be awarded solely to students who are enrolled in the public schools of the district in a grade level covered by the pilot project. Tutorial assistance grants may be used solely to obtain tutorial assistance from a provider approved pursuant to division (D) of section 3313.976 of the Revised Code.

All students wishing to obtain tutorial assistance grants shall make application to the state superintendent by the first day of the school year in which the assistance will be used. The state superintendent shall award assistance grants in accordance with criteria the superintendent shall establish. For each student awarded a grant, the state superintendent shall also determine whether the student qualifies for seventy-five or ninety per cent of the grant amount and so notify the student. Students whose family income is at or above two hundred per cent of the maximum income level established by the state superintendent for low-income families shall qualify for seventy-five per cent of the grant amount and students whose family income is below two hundred per cent of that maximum income level shall qualify for ninety per cent of the grant amount.

(C)(1) In the case of basic scholarships, the scholarship amount shall not exceed the lesser of the tuition charges of the alternative school the scholarship recipient attends or an amount established by the state superintendent not in excess of twenty-five hundred dollars.

(2) The state superintendent shall provide for an increase in the basic scholarship amount in the case of any student who is a mainstreamed handicapped student and shall further increase such amount in the case of

any separately educated handicapped child. Such increases shall take into account the instruction, related services, and transportation costs of educating such students.

(3) In the case of tutorial assistance grants, the grant amount shall not exceed the lesser of the provider's actual charges for such assistance or a percentage established by the state superintendent, not to exceed twenty per cent, of the amount of the pilot project school district's average basic scholarship amount.

(4) No scholarship or tutorial assistance grant shall be awarded unless the state superintendent determines that twenty-five or ten per cent, as applicable, of the amount specified for such scholarship or grant pursuant to division (C)(1), (2), or (3) of this section will be furnished by a political subdivision, a private nonprofit or for profit entity, or another person. Only seventy-five or ninety per cent of such amounts, as applicable, shall be paid from state funds pursuant to section 3313.979 of the Revised Code.

(D)(1) Annually by the first day of November, the state superintendent shall estimate the maximum per-pupil scholarship amounts for the ensuing school year. The state superintendent shall make this estimate available to the general public at the offices of the district board of education together with the forms required by division (D)(2) of this section.

(2) Annually by the fifteenth day of January, the chief administrator of each registered private school located in the pilot project district and the principal of each public school in such district shall complete a parental information form and forward it to the president of the board of education. The parental information form shall be prescribed by the department of education and shall provide information about the grade levels offered, the numbers of students, tuition amounts, proficiency examination results, and any sectarian or other organizational affiliations.

Sec. 3313.979. Each scholarship or grant to be used for payments to a registered private school or to an approved tutorial assistance provider is payable to the parents of the student entitled to the scholarship or grant. Each scholarship to be used for payments to a public school in an adjacent school district is payable to the school district of attendance by the superintendent of public instruction.

(A)(1) By the fifteenth day of each month of the school year that any scholarship students are enrolled in a registered private school, the chief administrator of that school shall notify the state superintendent of:

(a) The number of students who were reported to the school district as having been admitted by that private school pursuant to division (A)(2)(b) of section 3313.978 of the Revised Code and who were still enrolled in the

private school as of the first day of such month, and the numbers of such students who qualify for seventy-five and ninety per cent of the scholarship amount;

(b) The number of students who were reported to the school district as having been admitted by another private school pursuant to division (A)(2)(b) of section 3313.978 of the Revised Code and since the date of admission have transferred to the school providing the notification under division (A)(1) of this section, and the numbers of such students who qualify for seventy-five and ninety per cent of the scholarship amount.

(2) From time to time, the state superintendent shall make a payment to the parent of each student entitled to a scholarship. Each payment shall include for each student reported under division (A)(1) of this section, a portion of seventy-five or ninety per cent, as applicable, of the scholarship amount specified in divisions (C)(1) and (2) of section 3313.978 of the Revised Code. This amount shall be proportionately reduced in the case of any such student who is not enrolled in a registered private school for the entire school year.

(3) The first payment under this division shall be made by the last day of November and shall equal one-third of seventy-five or ninety per cent, as applicable, of the estimated total amount that will be due to the parent for the school year pursuant to division (A)(2) of this section.

(B) The state superintendent, on behalf of the parents of a scholarship student enrolled in a public school in an adjacent school district pursuant to section 3327.06 of the Revised Code, shall make the tuition payments required by that section to the school district admitting the student, except that, notwithstanding sections 3323.13, 3323.14, and 3327.06 of the Revised Code, the total payments in any school year shall not exceed seventy-five or ninety per cent, as applicable, of the scholarship amount provided in divisions (C)(1) and (2) of section 3313.978 of the Revised Code.

(C) Whenever an approved provider provides tutorial assistance to a student, the state superintendent shall pay the parent for such costs upon receipt of a statement from the parent specifying the services provided and the costs of the services, which statement shall be signed by the provider. The total payments to any parent under this division for all provider services to any individual student in any school year shall not exceed seventy-five or ninety per cent, as applicable, of the grant amount provided in division (C)(3) of section 3313.978 of the Revised Code.

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

(1) The board of education of each city, exempted village, and local

chool district to annually report to the department of education 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 to the department 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.

(3) Prior to the first full school week in October each year, the superintendent of each city, local, or exempted village school district that admits adjacent district or other district students or adjacent district or other district joint vocational students in accordance with a policy adopted under division (B) of section 3313.98 of the Revised Code to notify each adjacent or other district where those students are entitled to attend school under section 3313.64 or 3313.65 of the Revised Code of the number of the adjacent or other district's native students who are enrolled in the superintendent's district under the policy.

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, no joint vocational school district shall count any adjacent or other district joint vocational student enrolled in the district in its 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 (D) of section 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. 3314.011. every community school established under this chapter shall have a designated fiscal officer. The Auditor of state may require by rule that the fiscal officer of any community school, before entering upon duties as fiscal officer of the school, execute a bond in an amount and with surety to be approved by the governing authority of the school, payable to the state, conditioned for the faithful performance of all the official duties required of the fiscal officer. any Such bond shall be deposited with the governing authority of the school, and a copy thereof, certified by the governing authority, shall be filed with the county auditor.

Sec. 3314.012. (a) within ninety days of the effective date of this section, the superintendent of public instruction shall appoint representatives of the department of education, including employees who work with the education management information system and employees of the office of school options established by section 3314.11 of the Revised Code, to a committee to develop report card models for community schools. The director of the legislative office of education oversight shall also appoint representatives to the committee. The committee shall design model report cards appropriate for the various types of community schools approved to operate in the state. sufficient models shall be developed to reflect the variety of grade levels served and the missions of the state's community

schools. all models shall include both financial and academic data. The Initial models shall be developed by march 31, 2000.

(b) the department of education shall issue an annual report card for each community school. the report card shall report the academic and financial performance of the school utilizing one of the models developed under division (A) of this section.

(C) upon receipt of a copy of a contract between a sponsor and a community school entered into under this chapter, the department of education shall notify the community school of the specific model report card that will be used for that school.

(D) report cards shall be distributed to the parents of all students in the community school, to the members of the board of education of the school district in which the community school is located, and to any person who requests one from the department.

(E) no report card shall be issued for any community school under this section until the school has been open for instruction for two full school years.

Sec. 3314.013. (A)(1) until july 1, 2000, no more than seventy-five contracts between start-up schools and the state board of education may be in effect outside the pilot project area at any time under this chapter.

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

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

(C) it is the intent of the general assembly to consider whether to provide limitations on the number of start-up community schools after july 1, 2001, following its examination of the results of the studies by the legislative office of education oversight required under section 50.39 of am. sub. h.b. No. 215 of the 122nd general assembly and section 50.52.2 of am. sub. h.b. No. 215 of the 122nd general assembly, as amended by am. sub. h.b. No. 770 of the 122nd general assembly.

Sec. 3314.02. (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~~ public entity listed in division (C)(1) of this section with which the governing authority of the

proposed community school enters into a contract pursuant to this section.

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

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

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

(b) A school district that is in a state of academic emergency under section 3302.03 of the Revised Code;

(c) A big eight school district;

(d) An urban school district.

(4) "Big eight school district" means 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)~~(5) "New start-up school" means a community school other than one created by converting all or part of an existing public school, as designated in the school's contract pursuant to division (A)(17) of section 3314.03 of the Revised Code.

(6) "Urban school district" means one of the state's twenty-one urban school districts as defined in division (O) of section 3317.02 of the Revised Code as that section existed prior to July 1, 1998.

(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 the 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~~ challenged school district ~~other than a pilot project district. Such~~ The 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 is located the majority of the territory of ~~that big eight~~ the district in which the school is proposed to be 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~~ where the district in which the school is proposed to be located has the major portion of its territory;

(d) The state board of education;

(e) If the school is proposed to be located in the pilot project area, the governing board of the educational service center serving the county containing the majority of the territory of the pilot project area;

(f) If the school is proposed to be located in the pilot project area, a sponsoring authority designated by the board of trustees of a state university located in the pilot project area, or the board of trustees itself.

~~Such big eight district board, joint vocational board, other school district board, or state board~~ The public entity 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.

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

(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. 3314.021. (A) If the department of education receives any application proposing a community school to be located in a city, local, or exempted village school district under this chapter, the department shall send a notice to the president of the board of education of the school district in which the community school would be located informing the board of the application. if any member of the board of education requests a copy of the application, the department shall furnish a copy to that member.

(B) a copy of every contract entered into under section 3314.03 of the Revised Code shall be filed with the office of school options and the superintendent of public instruction.

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 financial audits by the auditor of state. 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 and the audits shall be conducted in accordance with section 117.10 of the Revised Code.

(9) ~~The facility~~ facilities to be used and its location their locations;

(10) Qualifications of teachers, including a requirement that the school's classroom teachers be licensed in accordance with sections 3319.22 to

.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., 3365., 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, the parents of all students enrolled in the school, and the legislative office of education oversight. The school will collect and provide any data that the legislative office of education oversight requests in furtherance of any study or research that the general assembly requires the office to conduct, including the studies required under Section 50.39 of Am. Sub. H.B. 215 of the 122nd

general assembly and Section 50.52.2 of Am. Sub. H.B. 215 of the 122nd general assembly, as amended.

(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 five 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 formula amount defined under section 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;

(19) A provision requiring the governing authority to adopt a policy regarding the admission of students who reside outside the district in which the school is located. That policy shall comply with the admissions procedures specified in section 3314.06 of the Revised Code and, at the sole discretion of the authority, shall do one of the following:

(a) Prohibit the enrollment of students who reside outside the district in which the school is located;

(b) Permit the enrollment of students who reside in districts adjacent to

the district in which the school is located;

(c) Permit the enrollment of students who reside in any other district in the state.

(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. 3314.05. The contract between the community school and the sponsor shall specify the ~~facility~~ facilities to be used for the community school and the method of acquisition. ~~Any~~ A school may be located in multiple facilities under the same contract only if the limitations on availability of space prohibit serving all the grade levels specified in the contract in a single facility. The school shall not offer the same grade level classrooms in more than one facility.

Any facility used for a community school shall meet all health and safety standards established by law for school buildings.

In the case where a community school is proposed to be located in a facility owned by a school district or educational service center, the facility may not be used for such community school unless the district or service center board owning the facility enters into an agreement for the community school to utilize the facility. Use of the facility may be under any terms and conditions agreed to by the district or service center board and the school.

Sec. 3314.06. The governing authority of each community school established under this chapter shall adopt admission procedures that specify the following:

(A) That except as otherwise provided in this section, admission to the school shall be open ~~only~~ to any individual age five to twenty-two entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code in

~~the a school district in which the school is located or who was enrolled in the converted school during the school year preceding the year of its conversion to a community school the state.~~

(B) That admission to the school may be limited to students who have attained a specific grade level or are within a specific age group; to students that meet a definition of "at-risk," as defined in the contract; or to residents of a specific geographic area within the district, as defined in the contract; ~~that is within the school district in which the school is located.~~

(C) Whether enrollment is limited to students who reside in the district in which the school is located or is open to residents of other districts, as provided in the policy adopted pursuant to the contract.

(D) That there will be no discrimination in the admission of students to the school on the basis of race, creed, color, handicapping condition, or sex; and that, upon admission of any handicapped student, the community school will comply with all federal and state laws regarding the education of handicapped students.

~~(D)~~(E) That the school may not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

~~(E)~~(F) That the community school will admit the number of students that does not exceed the capacity of the school's programs, classes, grade levels, or facilities.

~~(F)~~(G) That, except as otherwise provided under division (B) of this section, if the number of applicants exceeds the capacity restrictions of division ~~(F)~~(F) of this section, students shall be admitted by lot from all those submitting applications, except preference shall be given to students attending the school the previous year and to students who reside in the district in which the school is located. Preference may be given to siblings of such students attending the school the previous year.

Notwithstanding divisions (A) through ~~(F)~~(G) of this section, in the event the racial composition of the enrollment of the community school is violative of a federal desegregation order, the community school shall take any and all corrective measures to comply with the desegregation order.

Sec. 3314.071. any contract entered into by the governing authority or any officer or director of a community school, including the contract required by sections 3314.02 and 3314.03 of the Revised Code, is deemed to be entered into by such individuals in their official capacities as representatives of the community school. no officer, director, or member of the governing authority of a community school incurs any personal liability by virtue of entering into any contract on behalf of the school.

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 section 3317.02 of the Revised Code.

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

(4) ~~"Average county cost" means the cost, averaged among school districts within a county, of providing special education and related services to similarly handicapped children, as calculated in a manner acceptable to the superintendent of public instruction~~ "Applicable weight" means:

(a) For a student receiving special education and related services pursuant to an IEP for a handicap described in division (A) of section 3317.013 of the Revised Code, the multiple specified in that division;

(b) For a student receiving special education and related services pursuant to an IEP for a handicap described in division (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code, the multiple specified in division (B) of section 3317.013 of the Revised Code.

(5) "Total special education weight" means the sum of the following:

(a) The number of students reported under division (B)(2)(c) of this section who are entitled to attend school in the district, are enrolled in grades one through twelve in a community school, and are receiving from their community school special education and related services pursuant to an IEP for a handicap described in division (A) of section 3317.013 of the Revised Code, multiplied by the multiple specified in division (A) of section 3317.013 of the Revised Code;

(b) One-half the number of students reported under division (B)(2)(c) of this section who are entitled to attend school in the district, are enrolled in kindergarten in a community school, and are receiving from their community school special education and related services pursuant to an IEP for a handicap described in division (A) of section 3317.013 of the Revised Code, multiplied by the multiple specified in division (A) of section 3317.013 of the Revised Code;

(c) The number of students reported under division (B)(2)(c) of this section who are entitled to attend school in the district, are enrolled in grades one through twelve in a community school, and are receiving from their community school special education and related services pursuant to an IEP for a handicap described in division (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code, multiplied by the multiple

specified in division (B) of section 3317.013 of the Revised Code:

(d) One-half the number of students reported under division(B)(2)(c) of this section who are entitled to attend school in the district, are enrolled in kindergarten in a community school, and are receiving from their community school special education and related services pursuant to an IEP for a handicap described in division (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code, multiplied by the multiple specified in division (B) of section 3317.013 of the Revised Code.

(6) "Entitled to attend school" means entitled to attend school in a district under section 3313.64 or 3313.65 of the Revised Code.

(7) "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~~ divisions (D)(3)(4) and (5) 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.

(8) "All-day kindergarten" has the same meaning as in section 3317.029 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, the number of students entitled to attend school in the district who are enrolled in kindergarten in a community school, the number of those kindergartners who are enrolled in all-day kindergarten in their community school, 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 average county cost for such child. If the district receives disadvantaged pupil impact aid pursuant to division (B) or divisions (C) and (E) of section 3317.029 of the Revised Code, it also shall report the amount received for each such child.~~

(2) The governing authority of each community school established under this chapter to annually report all of the following:

(a) The number of students enrolled in grades one through twelve and one-half the number of kindergarten students enrolled in kindergarten in the

school who are not receiving special education and related services pursuant to an IEP; ~~the~~

~~(b) The number of enrolled students in grades one through twelve and one-half the number of enrolled students in kindergarten students, who are receiving special education and related services pursuant to an IEP; the~~

~~(c) The number of students reported under division (B)(2)(b) of this section receiving special education and related services pursuant to an IEP for a handicap described in each of divisions (A) and (B) of section 3317.013 and division (F)(3) of section 3317.02 of the Revised Code;~~

~~(d) The number of enrolled preschool handicapped students receiving special education services in a state-funded unit; the~~

~~(e) The community school's base formula amount; and~~

~~(f) for each student, the city, exempted village, or local school district in which the school student is located. Each governing authority shall also report any entitled to attend school;~~

~~(g) 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~~ divisions (B)(2)(a) and (b) of this section who are enrolled in grades one through twelve, and one-half the number of students reported under those divisions who are enrolled in 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 product~~ of the ~~average county costs for all~~ number of district students reported under division (B)(2)(c) of this section as enrolled in grades one through twelve, and one-half of the number of district students reported under that division as enrolled in kindergarten, 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, for a handicap described in division (A) or (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code, multiplied by the total special education weight;

(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 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 division (B) or divisions (C) and (E) of section 3317.029 of the Revised Code, as adjusted by any DPIA reduction factor of that community school. If the district receives disadvantaged pupil impact aid under division (B) of that section, the per pupil amount of that aid is the quotient of the amount the district received under that division divided by the number of children ages five through seventeen residing in the district and living in a family participating in Ohio works first, as most recently reported under section 3317.10 of the Revised Code. If the district receives disadvantaged pupil impact aid under division (C) of section 3317.029 of the Revised Code, the per pupil amount of that aid is the per pupil dollar amount prescribed for the district in division (C)(1) or (2) of that section.

(4) An amount equal to the sum of the amounts obtained when, for each community school where the district's students are enrolled, the district's per pupil amount of aid received under division (E) of section 3317.029 of the Revised Code, as adjusted by any DPIA reduction factor of the community school, is multiplied by the sum of the following:

(a) The number of the district's students reported under division (B)(2)(a) of this section who are enrolled in grades one to three in that community school and who are not receiving special education and related services pursuant to an IEP;

(b) One-half of the district's students who are enrolled in all-day or any other kindergarten class in that community school and who are not receiving special education and related services pursuant to an IEP;

(c) One-half of the district's students who are enrolled in all-day kindergarten in that community school and who are not receiving special education and related services pursuant to an IEP.

The district's per pupil amount of aid under division (E) of section 3317.029 of the Revised Code is the quotient of the amount the district received under that division divided by the district's kindergarten through third grade ADM, as defined in that section.

(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~~ divisions (B)(2)(a) and (b) of this section who are not receiving special education and related services pursuant to an IEP for a handicap described in division (A) or (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code 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~~ student is located entitled to attend school;

(2) ~~For the greater of the following:~~

(a) The aggregate amount that the department paid to the community school in fiscal year 1999 for students receiving special education and related services pursuant to IEPs, excluding federal funds and state disadvantaged pupil impact aid funds;

(b) The sum of the amounts calculated under divisions(D)(2)(b)(i) and (ii) of this section:

(i) For each student reported under division (B)(2)(c) of this section as enrolled in the school in grades one through twelve and receiving special education and related services pursuant to an IEP, an amount equal to the average county cost for such student, less a prorated share for the student of any for a handicap described in division (A) or (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code, the following amount:

(the community school's base formula amount X the cost-of-doing-business factor of the district where the student is entitled to attend school) + (the applicable weight X the community school's base formula amount);

(ii) For each student reported under division(B)(2)(c) of this section as enrolled in kindergarten and receiving special education and related services pursuant to an IEP for a handicap described in division (A) or (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code, one-half of the amount calculated under the formula prescribed in division(D)(2)(b)(i) of this section.

(3) ~~An 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, as determined as described under division (C)(2) of this section by the superintendent of public instruction.~~

~~(3)(4)~~ 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, the number of that district's students enrolled in the community school and residing in the school district in a family 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 division (B) or ~~divisions (C) and (E)~~ of section 3317.029 of the Revised Code, as adjusted by any DPIA reduction factor of the community school. The per pupil amount of aid shall be determined as described in division (C)(3) of this section.

(5) 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, the district's per pupil amount of aid received under division (E) of section 3317.029 of the Revised Code, as adjusted by any DPIA reduction factor of the community school, is multiplied by the sum of the following:

(a) The number of the district's students reported under division (B)(2)(a) of this section who are enrolled in grades one to three in that community school and who are not receiving special education and related services pursuant to an IEP;

(b) One-half of the district's students who are enrolled in all-day or any other kindergarten class in that community school and who are not receiving special education and related services pursuant to an IEP;

(c) One-half of the district's students who are enrolled in all-day kindergarten in that community school and who are not receiving special education and related services pursuant to an IEP.

The district's per pupil amount of aid under division (E) of section 3317.029 of the Revised Code shall be determined as described in division (C)(4) of this section.

(E) If a community school's costs for a fiscal year for a student receiving special education and related services pursuant to an IEP for a handicap described in division (F)(3) of section 3317.02 of the Revised Code are twenty-five thousand dollars or more, the school 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 school's costs for the student in excess of twenty-five thousand dollars.

The community school shall only report, and the department shall only pay for, the costs of educational expenses and the related services provided to the student in accordance with the student's individualized education

program. Any legal fees, court costs, or other costs associated with any cause of action relating to the student may not be included in the amount.

(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.

~~(F)~~(G) 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.

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

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

~~(I)~~(J) 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.

~~(J)~~(K) For purposes of determining the number of students for which ~~division~~ divisions (D)(3)(4) and (5) 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 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 each school district 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.

~~(K)~~(L) 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. For purposes of this section, a student shall be considered enrolled in the community school for any portion of the school year the student is participating at a college under Chapter 3365. of the Revised Code.

(M) The department of education shall reduce the amounts paid under division (D) of this section to reflect payments made to colleges under division (B) of section 3365.07 of the Revised Code.

Sec. 3314.09. The As used in this section, "native student" means a student entitled to attend school in the school district under section 3313.64 or 3313.65 of the Revised Code.

The board of education of the each city, local, or and exempted village school district in which a community school is located shall provide transportation to and from school for its district's native students enrolled in the a community school, 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 located in that district or another district on the same basis that it provides transportation for its native students enrolled in schools to which they are assigned by the board of education at the same grade level and who live the same distance from school except when, in the judgment of the board, confirmed by the state board of education, the transportation is unnecessary or unreasonable. A board shall not be required to transport nonhandicapped students to and from a community school located in another school district if the transportation would require more than thirty minutes of direct travel time as measured by school bus from the collection point designated by the district's coordinator of school transportation.

Where it is impractical to transport a pupil to and from a community

school by school conveyance, a board may, in lieu of providing the transportation, pay a parent, guardian, or other person in charge of the child. The amount paid per pupil shall in no event exceed the average transportation cost per pupil, which shall be based on the cost of transportation of children by all boards of education in this state during the next preceding year.

Sec. 3314.11. The department of education shall establish a the state community school commission office of school options to provide advice and services for the community schools program, established pursuant to Chapter 3314. of the Revised Code, and the pilot project scholarship program, established pursuant to sections 3313.974 to 3313.979 of the Revised Code. The commission office shall provide services that facilitate the management of the community schools program and the pilot project scholarship program, including providing technical assistance and information to persons or groups considering proposing a community school, to governing authorities of community schools, and to school district boards public entities sponsoring or considering sponsoring a community school.

Sec. 3314.12. The legislative office of education oversight shall produce and issue an annual composite informational report on community schools established under this chapter ~~or under Section 50.52 of Amended Substitute House Bill No. 215 of the 122nd general assembly~~ to the speaker of the house of representatives, the president of the senate, and the governor. The report shall include the number of schools in operation, the size and characteristics of enrollment for the schools, the academic performance of the schools, the financial status of the schools, and any other pertinent information.

Sec. 3314.13. (A) As used in this section:

(1) "All-day kindergarten" ~~and "DPIA index" have~~ has the same ~~meanings~~ meaning as in section 3317.029 of the Revised Code.

(2) "Formula amount" has the same meaning as in section 3317.02 of the Revised Code.

(B) The department of education annually shall pay each community school established under this chapter ~~or under Section 50.52 of Amended Substitute House Bill No. 215 of the 122nd general assembly~~ one-half of the formula amount for each student ~~who to whom both of the following apply:~~

(1) The student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code in a school district with a DPIA index of one or greater and who is that is eligible to receive a payment under division (D) of section 3317.029 of the Revised Code if it provides all-day kindergarten;

(2) The student is reported by the community school under division (B)(3) of section 3314.08 of the Revised Code as enrolled in all-day kindergarten at the community school. If

(C) If a student for whom payment is made under division (B) of this section is entitled to attend school in a district that receives any payment for all-day kindergarten under division (D) of section 3317.029 of the Revised Code, the department shall deduct the payment to the community school under this section from the amount paid that school district under that division. If that school district does not receive payment for all-day kindergarten under that division because it does not provide all-day kindergarten, the department shall pay the community school from state funds appropriated generally for disadvantaged pupil impact aid.

(D) The department shall adjust the amounts deducted from school districts and paid to community schools under this section to reflect any enrollments of students in all-day kindergarten in community schools for less than the equivalent of a full school year.

Sec. 3314.15. (A) Each community school located in the pilot project area, or in a county contiguous to the pilot project area, that is in existence on the effective date of this section pursuant to a contract entered into with its sponsor prior to that date under former Section 50.52.4 of Am. Sub. H.B. No. 215 of the 122nd general assembly, is subject to this chapter and shall be considered for all purposes of the Revised Code to be established under this chapter. However, until that contract expires, but not later than June 30, 2003, the community school may continue to operate in accordance with that contract to the extent it does not conflict with the provisions of Section 50.52 of that act in effect immediately prior to the effective date of this section. The school is subject to any provisions of this chapter that do not conflict with that contract. If the governing authority of such a community school renews the contract with a sponsor, the renewed contract shall comply with this chapter.

(B) A preliminary agreement for a community school entered into prior to the effective date of this section under former Section 50.52.4 of Am. Sub. H.B. No. 215 of the 122nd general assembly remains valid on and after that date for as long as the proposed governing authority and proposed sponsor of the community school continue the agreement. If they agree to proceed to enter into a contract for the community school, the contract shall be entered into under section 3314.02 and shall comply with section 3314.03 of the Revised Code.

(C) A community school described in division (A) of this section that is located in a county contiguous to the pilot project area may continue in

existence as long as there is a valid contract between the school and a sponsor. Any such contract entered into after the effective date of this section shall be subject to this chapter. Any public entity listed in division (C)(1) of section 3314.02 of the Revised Code may be a sponsor for the community school as if it were located in the pilot project area.

Sec. 3315.17. (A) The board of education of each city, exempted village, local, and joint vocational school district shall establish a textbook and instructional materials fund and shall deposit into that fund four per cent, or another percentage if established in rules adopted under division ~~(B)~~(C) of this section, of all revenues received by the district for operating expenses. Money in the fund shall be used solely for textbooks, instructional software, and instructional materials, supplies, and equipment. Any money in the fund that is not used in any fiscal year shall carry forward to the next fiscal year.

(B) Notwithstanding division (A) of this section, if in a fiscal year a district board deposits in the textbook and instructional materials fund an amount of money greater than the amount required to be deposited by this section or the rules adopted under division (C) of this section, the board may deduct the excess amount of money from the amount of money required to be deposited in succeeding fiscal years.

(C) The state superintendent of public instruction and the auditor of state jointly shall adopt rules in accordance with Chapter 119. of the Revised Code defining what constitutes textbooks, instructional software, and instructional materials, supplies, and equipment for which money in a school district's textbook and instructional materials fund may be used. The jointly adopted rules also may designate a percentage, other than four per cent, of district operating revenues that must be deposited into the fund. The auditor of state shall adopt rules under section 117.20 of the Revised Code authorizing up to a three-year phase-in period for district boards to meet the percentage requirements of division (A) of this section, and specifying the manner in which district boards may deduct from a required deposit an excess amount deposited into the textbook and instructional materials fund in a prior fiscal year.

~~(C)~~(D) Notwithstanding division (A) of this section, a district board of education in any fiscal year may appropriate money in the district textbook and instructional materials fund for purposes other than those permitted by that division if both of the following occur during that fiscal year:

(1) All of the following certify to the district board in writing that the district has sufficient textbooks, instructional software, and instructional materials, supplies, and equipment to ensure a thorough and efficient

education within the district:

- (a) The district superintendent;
- (b) In districts required to have a business advisory council, a person designated by vote of the business advisory council;
- (c) If the district teachers are represented by an exclusive bargaining representative for purposes of Chapter 4117. of the Revised Code, the president of that organization or the president's designee.

(2) The district board adopts, by unanimous vote of all members of the board, a resolution stating that the district has sufficient textbooks, instructional software, and instructional materials, supplies, and equipment to ensure a thorough and efficient education within the district.

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

Sec. 3316.05. (A) Pursuant to the powers of the general assembly and for the purposes of this chapter, upon the declaration of a fiscal emergency in any school district pursuant to division (B) of section 3316.03 of the Revised Code, there is established, with respect to that school district, a body both corporate and politic constituting an agency and instrumentality of the state and performing essential governmental functions of the state to be known as the "financial planning and supervision commission for (name of school district)," which, in that name, may exercise all authority vested in such a commission by this chapter. A separate commission is established with respect to each school district as to which there is a fiscal emergency as determined under this chapter.

(B) A commission appointed after July 1, 1999, shall consist of ~~seven~~ five voting members, including women and at least one Hispanic or African American if Hispanic and African Americans together constitute at least twenty per cent of the student population of the district, as follows:

(1) ~~Four~~ Two ex officio members: the director of budget and management, or a designee of the director, and the superintendent of public instruction, or a designee of the superintendent of the school district, and the mayor of the municipal corporation with the largest number of residents living within the school district, ~~except that if more than fifty per cent of the residents of the district reside outside the municipal corporation containing the greatest number of district residents or if there is no municipal corporation located in the school district, the county auditor of the county with the largest number of residents living within the school district shall be~~

~~a member of the commission in lieu of a mayor.~~

~~The director of budget and management may designate an individual within the office of budget and management; the mayor may designate a responsible official within his office or the fiscal officer of the municipal corporation; the superintendent of public instruction may designate an employee within the department of education; and the superintendent of the school district may designate an employee of the school district to attend the meetings of the commission when the ex officio member making the designation is absent or unable for any reason to attend. A designee, when present, shall be counted in determining whether a quorum is present at any meeting of the commission and may vote and participate in all proceedings and actions of the commission. The designations shall be in writing, executed by the member making the designation, and filed with the secretary of the commission. The designations may be changed from time to time in like manner, but due regard shall be given to the need for continuity.~~

(2) Three appointed members, who shall be appointed within fifteen days after the declaration of the fiscal emergency, one by the governor, one by the superintendent of public instruction, and one by the mayor ~~or county auditor who is a member of the commission of the municipal corporation with the largest number of residents living within the school district, except that if more than fifty per cent of the residents of the district reside outside the municipal corporation containing the greatest number of district residents or if there is no municipal corporation located in the school district, the county auditor of the county with the largest number of residents living within the school district shall make the appointment in lieu of a mayor.~~ All of the appointed members shall serve at the pleasure of the appointing authority during the life of the commission. In the event of the death, resignation, incapacity, removal, or ineligibility to serve of an appointed member, the appointing authority shall appoint a successor within fifteen days after the vacancy occurs.

(a) The member appointed by the governor and the member appointed by the mayor or county auditor shall be an individual:

(i) Who has knowledge and experience in financial matters, financial management, or business organization or operations, including at least five years of experience in the public or private sector in the management of business or financial enterprise, or in management consulting, public accounting, or other similar professional activity;

(ii) Whose residency, office, or principal place of professional or business activity is situated within the school district.

(b) The member appointed by the superintendent of public instruction

shall be a parent of a child currently enrolled in a public school within the district.

(C) Immediately after appointment of the initial appointed members of the commission, the superintendent of public instruction shall call the first meeting of the commission and shall cause written notice of the time, date, and place of the first meeting to be given to each member of the commission at least forty-eight hours in advance of the meeting.

(D) The superintendent of public instruction shall serve as the commission's chairperson and the commission shall elect one of its members as vice-chairperson and may appoint a secretary and any other officers, who need not be members of the commission, as it considers necessary.

(E) The commission may adopt and alter bylaws and rules, which shall not be subject to section 111.15 or Chapter 119. of the Revised Code, for the conduct of its affairs and for the manner, subject to this chapter, in which its powers and functions shall be exercised and embodied.

(F) ~~Four~~ Three members of the commission constitute a quorum of the commission. The affirmative vote of ~~four~~ three members of the commission is necessary for any action taken by vote of the commission. No vacancy in the membership of the commission shall impair the rights of a quorum by such vote to exercise all the rights and perform all the duties of the commission. Members of the commission, and their designees, are not disqualified from voting by reason of the functions of the other office they hold and are not disqualified from exercising the functions of the other office with respect to the school district, its officers, or the commission.

(G) The auditor of state shall act as the financial supervisor for the school district under contract with the commission unless the auditor of state elects to contract for that service. At the request of the commission the auditor of state shall designate employees of the auditor of state's office to assist the commission and to coordinate the work of the auditor of state's office. Upon the declaration of a fiscal emergency in any school district, the school district shall provide the commission with such reasonable office space in the principal building housing the administrative offices of the school district, where feasible, as the commission determines is necessary to carry out its duties under this chapter.

The attorney general shall serve as the legal counsel for the commission.

(H) The members of the commission, the superintendent of public instruction, the auditor of state, and any person authorized to act on behalf of or assist them shall not be personally liable or subject to any suit, judgment, or claim for damages resulting from the exercise of or failure to exercise the powers, duties, and functions granted to them in regard to their

functioning under this chapter, but the commission, the superintendent of public instruction, the auditor of state, and such other persons shall be subject to mandamus proceedings to compel performance of their duties under this chapter.

(I) At the request of the commission the administrative head of any state agency shall temporarily assign personnel skilled in accounting and budgeting procedures to assist the commission in its duties.

(J) The appointed members of the commission are not subject to section 102.02 of the Revised Code, each appointed member of the commission shall file with the commission a signed written statement setting forth the general nature of sales of goods, property, or services or of loans to the school district with respect to which that commission is established, in which the appointed member has a pecuniary interest or in which any member of the appointed member's immediate family, as defined in section 102.01 of the Revised Code, or any corporation, partnership, or enterprise of which the appointed member is an officer, director, or partner, or of which the appointed member or a member of the appointed member's immediate family, as so defined, owns more than a five per cent interest, has a pecuniary interest, and of which sale, loan, or interest such member has knowledge. The statement shall be supplemented from time to time to reflect changes in the general nature of any such sales or loans.

(K) Meetings of the commission shall be subject to section 121.22 of the Revised Code except that division (C) of such section requiring members to be physically present to be part of a quorum or vote does not apply if the commission holds a meeting by teleconference and if provisions are made for public attendance at any location involved in such teleconference.

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

(1) Actions to be taken to:

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

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

(c) Eliminate the deficits in all deficit funds;

(d) Restore to special funds any moneys from such funds that were used for purposes not within the purposes of such funds, or borrowed from such

funds by the purchase of debt obligations of the school district with the moneys of such funds, or missing from the special funds and not accounted for, if any;

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

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

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

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

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

(4) The amount and purpose of any issue of debt obligations that will be issued, together with assurances that any such debt obligations that will be issued will not exceed debt limits supported by appropriate certifications by the fiscal officer of the school district and the county auditor. Debt obligations issued pursuant to section 133.301 of the Revised Code shall include assurances that such debt shall be in an amount not to exceed the amount certified under division (B) of such section. If the commission considers it necessary in order to maintain or improve educational opportunities of pupils in the school district, the plan may include a proposal to restructure or refinance outstanding debt obligations incurred by the board under section 3313.483 of the Revised Code contingent upon the approval, during the period of the fiscal emergency, by district voters of a tax levied under section 718.09, 718.10, 5705.194, 5705.21, 5748.02, or 5748.08 of the Revised Code, that is not a renewal or replacement levy and that will provide new operating revenue. Notwithstanding any provision of

Chapter 133. or sections 3313.483 ~~through to~~ 3313.4811 of the Revised Code, following the required approval of the district voters and with the approval of the commission, the school district may issue securities to evidence the restructuring or refinancing. Those securities may extend the original period for repayment, not to exceed ten years, and may alter the frequency and amount of repayments, interest or other financing charges, and other terms of agreements under which the debt originally was contracted, at the discretion of the commission, provided that any loans received pursuant to section 3313.483 of the Revised Code shall be paid from funds the district would otherwise receive under sections 3317.022 to 3317.025 of the Revised Code, as required under division (E)(3) of section 3313.483 of the Revised Code. The securities issued for the purpose of restructuring or refinancing the debt shall be repaid in equal payments and at equal intervals over the term of the debt and are not eligible to be included in any subsequent proposal for the purpose of restructuring or refinancing debt under this section.

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

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 any educational service center.

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.~~

Annually, the department of education shall calculate and report to each school district the district's total state and local funds for providing an adequate basic education to the district's nonhandicapped students, utilizing the determination in section 3317.012 of the Revised Code. In addition, the department shall calculate and report separately for each school district the district's total state and local funds for providing an adequate education for

ts handicapped students, utilizing the determinations in both sections 3317.012 and 3317.013 of the Revised Code.

Not later than the thirty-first day of August of each fiscal year, the department of education shall provide to each school district and county MR/DD board a preliminary estimate of the amount of funding that the department calculates the district will receive under each of divisions (C)(1) and (5) of section 3317.022 of the Revised Code. No later than the first day of December of each fiscal year, the department shall update that preliminary estimate.

Moneys distributed pursuant to this chapter shall be calculated and paid on a fiscal year basis, beginning with the first day of July and extending through the thirtieth day of June. The moneys appropriated for each fiscal year shall be distributed at least monthly to each school district unless otherwise provided for. 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' 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. 3317.014. The average vocational education additional cost per pupil 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 vocational education programs are as follows:

(A) A multiple of 0.60 for students enrolled in vocational education job-training and workforce development programs approved by the department of education in accordance with rules adopted under section 3313.90 of the Revised Code.

(B) A multiple of 0.30 for students enrolled in vocational education classes other than job-training and workforce development programs.

Vocational education associated services costs can be expressed as a multiple of 0.05 of the base cost per pupil calculated under section 3317.012 of the Revised Code.

Sec. 3317.02. As used in this chapter:

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

(B) "Formula amount" means the base cost for the fiscal year specified in 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~~;~~, and the formula amount for fiscal year 2000 shall be \$4,038~~;~~ and the formula amount for fiscal year 2001 shall be \$4,226 4,052 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. In adopting its

rules under this division, the department shall provide for counting any student in ~~a district's~~ category one, two, or three special education ADM or in category one or two vocational education ADM in the same proportion the student is counted in formula ADM.

(D)(1) "Formula ADM" means, for a city, local, or exempted village school district, the number reported pursuant to division (A) of section 3317.03 of the Revised Code, and for a joint vocational school district, the number reported pursuant to division (D) of that section.

(2) "Three-year average formula ADM" means the average of ~~a school district's~~ formula ADMs for the current and preceding two fiscal years. However, as applicable in fiscal years 1999 and 2000, the three-year average for city, local, and exempted village school districts shall be determined utilizing the FY 1997 ADM or FY 1998 ADM in lieu of formula ADM for fiscal year 1997 or 1998. In fiscal years 2000 and 2001, the three-year average for joint vocational school districts shall be determined utilizing the average daily membership reported in fiscal years 1998 and 1999 under division (D) of section 3317.03 of the Revised Code in lieu of formula ADM for fiscal years 1998 and 1999.

(E) "FY 1997 ADM" or "FY 1998 ADM" means the school district's average daily membership reported for the applicable fiscal year under the version of division (A) of section 3317.03 of the Revised Code in effect during that fiscal year, adjusted as follows:

(1) Minus the average daily membership of handicapped preschool children;

(2) Minus one-half of the average daily membership attending kindergarten;

(3) Minus three-fourths of the average daily membership attending a joint vocational school district;

(4) Plus the average daily membership entitled under section 3313.64 or 3313.65 of the Revised Code to attend school in the district but receiving educational services in approved units from an educational service center or another school district under a compact or a cooperative education agreement, as determined by the department;

(5) Minus the average daily membership receiving educational services from the district in approved units but entitled under section 3313.64 or 3313.65 of the Revised Code to attend school in another school district, as determined by the department.

(F)(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)(5) or (D)(2)(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)(6) or (D)(2)(c) 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)(7) or (D)(2)(d) of section 3317.03 of the Revised Code.

(4) "Category one vocational education ADM" means the average daily membership of students receiving vocational education services described in division (A) of section 3317.014 of the Revised Code and reported under division (B)(8) or (D)(2)(e) of section 3317.03 of the Revised Code.

(5) "Category two vocational education ADM" means the average daily membership of students receiving vocational education services described in division (B) of section 3317.014 of the Revised Code and reported under division (B)(9) or (D)(2)(f) of section 3317.03 of the Revised Code.

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

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

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

(J) "Transportation ADM" means the number of children reported under division (B)(9)(10) of section 3317.03 of the Revised Code.

(K) "Most Average efficient transportation use cost per transported student for a district" means a statistical representation of transportation costs as calculated under division (D)(4)(2) 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.

(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.

(N)(1) "Cost-of-doing-business factor" means the amount indicated in this division for the county in which ~~the~~ a city, local, exempted village, or joint vocational school district is located, adjusted in accordance with division (N)(2) of this section. If ~~the~~ a city, local, or exempted village school district is located in more than one county, the factor is the amount indicated for the county to which the district is assigned by the state department of education. If a joint vocational school district is located in more than one county, the factor is the amount indicated for the county in which the joint vocational school with the greatest formula ADM operated by the district is located.

COUNTY	COST-OF-DOING-BUSINESS FACTOR AMOUNT
Adams	1.0100 <u>1.0074</u>
Allen	1.0272 <u>1.0217</u>
Ashland	1.0362 <u>1.0322</u>
Ashtabula	1.0540 <u>1.0480</u>
Athens	1.0040 <u>1.0046</u>
Auglaize	1.0300 <u>1.0255</u>
Belmont	1.0101 <u>1.0078</u>
Brown	1.0218 <u>1.0194</u>
Butler	1.0662 <u>1.0650</u>
Carroll	1.0180 <u>1.0166</u>
Champaign	1.0432 <u>1.0292</u>
Clark	1.0489 <u>1.0462</u>
Clermont	1.0498

	<u>1.0510</u>
Clinton	1.0287
	<u>1.0293</u>
Columbiana	1.0320
	<u>1.0300</u>
Coshocton	1.0224
	<u>1.0205</u>
Crawford	1.0174
	<u>1.0152</u>
Cuyahoga	1.0725
	<u>1.0697</u>
Darke	1.0360
	<u>1.0340</u>
Defiance	1.0214
	<u>1.0177</u>
Delaware	1.0512
	<u>1.0339</u>
Erie	1.0414
	<u>1.0391</u>
Fairfield	1.0383
	<u>1.0358</u>
Fayette	1.0281
	<u>1.0266</u>
Franklin	1.0548
	<u>1.0389</u>
Fulton	1.0382
	<u>1.0355</u>
Gallia	1.0000
Geauga	1.0608
	<u>1.0568</u>
Greene	1.0418
	<u>1.0406</u>
Guernsey	1.0091
	<u>1.0072</u>
Hamilton	1.0750
Hancock	1.0270
	<u>1.0224</u>
Hardin	1.0384
	<u>1.0219</u>
Harrison	1.0111

	<u>1.0098</u>
Henry	1.0389
	<u>1.0347</u>
Highland	1.0177
	<u>1.0139</u>
Hocking	1.0164
	<u>1.0149</u>
Holmes	1.0275
	<u>1.0237</u>
Huron	1.0348
	<u>1.0317</u>
Jackson	1.0176
	<u>1.0132</u>
Jefferson	1.0090
	<u>1.0084</u>
Knox	1.0276
	<u>1.0251</u>
Lake	1.0627
	<u>1.0596</u>
Lawrence	1.0154
	<u>1.0128</u>
Licking	1.0418
	<u>1.0381</u>
Logan	1.0376
	<u>1.0188</u>
Lorain	1.0573
	<u>1.0535</u>
Lucas	1.0449
	<u>1.0413</u>
Madison	1.0475
	<u>1.0342</u>
Mahoning	1.0465
	<u>1.0426</u>
Marion	1.0289
	<u>1.0121</u>
Medina	1.0656
	<u>1.0608</u>
Meigs	1.0016
	<u>1.0031</u>
Mercer	1.0209

	<u>1.0177</u>
Miami	1.0456
	<u>1.0425</u>
Monroe	1.0152
	<u>1.0118</u>
Montgomery	1.0484
	<u>1.0482</u>
Morgan	1.0168
	<u>1.0140</u>
Morrow	1.0293
	<u>1.0268</u>
Muskingum	1.0194
	<u>1.0167</u>
Noble	1.0150
	<u>1.0129</u>
Ottawa	1.0529
	<u>1.0510</u>
Paulding	1.0216
	<u>1.0156</u>
Perry	1.0185
	<u>1.0175</u>
Pickaway	1.0350
	<u>1.0338</u>
Pike	1.0146
	<u>1.0103</u>
Portage	1.0595
	<u>1.0556</u>
Preble	1.0523
	<u>1.0486</u>
Putnam	1.0308
	<u>1.0253</u>
Richland	1.0232
	<u>1.0205</u>
Ross	1.0111
	<u>1.0089</u>
Sandusky	1.0361
	<u>1.0336</u>
Scioto	1.0082
	<u>1.0044</u>
Seneca	1.0265

	<u>1.0240</u>
Shelby	1.0274
	<u>1.0257</u>
Stark	1.0330
	<u>1.0313</u>
Summit	1.0642
	<u>1.0616</u>
Trumbull	1.0465
	<u>1.0425</u>
Tuscarawas	1.0109
	<u>1.0099</u>
Union	1.0488
	<u>1.0330</u>
Van Wert	1.0181
	<u>1.0126</u>
Vinton	1.0065
	<u>1.0068</u>
Warren	1.0678
	<u>1.0651</u>
Washington	1.0124
	<u>1.0110</u>
Wayne	1.0446
	<u>1.0406</u>
Williams	1.0316
	<u>1.0268</u>
Wood	1.0431
	<u>1.0405</u>
Wyandot	1.0227
	<u>1.0191</u>

(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	11.0/7.5
2000	12.4/7.5
2001	13.8/7.5
2002	15.2/7.5
2003	16.6/7.5
2004 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 (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.

(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.

(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.

(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.

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

(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.

(T) Except as provided in division (B)(3) of section 3317.012 of the Revised Code, "valuation per pupil" for a city, exempted village, or local school district means the district's recognized valuation divided by the greater of the district's formula ADM or three-year average formula ADM.

(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.

(V) "Income adjusted valuation" means the product obtained by multiplying the school district's adjusted valuation per pupil by the greater of the district's formula ADM or three-year average formula ADM.

(W) Except as provided in division (A)(2) of section 3317.022 of the

Revised Code, "adjusted total taxable value" means one of the following:

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

$$(\text{Income adjusted valuation} \times \frac{1}{5} \text{ multiple}) + \\ \{[\text{recognized valuation} \times \frac{4}{5} (1 - \text{multiple})]\}$$

Where "multiple" means the number for the corresponding fiscal year as follows:

<u>Fiscal year of the</u> <u>computation</u>	<u>Multiple</u>
<u>2000</u>	<u>1/5</u>
<u>2001 and thereafter</u>	<u>4/15</u>

(2) In fiscal year 1999, if a school district's income factor is greater than one, the amount calculated under the following formula:

$$(\text{Income adjusted valuation} \times \frac{1}{15}) \\ + (\text{recognized valuation} \times \frac{14}{15})$$

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

Sec. 3317.022. (A)(1) The department of education shall compute and distribute state ~~basic-aid~~ base cost funding to each school district for the fiscal year in accordance with the following formula, using adjusted total taxable value as defined ~~under division (W) of~~ in section 3317.02 of the Revised Code or division (A)(2) of this section and the information obtained under section 3317.021 of the Revised Code in the calendar year in which the fiscal year begins.

Compute the following for each eligible district:

$$[\text{cost-of-doing-business factor} \times \\ \text{the formula amount} \times (\text{the greater of formula ADM} \\ \text{or three-year average formula ADM})] - \\ (.023 \times \text{adjusted total taxable value})$$

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

(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.

(b) For each school district to which division (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 (A)(2)(a) of

this section.

(B) As used in ~~division (C)~~ of this section:

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

(b) If the district would receive ~~basic-aid~~ state base cost funding 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 (the greater of formula
ADM or three-year average formula ADM)

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

(3) "Related services" includes:

(a) Child study, special education supervisors and coordinators, speech and hearing services, adaptive physical development services, occupational or physical therapy, teacher assistants for handicapped children whose handicaps are described in division (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code, behavioral intervention, interpreter services, work study, nursing services, and specialized integrative services as those terms are defined by the department;

(b) Speech and language services provided to any student with a handicap, including any student whose primary or only handicap is a speech and language handicap;

(c) Any related service not specifically covered by other state funds but specified in federal law, including but not limited to, audiology and school psychological services;

(d) Any service included in units funded under former division (O)(1) of section 3317.023 of the Revised Code;

(e) Any other related service needed by handicapped children in

accordance with their individualized education plans.

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

(a) The district's category one vocational education ADM multiplied by the multiple specified in division (A) of section 3317.014 of the Revised Code;

(b) The district's category two vocational education ADM multiplied by the multiple specified in division (B) of section 3317.014 of the Revised Code.

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

The district's state share percentage
X the formula amount for the year
for which the aid is calculated

X the district's total special education weight

(2) In any fiscal year, a school district receiving funds under division (C)(1) of this section shall spend on related services the lesser of the following:

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

(b) $1/8 \times [\text{cost-of-doing-business factor} \times \text{the formula amount} \times (\text{the category one special education ADM} + \text{category two special education ADM} + \text{category three special education ADM})] + \text{the amount calculated for the fiscal year under division (C)(1) of this section} + \text{the local share of special education and related services additional weighted costs}$

(3) The local share of special education and related services additional weighted costs equals:

$(1 - \text{the district's state share percentage}) \times$
 $\text{the district's total special education weight} \times$
 $\text{the formula amount}$

(4) 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.

The district shall only report, and the department shall only pay for, the costs of educational expenses and the related services provided to the student in accordance with the student's individualized education program. any legal fees, court costs, or other costs associated with any cause of action relating to the student may not be included in the amount.

(5)(a) As used in this division, the "personnel allowance" means twenty-five thousand dollars in fiscal year 2000 and thirty thousand dollars in fiscal year 2001.

(b) For the provision of speech services to students and for no other purpose, the department of education shall pay each school district an amount calculated under the following formula:

(formula ADM divided by 2000) X the personnel allowance X the state share percentage

(6) In any fiscal year, a school district receiving funds under division (C)(1) of this section shall spend those funds only for the purposes that the department designates as approved for special education expenses.

(D)(1) As used in this division, "log density" means the logarithmic calculation (base 10) of each district's transportation ADM per linear mile;

(a) "Daily bus miles per student" equals the number of bus miles traveled per day, divided by transportation base.

(b) "Transportation base" equals total student count as defined in section 3301.011 of the Revised Code, minus the number of students enrolled in preschool handicapped units, plus the number of nonpublic school students included in transportation ADM.

(c) "Transported student percentage" equals transportation ADM divided by transportation base.

(d) "Transportation cost per student" equals total operating costs for board-owned or contractor-operated school buses divided by transportation base.

(2) Analysis of student transportation cost data has resulted in a finding that an average efficient transportation use cost per student can be calculated by means of a regression formula that has as its two independent variables the number of daily bus miles per student and the transported student percentage. For fiscal year 1998 transportation cost data, the average efficient transportation use cost per student is expressed as follows:

$51.79027 + (139.62626 \times \text{daily bus miles per student}) + (116.25573 \times \text{transported student percentage})$

The department of education shall annually determine the average

efficient transportation use cost per student in accordance with the principles stated in division (D)(2) of this section, updating the intercept and regression coefficients of the regression formula modeled in this division, based on an annual statewide analysis of each school district's daily bus miles per student, transported student percentage, and transportation cost per student data. The department shall conduct the annual update using data, including daily bus miles per student, transported student percentage, and transportation cost per student data, from the prior fiscal year. The department shall notify the office of budget and management of such update by the fifteenth day of February of each year.

(3) In addition to funds paid under divisions (A) ~~and~~ (C), and (E) of this section, each district with a transported student percentage greater than zero shall receive a payment equal to ~~sixty per cent~~ a percentage of the product of the district's transportation ADM base from the prior fiscal year times the district's most annually updated average efficient transportation use cost per transported student, times an inflation factor of two and eight tenths per cent to account for the one-year difference between the data used in updating the formula and calculating the payment and the year in which the payment is made. The percentage shall be the following percentage of that product specified for

~~(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:~~

FISCAL YEAR	PERCENTAGE
1999	50%
2000	52.5%
2001	55%
2002	57.5%
<u>2003 AND</u>	<u>60%</u>
THEREAFTER	

THE PAYMENTS MADE UNDER DIVISION (D)(3) OF THIS SECTION EACH YEAR SHALL BE CALCULATED BASED ON ALL OF THE SAME PRIOR YEAR'S DATA USED TO UPDATE THE FORMULA.

~~(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 annually 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 an annual 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 every year.~~

~~The department of education shall use the most recent available data as of the first day of July of each year to complete the annual update. The department shall apply a 2.8 per cent inflation cost adjustment factor for each fiscal year since the fiscal year for which the data applies to adjust the amount calculated for each district under division (D)(2) or (3) of this section to the current fiscal year level.~~

Notwithstanding divisions (D)(2) and (3) of this section, in fiscal year 2000, each school district shall receive the greater of the amount calculated for it under those divisions or the amount the district received in fiscal year 1999 under divisions (D)(2) to (4) of the version of this section in effect for that fiscal year and division (B) of Section 20 of Am. Sub. H.B. 650 of the 122nd general assembly.

(5) In addition to funds paid under divisions (D)(2) to (4) of this section, a school district shall receive a rough road subsidy if both of the following apply:

(a) Its county rough road percentage is higher than the statewide rough road percentage, as those terms are defined in division (D)(6) of this section;

(b) Its district student density is lower than the statewide student density, as those terms are defined in that division.

(6) The rough road subsidy paid to each district meeting the qualifications of division (D)(5) of this section shall be calculated in accordance with the following formula:

$$\frac{(\text{per rough mile subsidy} \times \text{total rough road miles}) \times \text{density multiplier}}{\text{density multiplier}}$$

where:

(a) "Per rough mile subsidy" equals the amount calculated in accordance with the following formula:

$$0.75 - 0.75 \times \frac{[(\text{maximum rough road percentage} - \text{county rough road percentage}) / (\text{maximum rough road percentage} - \text{statewide rough road percentage})]}{1}$$

(i) "Maximum rough road percentage" means the highest county rough

road percentage in the state.

(ii) "County rough road percentage" equals the percentage of the mileage of state, municipal, county, and township roads that is rated by the department of transportation as type A, B, C, E2, or F in the county in which the school district is located or, if the district is located in more than one county, the county to which it is assigned for purposes of determining its cost-of-doing-business factor.

(iii) "Statewide rough road percentage" means the percentage of the statewide total mileage of state, municipal, county, and township roads that is rated as type A, B, C, E2, or F by the department of transportation.

(b) "Total rough road miles" means a school district's total bus miles traveled in one year times its county rough road percentage.

(c) "Density multiplier" means a figure calculated in accordance with the following formula:

$$1 - \left[\frac{\text{minimum student density} - \text{district student density}}{\text{minimum student density} - \text{statewide student density}} \right]$$

(i) "Minimum student density" means the lowest district student density in the state.

(ii) "District student density" means a school district's transportation base divided by the number of square miles in the district.

(iii) "Statewide student density" means the sum of the transportation bases for all school districts divided by the sum of the square miles in all school districts.

(7) In addition to funds paid under ~~division~~ divisions (D)(2) ~~or (3)~~ to (6) of this section, each district shall receive in accordance with rules adopted by the state board of education a payment for students transported by means other than board-owned or contractor-operated buses and whose transportation is not funded under division (J) of section 3317.024 of the Revised Code. The rules shall include provisions for school district reporting of such students.

(E)(1) The department shall compute and distribute state vocational education additional weighted costs funds to each school district in accordance with the following formula:

$$\frac{\text{state share percentage} \times \text{the formula amount} \times \text{total vocational education weight}}{\text{total vocational education weight}}$$

In any fiscal year, a school district receiving funds under division (E)(1) of this section shall spend those funds only for the purposes that the department designates as approved for vocational education expenses.

(2) The department shall compute for each school district state funds for vocational education associated services in accordance with the following formula:

state share percentage X .05 X the formula amount X the sum of
Categories one and two vocational education ADM

In any fiscal year, a school district receiving funds under division (E)(2) of this section, or through a transfer of funds pursuant to division (L) of section 3317.023 of the Revised Code, shall spend those funds only for the purposes that the department designates as approved for vocational education associated services expenses, which may include such purposes as apprenticeship coordinators, coordinators for other vocational education services, vocational evaluation, and other purposes designated by the department. The department may deny payment under division (E)(2) of this section to any district that the department determines is not operating those services or is using funds paid under division (E)(2) of this section, or through a transfer of funds pursuant to division (L) of section 3317.023 of the Revised Code, for other purposes.

In fiscal years 2000 and 2001, each school district shall continue to offer the same number of the vocational education programs that the district offered in fiscal year 1999, unless the Department of Education expressly agrees that the district may offer fewer programs in either fiscal year 2000 or 2001 or both.

Sec. 3317.023. (A) Notwithstanding section 3317.022 of the Revised Code, the amounts required to be paid to a district under this chapter shall be adjusted by the amount of the computations made under divisions (B) to (K) 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 (C) of this section. It shall not include any salary payments for supplemental teachers contracts.

(4) "Regular student population" means the formula ADM plus the number of students reported as enrolled in the district pursuant to division (A)(1) of section 3313.981 of the Revised Code; minus the number of students reported under ~~division~~ division (A)(2) of section 3317.03 of the Revised Code; minus the FTE of students reported under division (B)(5), (6), (7), ~~or (8), or (9)~~ 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.

(5) "State share percentage" has the same meaning as in section 3317.022 of the Revised Code.

(6) "VEPD" means a school district or group of school districts designated by the department of education as being responsible for the planning for and provision of vocational education services to students within the district or group.

(7) "Lead district" means a school district, including a joint vocational school district, designated by the department as a vepd, or designated to provide primary vocational education leadership within a VEPD composed of a group of districts.

(B) If the district employs less than one full-time equivalent classroom teacher for each twenty-five pupils in 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 regular student population;

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

(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 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.

(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 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 regular student population;

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

(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.

(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 section 3323.091 of the Revised Code, deduct the amount of tuition or payment for which the district is responsible.

(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.

(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.

(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 (I)(1) of this section, add the amount of such payments.

(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.

(K)(1) If a district is educating a student entitled to attend school in another district pursuant to a shared education contract, compact, or cooperative education agreement other than an agreement entered into pursuant to section 3313.842 of the Revised Code, credit to that educating district on an FTE basis both of the following:

(a) An amount equal to the formula amount times the cost of doing business factor of the school district where the student is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code;

(b) An amount equal to the formula amount times the state share percentage times any multiple applicable to the student pursuant to section 3317.013 or 3317.014 of the Revised Code.

(2) Deduct any amount credited pursuant to division (K)(1) of this section from amounts paid to the school district in which the student is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code.

(3) If the district is required by a shared education contract, compact, or cooperative education agreement to make payments to an educational service center, deduct the amounts from payments to the district and add them to the amounts paid to the service center pursuant to section 3317.11 of the Revised Code.

(L)(1) If a district, including a joint vocational school district, is a lead district of a VEPD, credit to that district the amounts calculated for all the school districts within that vepd pursuant to division (E)(2) of section

3317.022 of the Revised Code.

(2) Deduct from each appropriate district that is not a lead district, the amount attributable to that district that is credited to a lead district under division (L)(1) of this section.

Sec. 3317.024. In addition to the moneys paid to eligible school districts pursuant to section 3317.022 of the Revised Code, moneys appropriated for the education programs in divisions (A) to ~~(H)~~, ~~(J)~~ to (L), (O), ~~and (P)~~, and ~~(R)~~ of this section shall be distributed to school districts meeting the requirements of section 3317.01 of the Revised Code; in the case of divisions ~~(H) and (J) and, in fiscal year 1999 only, division (P)(1)~~ of this section, to educational service centers as provided in section 3317.11 of the Revised Code; in the case of divisions (E), (M), and (N) of this section, to county MR/DD boards; in the case of division ~~(H)~~ ~~(R)~~ of this section, to joint vocational ~~and cooperative education~~ school districts; in the case of division (K) of this section, to cooperative education school districts; and in the case of division (Q) 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) 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.

(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~~ In fiscal year 2000 only, 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, but only until June 30, 1999, 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; no payments shall be made under this division after June 30, 1999.

(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 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 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.

(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.

(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;

(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;

(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.

~~(P)(1) For fiscal year 1999 only, an~~ 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) The general assembly intends to begin a review and revision of the funding formula for gifted education services in 1999. 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.~~

(Q) 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.

(R) A grant to each school district and joint vocational school district that operates a "graduation, reality, and dual-role skills" (GRADS) program for pregnant and parenting students that is approved by the department. The amount of the payment shall be the district's state share percentage, as defined in section 3317.022 or 3317.16 of the Revised Code, times the GRADS personnel allowance times the full-time-equivalent number of GRADS teachers approved by the department. The GRADS personnel allowance is \$45,000 in fiscal year 2000 and \$46,260 in fiscal year 2001.

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

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

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

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

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

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

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

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

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

(c) Subtract from the sum calculated under division (A)(6)(b) of this section the number of special education students in grades kindergarten

through three.

(7) "Statewide average teacher salary" means ~~thirty-nine thousand ninety-two~~ forty thousand one hundred eighty-seven dollars in fiscal year 2000, and forty-one thousand three hundred twelve dollars in fiscal year 2001, which includes an amount for the value of fringe benefits.

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

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

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

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

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

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

(2) If the DPIA index of the school district is greater than or equal to

one, an amount obtained by multiplying the DPIA index by two hundred thirty dollars and multiplying that product by the five-year average number of pupils in a district receiving family assistance.

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

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

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

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

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

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

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

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

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

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

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

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

(4) Multiply the greater of the difference obtained under division (E)(3)

of this section or zero by the statewide average teachers salary.

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

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

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

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

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

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

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

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

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

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

Districts may extend the school day either by increasing the amount of time allocated for each class, increasing the number of classes provided per day, offering optional academic-related after-school programs, providing curriculum-related extra curricular activities, or establishing tutoring or remedial services for students who have demonstrated an educational need. In accordance with section 3319.089 of the Revised Code, a district extending the school day pursuant to this division may utilize a participant

of the work experience program who has a child enrolled in a public school in that district and who is fulfilling the work requirements of that program by volunteering or working in that public school. If the work experience program participant is compensated, the school district may use the funds distributed under this section for all or part of the compensation.

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

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

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

(2) Annually by the end of December, the department of education, utilizing data from the information system established under section 3301.0714 of the Revised Code and after consultation with the legislative office of education oversight, shall determine for each school district subject to division (F) of this section whether in the preceding fiscal year the district's ratio of instructional personnel to students and its number of kindergarten students receiving all-day kindergarten appear reasonable, given the amounts of money the district received for that fiscal year pursuant to divisions (D) and (E) of this section. If the department is unable to verify from the data available that students are receiving reasonable amounts of instructional attention and all-day kindergarten, given the funds the district has received under this section and that class-size reduction funds are being used in school buildings with the highest concentration of need as required by division (G) of this section and as required by division

(L) of this section, the department shall conduct a more intensive investigation to ensure that funds have been expended as required by this section. The department shall file an annual report of its findings under this division with the chairpersons of the committees in each house of the general assembly dealing with finance and education.

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

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

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

(J) If at any time the superintendent of public instruction determines that

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

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

(k)(1) a district may use a portion of the funds calculated for it under division (d) of this section to modify or purchase classroom space to provide all-day kindergarten, if both of the following conditions are met:

(a) the district certifies to the department, in a manner acceptable to the department, that it has a shortage of space for providing all-day kindergarten.

(b) the district provides all-day kindergarten to the number of children in the all-day kindergarten percentage it certified under this section.

(2) a district may use a portion of the funds described in division (F)(3) of this section to modify or purchase classroom space to enable it to further reduce class size in grades kindergarten through two with a goal of attaining class sizes of fifteen students per licensed teacher. to do so, the district must certify its need for additional space to the DEPARTMENT, IN a manner satisfactory to the department.

(L) except as permitted by division (k)(2) of this section, beginning in fiscal year 2003, each district with a dpia index of one or greater that, in the most recent determination under section 3302.03 of the Revised Code, has been declared to be in a state of academic emergency shall spend one hundred per cent of the remainder of the money calculated for the district under this section, after deducting expenditures for the purposes described in divisions (F)(1) and (2) of this section, specifically to reduce the number of students in kindergarten through second grade classrooms, with a goal of attaining a class size of fifteen students per licensed teacher in each such classroom.

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 1997 state aid" or "fundamental FY 1998 state aid" for a district means the total amount of state money received by the district for the applicable fiscal year as reported on the department of education's form "SF-12," adjusted as follows:

- (a) Minus the amount for transportation;
 - (b) Minus any amounts for approved preschool handicapped units;
 - (c) Minus any additional amount attributable to the reappraisal guarantee of division (C) of section 3317.04 of the Revised Code;
 - (d) Plus the amount deducted for payments to an educational service center;
 - (e) Plus an estimated portion of the state money distributed in the applicable fiscal year to other school districts or educational service centers for approved units, other than preschool handicapped or gifted education units, attributable to the costs of providing services in those units to students entitled to attend school in the district;
 - (f) Minus an estimated portion of the state money distributed to the school district in the applicable fiscal year for approved units, other than preschool handicapped units or gifted education units, attributable to the costs of providing services in those units to students entitled to attend school in another school district;
 - (g) Plus any additional amount paid in the applicable fiscal year pursuant to the vocational education recomputation required by Section 45.12 of Amended Substitute House Bill No. 117 of the 121st general assembly or former Section 50.22 of Amended Substitute House Bill No. 215 of the 122nd general assembly;
 - (h) Plus any additional amount paid in the applicable fiscal year pursuant to the special education recomputation required by former division (I) of section 3317.023 of the Revised Code;
 - (i) Plus any amount paid for equity aid in the applicable fiscal year under section 3317.0213 of the Revised Code;
 - (j) Plus any amount received for the applicable fiscal year pursuant to section 3317.027 of the Revised Code;
 - (k) Plus any amount received for the applicable fiscal year resulting from a recomputation made under division (B) of section 3317.022 of the Revised Code, as that section existed in the applicable fiscal year.
- (2) "Enhanced FY ~~1998~~ 1999 state aid" for a district means its ~~fundamental~~ FY 1998 state basic aid for fiscal year 1999, plus any amounts for which the district was eligible pursuant to division ~~(K)~~ (D) of the version of section ~~3317.024~~ 3317.022 of the Revised Code, ~~as that division existed in effect that fiscal year 1998.~~
- (3) "State basic aid" for a district for any fiscal year after fiscal year ~~1998~~ 1999 means the sum of the following:
- (a) The amount computed for the district for ~~basic formula aid and base cost funding~~, special education funding, and vocational education funding

under divisions (A), ~~(B), and (C)~~(1) and (5), and (E) of section 3317.022 and sections 3317.025 and 3317.027 of the Revised Code and DPIA aid under section 3317.029 of the Revised Code in the current fiscal year before any deduction or credit required by division (B), (D), (E), (F), (G), (H), (I), (J), ~~or (K), or (L)~~ of section 3317.023 or division (J) of section 3317.029 of the Revised Code;

(b) Any amounts for which the district is eligible pursuant to division (C) of section 3317.023, divisions (G) ~~and, (P), and (R)~~ of section 3317.024, and the supplemental unit allowance paid for gifted units under division (B) of section 3317.162 of the Revised Code;

(c) Any equity aid for which the district is eligible under section 3317.0213 of the Revised Code.

(4) "State basic aid for fiscal year 1999" means a district's "state basic aid" for that year, as defined in the version of this section in effect in fiscal year 1999, plus an appropriate proportion, as determined by the department of education, of the amount received by the school district in fiscal year 1999 from the vocational education set-aside and attributable to the district's students.

(5) "Vocational education set-aside" means the up to \$24,193,118 earmarked for additional school district vocational education grants under appropriation item 200-545, vocational education enhancements, in Am. Sub. H.B. 770 of the 122nd general assembly.

(B) Upon request of the department of education, the treasurer of any school district or educational service center shall furnish data needed to calculate the amounts specified in divisions (A)(1)(e) and (f) of this section. The department shall compute and pay 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/formulaADM);~~

~~(b) The greater of formula ADM or three year average formula ADM X (fundamental FY1998 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 (3) of this section and, if greater than zero, pay the district that any positive amount calculated under division (B)(1) of this section.~~

(C) In fiscal year ~~1999~~ 2000, the department shall calculate for each district the sum of the district's state basic aid for ~~that~~ fiscal year ~~1999~~, plus any amount calculated under division (B)(1) of this section, plus the transportation portion of state aid computed for the district for that fiscal year under division (D) of the version of section 3317.022 of the Revised Code ~~for the district for in effect that~~ fiscal year ~~1999~~. If a district's enhanced FY ~~1998~~ 1999 state aid is greater than that sum, then the department shall pay the district in ~~that~~ fiscal year ~~1999~~ one hundred per cent of the difference ~~or the amount required by division (B)(4) of this section, whichever is greater.~~

(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~~ 2002.

(A) As used in this section:

(1) "ADM" for any school district means:

(a) In fiscal year 1999, the FY 1998 ADM;

(b) In fiscal years 2000 ~~and 2001~~ through 2002, the formula ADM reported for the previous fiscal year.

(2) "Average taxable value" means 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) "Valuation per pupil" for a district means:

(a) In fiscal year 1999, the district's average taxable value, divided by the district's FY 1998 ADM;

(b) In a fiscal year that occurs after fiscal year 1999, the district's average taxable value, divided by the district's formula ADM for the

preceding fiscal year.

(4) "Threshold valuation" means:

(a) In fiscal year 1999, the adjusted valuation per pupil of the school district with the two hundred twenty-ninth lowest adjusted valuation per pupil in the state, according to data available at the time of the computation under division (B) of this section;

(b) In fiscal year 2000, the adjusted valuation per pupil of the district with the one hundred ~~sixty-third~~ ninety-sixth lowest such valuation in the state;

(c) In fiscal year 2001, the adjusted valuation per pupil of the district with the one hundred ~~eighteenth~~ sixty-third lowest such valuation in the state;

(d) In fiscal year 2002, the adjusted valuation per pupil of the district with the one-hundred-eighteenth lowest such valuation in the state.

(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, and .009 in fiscal year 2002.

(B) 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
millage rate X ADM

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

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

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

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

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

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

(6) "Local share of vocational education and associated services additional weighted costs" for each school district means the amount determined as follows:

(1 - state share percentage as defined in section 3317.022 of the Revised Code) X [(total vocational education weight as defined in that section X the formula amount) + the district's payment under division (E)(2) of section 3317.022 of the Revised Code]

(B) Upon receiving the certifications under section 3317.021 of the Revised Code, the department of education shall determine for each city, local, and exempted village school district whether the district's charge-off amount is greater than the district's total receipts available for current expenses, and if it is, shall pay the district the amount of the difference. A payment shall not be made to any school district for which the computation under division (A) of section 3317.022 of the Revised Code equals zero.

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

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

Sec. 3317.03. 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) The superintendent of each city and exempted village school district and of each educational service center shall, for the schools under the superintendent's supervision, certify to the state board of education on or before the fifteenth day of October in each year for the first full school week

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

(d) 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, including any participation in a college pursuant to Chapter 3365. of the Revised Code while enrolled in such community school;~~

(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, except when the student is enrolled in the college while also enrolled in a community school pursuant to Chapter 3314. 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, compact, or contract.

(3) One-fourth of the number of students enrolled in a joint vocational school district or under a vocational education compact;

(4) The number of handicapped children, other than handicapped preschool children, entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code who are placed with a county MR/DD board, minus the number of such children placed with a

county MR/DD board in fiscal year 1998. If this calculation produces a negative number, the number reported under division (A)(4) of this section shall be zero.

(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 included in the report under division (A)(1) or (2) of this section for kindergarten, and each of grades one through twelve in schools under the superintendent's supervision;

(2) ~~The average daily membership number of all handicapped preschool children included enrolled as of the first day of December in a unit approved for classes in the district that are eligible for approval by the state board of education under division (B) of section 3317.05 of the Revised Code and the number of those classes, which shall be reported not later than the fifteenth day of December,~~ 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, except when the student is enrolled in the college while also enrolled in a community school pursuant to Chapter 3314. 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,~~ including any participation in a college pursuant to Chapter 3365. of the Revised Code while enrolled in such community school, or are participating in a program operated by a county MR/DD board or a state institution;

(4) The number of pupils enrolled in joint vocational schools;

(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 category one vocational education programs or classes, described in division (A) of section 3317.014 of the Revised Code, 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 daily membership of pupils reported under division (A)(1) or (2) of this section enrolled in category two vocational education programs or services, described in division (B) of section 3317.014 of the Revised Code, operated by the school district or another school district, other than a joint vocational school district, or by an educational service center;

(10) The average number of children transported by the school district on board-owned or contractor-owned and -operated buses, reported in accordance with rules adopted by the department of education;

~~(10)~~(11)(a) The number of children, other than handicapped preschool children, the district placed with a county MR/DD board in fiscal year 1998;

(b) The number of handicapped children, other than handicapped preschool children, placed with a county MR/DD board in the current fiscal year to receive category one special education services, described in division (A) of section 3317.013 of the Revised Code;

(c) The number of handicapped children, other than handicapped preschool children, placed with a county MR/DD board in the current fiscal year to receive category two special education services, described in division (B) of section 3317.013 of the Revised Code;

(d) The number of handicapped children, other than handicapped preschool children, placed with a county MR/DD board in the current fiscal year to receive category three special education services, described in division (F)(3) of section 3317.02 of the Revised Code.

(C) Except as otherwise provided in this section for kindergarten students, the average daily membership in divisions (B)(1) to ~~(8)~~(9) of this section shall be based upon the number of full-time equivalent students. The state board of education shall adopt rules defining full-time equivalent students and for determining the average daily membership therefrom for the purposes of divisions (A) ~~and~~, (B), and (D) of this section. No child shall be counted as more than a total of one child in the sum of the average daily memberships of a school district under division (A) ~~or under~~, divisions

(B)(1) to ~~(8)(9)~~, or division (D) 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.

~~(D)(1)~~ The superintendent of each joint vocational ~~and cooperative education~~ school district shall certify to the superintendent of public instruction, ~~in a manner prescribed by the state board of education, the applicable~~ 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 ~~memberships for all students in the joint vocational or cooperative education school district,~~ membership during such week, on an FTE basis, of the number of students 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 joint vocational students enrolled in the district under an open enrollment policy pursuant to section 3313.98 of the Revised Code;

(c) Students receiving services in the district pursuant to a compact, cooperative education agreement, or a contract, but who are entitled to attend school in a city, local, or exempted village school district whose territory is not part of the territory of the joint vocational district;

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

(2) 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 average daily membership included in the report under division (D)(1) of this section for each of the following categories of students:

(a) Students enrolled in each grade included in the joint vocational district schools;

(b) Handicapped children receiving category one special education services, described in division (A) of section 3317.013 of the Revised Code;

(c) Handicapped children receiving category two special education services, described in division (B) of section 3317.013 of the Revised Code;

(d) Handicapped children identified as having any of the handicaps specified in division (F)(3) of section 3317.02 of the Revised Code;

(e) Students receiving category one vocational education services, described in division (A) of section 3317.014 of the Revised Code;

(f) Students receiving category two vocational education services,

described in division (B) of section 3317.014 of the Revised Code.

The superintendent of each joint vocational school district shall also ~~indicating~~ indicate the city, local, or exempted village school district of residence for in which each joint vocational district pupil is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code.

(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 pupils described by division (A) of this section. 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;

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

(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;

(4) Any pupil who has attained the age of twenty-two years, except for the following:

(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;

(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, however, any 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 average daily membership.

Notwithstanding division (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~~ Except as provided in division (B)(2) of this section, the average daily membership figure of any local, city, ~~or~~ exempted village, or joint vocational 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, 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.

(F)(1) If the 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, or joint vocational 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 formula ADM in calculating or recalculating the amounts to be allocated in accordance with section 3317.022 or 3317.16 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 on~~ the first ~~full school week in February~~ day of April the total number of classes or units for handicapped preschool children that are eligible for approval under division (B) of section 3317.05 of the Revised Code exceeds the number of ~~such~~ units that have been approved for the year under ~~such~~ that division, the superintendent of schools of any city, exempted village, or cooperative education school district or educational service center shall make the certifications required by this section for ~~such week that day~~. 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 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 section 3317.161 or 3317.19 and section 3317.162 of the Revised Code.

~~(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 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 section 3317.05 of the Revised Code shall do both of the following:

(a) Certify to the state board, in the manner prescribed by the board, the average daily membership in classes and units approved under division (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 number of all handicapped preschool children enrolled as of the first day of December in preschool handicapped units

~~approved classes eligible for approval~~ under division (B) of section 3317.05 of the Revised Code, ~~and the number of those classes.~~

(3)(a) 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 (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 this section for such week ~~and, if during.~~

~~(b) If on the first full school week in February day of April the average daily membership number of the classes or units maintained for handicapped preschool children by the county MR/DD board that are eligible for approval under division (B) of section 3317.05 of the Revised Code is greater than the average daily membership for the preceding October number of units approved for the year under that division, 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 make the certification required by this section for that day if~~

~~(c) 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 the~~ classes and units described in division (G)(3)(a) or (b) of this section, 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 sections 3317.161 and 3317.162 of the Revised Code.

(H) Except as provided in division (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 that district's 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.

(I)(1) A city, local, exempted village, or joint vocational 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.

(J) The superintendent of each cooperative education school district shall certify to the superintendent of public instruction, in a manner prescribed by the state board of education, the applicable average daily memberships for all students in the cooperative education district, also indicating the city, local, or exempted village district where each pupil is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

Sec. 3317.033. In accordance with rules which the state board of education shall adopt, each joint vocational school district shall do both of the following:

(A) Maintain a record of district 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~~, 3317.161, and 3317.162 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 3317.11, 3317.161, 3317.162, 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 educational service center, 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 classes operated by 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 on the basis of standards and rules adopted by the state board.

(C) For the purpose of calculating payments under sections 3317.11, 3317.161, 3317.162, 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,~~ 3317.161, and 3317.162 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,~~ an 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 units for school districts, service centers, and institutions approved annually by the state board under this section shall not exceed the number of units included in the state board's estimate of cost for these units and appropriations made for them by the general assembly.

In the case of units described in division (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 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 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 unit pursuant to rules of the state board. In the case of handicapped preschool units described in division (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 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 (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~~ 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 (P)(4) 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.

(2) Any city, local, exempted village, or cooperative education school district or any educational service center may combine partial unit eligibility for handicapped preschool programs pursuant to section 3317.05 of the Revised Code, and such combined partial units may be approved for state funding in one school district or service center.

(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. 3317.11. (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

ersonnel 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 and the client 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 (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.

An educational service center may provide special education to students

in its local districts or in client districts. A service center is eligible for funding under division (J) 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 may be operated by a governing board. Vocational education may be provided by a governing board. 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 (E) of section 3317.023 of the Revised Code. Deductions for all supervisory services and extended services for supervisory and child study 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 (E) of section 3317.023 of the Revised Code shall be made from the total of the payment computed for the district under this chapter, after making any other adjustments in that payment required by law.

(B)(1) 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~~

~~the amount equal to thirty-four dollars in the following schedule for the specified fiscal year, times the sum of the service center ADM and thirty-four dollars times the sum of the client ADMs of all its client districts;~~

~~(a) In fiscal year 2000, thirty-six dollars;~~

~~(b) In fiscal year 2001, thirty-seven dollars.~~

(2) In addition to other payments under this section, the department shall pay each educational service center the amounts due to it from school districts pursuant to contracts, compacts, or agreements under which the service center furnishes services to the districts or their students. In order to receive payment under this division, an educational service center shall furnish either a copy of the applicable contract, compact, or agreement clearly indicating the amounts of the payments, or a written statement of the payments owed signed by the superintendent or treasurer of the responsible school district.

The amounts paid to service centers under division (B)(2) of this section shall be deducted from payments to school districts pursuant to division (K)(2) of section 3317.023 of the Revised Code.

~~(C) Beginning with the fiscal year that starts July 1, 1997, in lieu of the payment specified under division (B) of this section, each each multicounty service center shall receive a payment each fiscal year equal to one per cent forty dollars and fifty-two cents times the formula amount times the sum of the service center ADM 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) 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) "State share percentage" means the percentage calculated for a joint vocational school district as follows:

(a) Calculate the state base cost funding amount for the district under division (B) of this section. If the district would not receive any base cost funding for that year under that division, the district's state share percentage is zero.

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

cost-of-doing-business factor X
the formula amount X
the greater of formula ADM or
three-year average formula ADM

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

(2) The "total special education weight" for a joint vocational school district shall be calculated in the same manner as prescribed in division (B)(1) of section 3317.022 of the Revised Code.

(3) The "total vocational education weight" for a joint vocational school district shall be calculated in the same manner as prescribed in division (B)(4) of section 3317.022 of the Revised Code.

(4) The "adjusted total taxable value" of a joint vocational school district shall be determined by adding the adjusted total taxable values of all its constituent school districts for the applicable fiscal year.

(B) The department of education shall compute and distribute state base cost funding to each joint vocational school district for the fiscal year in accordance with the following formula:

(cost-of-doing-business factor X
formula amount X the greater of formula
ADM or three-year average formula ADM) -
(.0005 X adjusted total taxable value)

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

(C)(1) The department shall compute and distribute state vocational education additional weighted costs funds to each joint vocational school district in accordance with the following formula:

state share percentage X formula amount X
total vocational education weight

(2) The department shall compute for each joint vocational school district state funds for vocational education associated services costs in accordance with the following formula:

state share percentage X .05 X
the formula amount X the sum of
categories one and two vocational
education ADM

In any fiscal year, a joint vocational school district receiving funds under division (C)(2) of this section, or through a transfer of funds pursuant to division (L) of section 3317.023 of the Revised Code, shall spend those funds only for the purposes that the department designates as approved for vocational education associated services expenses, which may include such purposes as apprenticeship coordinators, coordinators for other vocational education services, vocational evaluation, and other purposes designated by the department. The department may deny payment under division (C)(2) of this section to any district that the department determines is not operating those services or is using funds paid under division (C)(2) of this section, or through a transfer of funds pursuant to division (L) of section 3317.023 of the Revised Code, for other purposes.

(D)(1) The department shall compute and distribute state special education and related services additional weighted costs funds to each joint vocational school district in accordance with the following formula:

state share percentage X formula amount X
total special education weight

(2)(a) As used in this division, the "personnel allowance" means twenty-five thousand dollars in fiscal year 2000 and thirty thousand dollars in fiscal year 2001.

(b) For the provision of speech services to students and for no other purpose, the department shall pay each joint vocational school district an amount calculated under the following formula:

(formula ADM divided by 2000) X the personnel
allowance X state share percentage

(E) If a joint vocational school district's costs for a 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 of 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.

The district shall only report, and the department shall only pay for, the costs of educational expenses and the related services provided to the student in accordance with the student's individualized education program. Any legal fees, court costs, or other costs associated with any cause of action relating to the student may not be included in the amount.

(E) Each fiscal year, the department shall pay each joint vocational school district an amount for adult technical and vocational education and specialized consultants.

(G)(1) In any fiscal year, a joint vocational school district receiving funds under division (D) of this section shall spend on the related services specified in division (B)(3) of section 3317.022 of the Revised Code at least the lesser of the following:

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

(b) $\frac{1}{8} \times [\text{cost-of-doing-business factor} \times \text{the formula amount} \times (\text{the category one special education ADM} + \text{category two special education ADM} + \text{category three special education ADM})] + \text{the amount calculated for the fiscal year under division (D)(1) of this section} + \text{the local share of special education and related services additional weighted costs}.$

(2) A joint vocational school district's local share of special education and related services additional weighted costs equals:

$$\frac{(1 - \text{state share percentage}) \times \text{Total special education weight} \times \text{the formula amount}}{\text{the formula amount}}$$

(H) In any fiscal year, if the total of all payments made to a joint vocational school district under divisions (B) to (D) of this section and division (R) of section 3317.024 of the Revised Code is less than the amount that district received in fiscal year 1999 under the version of this section in effect that year, plus the amount that district received under the version of section 3317.162 of the Revised Code in effect that year and minus the amounts received that year for driver education and adult education, the department shall pay the district an additional amount equal to the difference

between those two amounts.

(I) In fiscal years 2000 and 2001, each joint vocational school district shall continue to offer the same number of the vocational education programs that the district offered in fiscal year 1999, unless the Department of Education expressly agrees that the district may offer fewer programs in either or both fiscal year 2000 or 2001.

Sec. 3317.162. (A) As used in this section:

(1) "State share percentage" has the same meaning as in section 3317.022 of the Revised Code.

(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 1999 FY 2000	FY 2001
Division (B) of section 3317.05 of the Revised Code	\$8,334	<u>\$8,334</u>
Division (C) of that section	\$3,234	<u>\$3,234</u>
Division (F) of that section	\$3,550 \$4,550	<u>\$5,550</u>

(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	
	FY 1999 FY 2000	FY 2001
Division (B) of section 3317.05 of the Revised Code	\$7,799	<u>\$7,799</u>
Division (C) of that section	\$2,966	<u>\$2,966</u>
Division (F) of that section	\$3,251 \$4,251	<u>\$5,251</u>

(B) In the case of each unit described in division (B), (C), or (F) of section 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 division (P)(4) of section 3317.024 and sections ~~3317.16~~, 3317.161, and 3317.19 of the Revised Code, 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 equals the district's state share percentage.

If, prior to the fifteenth day of May of a fiscal year, a school district's 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 state share percentage. Such new state share percentage 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 allocated to ~~a joint vocational school district or~~ an institution pursuant to division (A) of section 3317.05 of the Revised Code, the department, in addition to the amount specified in section ~~3317.16~~ or 3317.161 of the Revised Code, shall pay a supplemental unit allowance of \$7,227 ~~in fiscal year 1999~~.

(2) In the case of each unit described in division (B) or (D)(1) of section 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 section 3317.161 of the Revised Code, shall pay a supplemental unit allowance of \$7,799 ~~in fiscal year 1999~~.

(3) In the case of each unit described in division (C) or (D)(2) of section 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 section 3317.161 of the Revised Code, shall pay a supplemental unit allowance of \$2,966 ~~in fiscal year 1999~~.

(4) In the case of each unit described in division (F) of section 3317.05 of the Revised Code and allocated to ~~any entity other than a city, exempted village, or local school district~~ an educational service center, the department, in addition to the amounts specified in division (P) of section ~~3317.161~~ 3317.024 of the Revised Code, shall pay a supplemental unit allowance of ~~\$3,251~~ 4,251 in fiscal year ~~1999~~ 2000 and \$5,251 in fiscal year 2001.

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 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. The salary allowance for each unit shall equal the minimum salary for the teacher of the unit

ted on the basis of the teacher's training level and years of experience pursuant to section 3317.13 of the Revised Code.

(2) Fifteen per cent of the total computed under division (A)(1) of this section;

(3) The total of the unit operating allowances for all approved units. The amount of each allowance shall equal one of the following:

(a) Eight thousand twenty-three dollars times the number of preschool handicapped units or fraction thereof approved for the year under division (B) of section 3317.05 of the Revised Code;

(b) Two thousand one hundred thirty-two dollars times the number of units or fraction thereof approved for the year under division (C) of section 3317.05 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 (I) 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 (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. 3317.51. (A) The distance learning fund is hereby created in the state treasury. The fund shall consist of moneys paid to the ~~information, learning, and technology authority~~ Ohio SchoolNet commission by any telephone company as a part of a settlement agreement between such company and the public utilities commission in fiscal year 1995 in part to establish distance learning throughout the state. The authority shall administer the fund and expend moneys from it to finance technology grants to eligible schools chartered by the state board of education to establish

distance learning in those schools. Chartered schools are eligible for funds if they are within the service area of the telephone company. Investment earnings of the fund shall be credited to the fund.

(B) For purposes of this section, "distance learning" means the creation of a learning environment involving a school setting and at least one other location outside of the school which allows for information available at one site to be accessed at the other through the use of such educational applications as one-way or two-way transmission of data, voice, and video, singularly or in appropriate combinations.

Sec. 3318.01. As used in sections 3318.01 to 3318.20 of the Revised Code:

(A) "Ohio school facilities commission" means the commission created pursuant to section 3318.30 of the Revised Code.

(B) "Classroom facilities" means rooms in which pupils regularly assemble in public school buildings to receive instruction and education and such facilities and building improvements for the operation and use of such rooms as may be needed in order to provide a complete educational program, and may include space within which a child day-care facility or a community resource center is housed.

(C) "Project" means a project to construct or acquire classroom facilities, or to reconstruct or make additions to existing classroom facilities, to be used for housing the applicable school district and its functions.

(D) "School district" means a local, exempted village, or city school district as such districts are defined in Chapter 3311. of the Revised Code, acting as an agency of state government, performing essential governmental functions of state government pursuant to sections 3318.01 and 3318.20 of the Revised Code.

(E) "School district board" means the board of education of a school district.

(F) "Net bonded indebtedness" means the difference between the sum of the par value of all outstanding and unpaid bonds and notes which a school district board is obligated to pay, any amounts the school district is obligated to pay under lease-purchase agreements entered into under section 3313.375 of the Revised Code, and the par value of bonds authorized by the electors but not yet issued, the proceeds of which can lawfully be used for the project, and the amount held in the sinking fund and other indebtedness retirement funds for their redemption. Notes issued for school buses in accordance with section 3327.08 of the Revised Code, notes issued in anticipation of the collection of current revenues, and bonds issued to pay final judgments shall not be considered in calculating the net bonded

indebtedness.

"Net bonded indebtedness" does not include indebtedness arising from the acquisition of land to provide a site for classroom facilities constructed, acquired, or added to pursuant to sections 3318.01 to 3318.20 of the Revised Code.

(G) "Board of elections" means the board of elections of the county containing the most populous portion of the school district.

(H) "County auditor" means the auditor of the county in which the greatest value of taxable property of such school district is located.

(I) "Tax duplicates" means the general tax lists and duplicates prescribed by sections 319.28 and 319.29 of the Revised Code.

(J) "Required level of indebtedness" means:

(1) In the case of districts in the first percentile, five per cent of the district's valuation for the year preceding the year in which the controlling board approved the project under section 3318.04 of the Revised Code.

(2) In the case of districts ranked in a subsequent percentile, five per cent of the district's valuation for the year preceding the year in which the controlling board approved the project under section 3318.04 of the Revised Code, plus [two one-hundredths of one per cent multiplied by (the percentile in which the district ranks minus one)].

(K) "Required percentage of the basic project costs" means one per cent of the basic project costs times the percentile in which the district ranks.

(L) "Basic project cost" means a cost amount determined in accordance with rules adopted under section 111.15 of the Revised Code by the Ohio school facilities commission. The basic project cost calculation shall take into consideration the square footage and cost per square foot necessary for the grade levels to be housed in the classroom facilities, the variation across the state in construction and related costs, the cost of the installation of site utilities and site preparation, the cost of insuring the project until it is completed, and the professional planning, administration, and design fees that a district may have to pay to undertake a classroom facilities project.

(M) A "school district's portion of the basic project cost" means the amount determined under section 3318.032 of the Revised Code.

~~(N)~~ "Child day-care facility" means space within a classroom facility in which the needs of infants, toddlers, preschool children, and school children are provided for by persons other than the parent or guardian of such children for any part of the day, including persons not employed by the school district operating such classroom facility.

~~(N)~~~~(O)~~ "Community resource center" means space within a classroom facility in which comprehensive services that support the needs of families

and children are provided by community-based social service providers.

~~(O)~~(P) "Valuation" means the total value of all property in the district as listed and assessed for taxation on the tax duplicates.

~~(P)~~(Q) "Percentile" means the percentile in which the district is ranked pursuant to division ~~(C)~~(D) of section 3318.011 of the Revised Code.

~~(Q)~~(R) "Installation of site utilities" means the installation of a site domestic water system, site fire protection system, site gas distribution system, site sanitary system, site storm drainage system, and site telephone and data system.

~~(R)~~(S) "Site preparation" means the earthwork necessary for preparation of the building foundation system, the paved pedestrian and vehicular circulation system, playgrounds on the project site, and lawn and planting on the project site.

Sec. 3318.011. For purposes of providing assistance under sections 3318.01 to 3318.20 of the Revised Code, the department of education shall annually do all of the following:

(A) Calculate the adjusted valuation per pupil of each city, local, and exempted village school district according to the following formula ~~set forth in section 3317.0213 of the Revised Code~~:

The district's valuation per pupil -
[\$30,000 X (1 - the district's income factor)].

For purposes of this calculation:

(1) "Valuation per pupil" for a district means its average taxable value, divided by its formula ADM reported under section 3317.03 of the Revised Code for the previous fiscal year.

(2) "Average taxable value" means 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) "Income factor" has the same meaning as in section 3317.02 of the Revised Code.

(B) Calculate the three-year average adjusted valuation per pupil of each city, local, and exempted village school district for the preceding three fiscal years;

(C) Rank all such districts in order of adjusted valuation per pupil from the district with the lowest three-year average adjusted valuation per pupil to the district with the highest three-year average adjusted valuation per pupil;

~~(C)~~(D) Divide such ranking into percentiles with the first percentile containing the one per cent of school districts having the lowest three-year average adjusted ~~valuation~~ valuations per pupil and the one-hundredth percentile containing the one per cent of school districts having the highest

three-year average adjusted valuation valuations per pupil;

~~(D)~~(E) Determine the school districts that have ~~an~~ three-year average adjusted valuation valuations per pupil that is are greater than the median three-year average adjusted valuation per pupil for all school districts in the state;

~~(E)~~(F) Certify the information described in divisions (A) to ~~(D)~~(E) of this section to the Ohio school facilities commission.

Sec. 3318.021. Notwithstanding section 3318.02 of the Revised Code, the Ohio school facilities commission annually may conduct on-site visits to no more than five school districts in the twentieth to fortieth percentiles as determined under section 3318.011 of the Revised Code, if a district board adopts a resolution certifying to the commission the board's intent to participate in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code.

Sec. 3318.032. The portion of the basic project cost supplied by the school district shall be the greater of:

(A) The required percentage of the basic project costs, determined based on the district's percentile ranking at the time the controlling board approved the project under section 3318.04 of the Revised Code;

(B) An amount necessary to raise the school district's net bonded indebtedness, as of the date the controlling board approved the project, to within five thousand dollars of the required level of indebtedness.

The amount of the district's share determined under this section shall be calculated only as of the date the controlling board approved the project, and that amount applies throughout the one-year period permitted under section 3318.05 of the Revised Code for the district's electors to approve the propositions described in that section. If the amount reserved and encumbered for a project is released because the electors do not approve those propositions within that year, and the school district later receives the controlling board's approval for the project, the district's portion shall be recalculated in accordance with this section as of the date of the controlling board's subsequent approval.

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, except that a school district described

in division (C) of this section does not need to submit the proposition described in division (B) of this section. 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~~ school district's portion of the basic project costs, ~~whichever is greater cost; 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 three-year average adjusted valuation per pupil is greater than the state-wide median three-year average 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~~ paid to 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 until ~~the purchase price is paid~~ it generates an amount not to exceed the amount of the project cost supplied by the state, but in no case longer than twenty-three years. ~~Proceeds~~

(C) If a school district has in place a tax levied under section 5705.21 of the Revised Code for general ongoing permanent improvements of at least two mills for each dollar of valuation and the proceeds of such tax can be used for maintenance, the school district need not levy the additional tax required under division (B) of this section, provided the school district board includes in the agreement entered into under section 3318.08 of the Revised Code provisions earmarking an amount from the proceeds of that permanent improvement tax for maintenance of classroom facilities or for payments to the state equivalent to the amount of the additional tax and for the equivalent number of years otherwise required under this section.

(D) Proceeds of the tax to be used for maintenance of the classroom facilities under either division (B) or (C) of this section 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~~ school district's portion of the ~~basic project costs~~ cost, 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~~ do either of the following:

(1) 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 three-year average adjusted valuation per pupil is greater than the ~~state-wide~~ statewide median three-year average 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~~ paid to the state;

(2) Earmark for maintenance of classroom facilities or for payments to the state from the proceeds of an existing permanent improvement tax levied under section 5705.21 of the Revised Code, if such tax is of at least two mills for each dollar of valuation and can be used for maintenance, an amount equivalent to the amount of the additional tax otherwise required under this section and sections 3318.05 and 3318.08 of the Revised Code.

(C) That the question of ~~such~~ any tax levy specified in a resolution described in division (B)(1) of this section 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 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, and that such tax shall be

ed until ~~the purchase price is paid~~ it generates an amount not to exceed the amount of the project cost supplied by the state, 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 three-year average adjusted valuation per pupil is greater than the statewide median three-year average 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~~ paid to 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.

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~~ school district's portion of the basic project ~~costs~~ cost, ~~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, that the levy shall be made until ~~the purchase price is paid~~ it generates an amount not to exceed the amount of the project cost supplied by the state, 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 three-year average adjusted valuation per pupil is greater than the statewide median three-year average 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~~ paid to 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 school district to pay the local share of school construction under the State of Ohio Classroom Facilities Assistance Program in the principal amount of (here insert principal amount of the bond issue), to be repaid annually over a maximum period of (here insert the 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 (here insert the number of mills estimated) mills for each one dollar of tax valuation, which amounts to (rate expressed in cents or dollars and cents, such as "thirty-six cents" or "\$0.36") for each one hundred dollars of tax valuation to pay the annual debt charges on the bonds and to pay debt charges on any notes issued in anticipation of the bonds?"

and, unless the additional levy
of taxes is not required pursuant
to division (C) of section
3318.05 of the Revised Code,

"Shall an additional levy of taxes be made for ~~the~~ a period not to exceed twenty-three years to benefit of the (here insert name of school district) 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 three-year average adjusted valuation per pupil is greater than the ~~state-wide~~ statewide median three-year average 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~~ paid to the state, at the rate of one-half mill for each one dollar of valuation ~~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

"

(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~~ (here insert name of the school district) ~~for the purpose of~~ (purpose of the bond issue, which shall be for the purpose school district to pay costs of acquiring a site for classroom facilities) under the State of Ohio Classroom Facilities Assistance Program in the principal amount of (here insert principal amount of the bond issue), to be repaid annually over a maximum period of (here insert 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 (here insert number of mills) mills for each one dollar of tax valuation, which amount to (here insert rate expressed in cents or dollars and cents, such as "thirty-six cents" or "\$0.36") for each one hundred dollars of valuation to pay the annual debt charges on the bonds and to pay debt charges on any notes issued in anticipation of the bonds?"

(2) "Shall an additional levy of taxes outside the ten-mill limitation be

made for the benefit of the (here insert name of the school district) 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 (here insert 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 (here insert number of mills) mills for each one hundred dollars of valuation, for a period of (here insert 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."

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."

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 school district's portion of the basic project costs, ~~whichever is greater~~ cost; 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 the~~ year in which the controlling board approved the project, 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 of~~ of the date of such authorizing resolution the controlling board's approval 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~~ controlling board approved the project, authorize the issuance of a second and final installment of bond anticipation notes or a first and final issue of bonds. ~~The~~

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 school district's portion of the basic project costs, whichever is greater~~ cost. 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 bonded 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~~ controlling board approved the project. Should there be a decrease in the tax valuation of the school district so that the amount of indebtedness ~~which that~~ can be incurred on the tax duplicates for the year in which the ~~resolution declaring the necessity of the election was adopted~~ controlling board approved the project is less than the amount of the first installment of bond anticipation notes, there shall be paid from the school district's project construction fund to the school district's bond retirement fund to be applied against such notes an amount sufficient to cause the net bonded 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~~ controlling board approved the project, to be within five thousand dollars of the required level of indebtedness for the year in which ~~that resolution was adopted~~ the controlling board approved the project. 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 that~~ will cause its net bonded 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~~ controlling board approved the project, 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 fund;

(C) Either of the following:

(1) The levy of the tax authorized at the election for the payment of maintenance costs ~~or the cost of purchasing the classroom facilities;~~ payments to the state, as specified in division (B) of section 3318.05 of the Revised Code;

(2) If the school district electors have approved a continuing tax of at least two mills for each dollar of valuation for general ongoing permanent improvements under section 5705.21 of the Revised Code and that tax can be used for maintenance, the earmarking of an amount of the proceeds from such tax for maintenance of classroom facilities or payments to the state as specified in division (B) of section 3318.05 of the Revised Code.

(D) Ownership of or interest in 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 fund;

(E) ~~The transfer~~ Maintenance of the state's interest in the project ~~to the school district upon completion of the project until any obligations issued for the project under section 3318.26 of the Revised Code are no longer outstanding;~~

(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~~ the state retains any ownership or interest in the project pursuant to division (D) of this section, 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 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~~ obligations issued to finance the project under section 3318.26 of the Revised Code are outstanding;

~~(M)(L) Provision for vesting absolute~~ the state's interest in the project in to the school district board when the purchase price has been paid or at the expiration of the period of twenty-three years obligations issued to finance the project under section 3318.26 of the Revised Code are outstanding;

~~(N)(M) 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;~~

~~(O)(N) 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 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;~~

~~(P)~~(O) Provision for the school district to maintain the project in accordance with a plan approved by the commission;

~~(Q)~~(P) 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;

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

Sec. 3318.081. If the board of education of a school district authorized to impose a tax pursuant to section 3318.06 of the Revised Code determines that taxable value of property subject to the tax has increased to the extent it will not be necessary to impose such tax for twenty-three years in order to ~~pay the purchase price~~ generate an amount equal to the amount of the project cost supplied by the state, it may request the county auditor to determine the amount ~~of the purchase price~~ remaining to be paid and the estimated rate of taxation required each year to ~~repay~~ pay such remainder in equal installments over the maximum number of remaining years the tax may be in effect. The auditor shall make such determination upon request and certify the results thereof to the board of education.

Upon receipt of the auditor's determination, the board of education may request the Ohio school facilities commission to enter into a supplemental agreement under which the district may ~~repay~~ pay the remainder of the ~~purchase price~~ amount in annual amounts equal to the quotient obtained by dividing the amount remaining to be paid by the maximum number of remaining years the tax may be in effect. If such an agreement is entered into, the commission shall certify a copy thereof to the county auditor and the tax authorized by section 3318.06 of the Revised Code thereafter shall be levied at the rate required to make the annual payments required by the supplemental agreement rather than the rate required by such section.

Sec. 3318.082. The board of education of any school district imposing a tax for the purpose of paying the ~~cost of the purchase of classroom facilities~~ from the state pursuant to section 3318.06 of the Revised Code prior to the

effective date of the amendments to that section by Amended Substitute House Bill No. 748 of the 121st General Assembly, may enter into a supplemental agreement with the Ohio school facilities commission under which the proceeds of such tax shall be distributed in accordance with the requirements of section 3318.06 of the Revised Code, as amended by Amended Substitute House Bill No. 748 of the 121st general assembly.

Sec. 3318.083. If, after the Ohio school facilities commission and a school district enter into a written agreement under section 3318.08 of the Revised Code for the construction of a classroom facilities project, the commission approves an increase in the basic project cost above the amount budgeted plus any interest earned and available in the project construction fund, the state and the school district shall share the increased cost in proportion to their respective contributions to the district's project construction fund.

Sec. 3318.13. Notwithstanding any provision of sections 5705.27 to 5705.50 of the Revised Code, the tax to be levied on all taxable property within a school district for the purpose of paying the cost of maintaining the classroom facilities included in the project or for paying the ~~purchase price of the project to the~~ state under the agreement provided in section 3318.08 of the Revised Code or the supplemental agreement provided in section 3318.081 of the Revised Code shall be included in the budget of the school district for each year upon the certification to the county budget commission or commissions of the county or counties in which said school district is located, by the Ohio school facilities commission of the balance due the state under said agreement or supplemental agreement. Such certification shall be made on or before the fifteenth day of July in each year. Thereafter, the respective county budget commissions shall treat such certification as an additional item on the tax budget for the school district as to which such certification has been made and shall provide for the levy therefor in the manner provided in sections 5705.27 to 5705.50 of the Revised Code for tax levies included directly in the budgets of the subdivisions.

The levy of taxes shall be included in the next annual tax budget that is certified to the county budget commission after the execution of the agreement for the project.

Sec. 3318.14. Notwithstanding the provision of section 321.31 of the Revised Code, immediately after each settlement with the county auditor, on presentation of the warrant of the county auditor therefor, the county treasurer shall pay to the school district the proceeds of the tax levy provided in section 3318.13 of the Revised Code to be used to pay the cost of maintaining the classroom facilities included in the project and pay to the

Ohio school facilities commission any proceeds of the tax levy provided in section 3318.13 of the Revised Code to be ~~applied to the unpaid purchase price of the project~~ paid to the state.

Sec. 3318.15. There is hereby created the public school building fund within the state treasury consisting of all moneys received from ~~the sale of classroom facilities pursuant to sections 3318.01 to 3318.20~~ payments to the state pursuant to division (C) of section 3318.08 of the Revised Code, any moneys transferred or appropriated to the fund by the general assembly, and any grants, gifts, or contributions received by the Ohio school facilities commission to be used for the purposes of the fund. All investment earnings of the fund shall be credited to the fund.

Moneys transferred or appropriated to the fund by the general assembly and moneys in the fund from grants, gifts, and contributions shall be used ~~to acquire classroom facilities for sale to school districts pursuant to the purposes of~~ sections 3318.01 to 3318.20 of the Revised Code. The moneys in the fund received from ~~the sale of classroom facilities~~ payments to the state pursuant to division (C) of section 3318.08 of the Revised Code shall be held in a separate account in the fund. Such moneys may be used partially ~~to acquire additional classroom facilities for sale to school districts pursuant to the purposes of~~ sections 3318.01 to 3318.20 of the Revised Code and partially to pay bond service charges as defined in division (C) of section 3318.21 of the Revised Code on obligations, ~~the proceeds of which are deposited into the school districts facilities fund created in section 3318.23 of the Revised Code.~~

Sec. 3318.16. ~~Title to interests~~ The Ohio school facilities commission shall have an interest in real property purchased with moneys in the school district's project construction 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.~~

Once obligations issued to finance a project under section 3318.26 of the Revised Code are no longer outstanding, any interest held by the commission shall be transferred to the school district.

Sec. 3318.17. ~~A~~ (A) Except as provided in division (B) of this section, when a school district board may purchase receives classroom facilities assistance from the state from time to time under the procedure set forth in sections 3318.01 to 3318.12 of the Revised Code. The, the levy of taxes required by ~~section~~ sections 3318.13 and 3318.14 of the Revised Code shall be at the rate of one-half mill for each one dollar of valuation and shall be for a maximum period of twenty-three years after the last purchase, 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.

(B) When a school district levies a tax under sections 3318.13 and 3318.14 of the Revised Code after the effective date of this amendment, the levy shall:

- (1) Be an additional levy of one-half mill for each dollar of valuation;
- (2) Continue for the lesser of the number of years required to generate revenue equal to the amount of money supplied by the state for a classroom facilities project or twenty-three years;
- (3) Not reduce the number of years remaining on any other levy passed under sections 3318.13 and 3318.14 of the Revised Code prior to or after the effective date of this amendment.

The notice of election and form of the ballot required by section 3318.06 of the Revised Code shall provide that a levy under this division is an additional levy for the specified classroom facilities project.

Sec. 3318.18. ~~The unpaid purchase price of a project~~ Money to be paid to the state pursuant to division (B) of section 3318.05 of the Revised Code shall constitute an indebtedness of the school district but shall not be included in the calculation of indebtedness under sections 133.04 and 133.06 of the Revised Code. In the event all or a portion of the territory comprising a school district, which that has outstanding an indebtedness to the state representing the unpaid purchase price of tax levy money resulting from a project or projects, is transferred to another school district, or, if a

ew school district is created to include all or a portion of such school district, the outstanding indebtedness for money owed as a result of each project shall be apportioned between the acquiring school district and the original school district in the ratio, as of the effective date of the transfer, which the assessed valuation of the territory transferred to the acquiring school district bears to the assessed valuation of the original school district.

The amount of the indebtedness so assumed, or partially assumed, by the new school district or acquiring school district shall be equal to one-half mill multiplied by the total value of all property as listed and assessed for taxation in the original school district or territory transferred for each ~~of the years~~ year of the original twenty-three or fewer years remaining as specified in the portion of the agreement for payment of purchase price between the original school district and the state board of education contained in division (C) of section 3318.08 of the Revised Code. On or before the first day of July of each year, the department of taxation shall certify to the Ohio school facilities commission the amount of the tax duplicate of the original school district or territory transferred for the calendar year ending on the thirty-first day of December immediately preceding. This tax duplicate shall be used in the calculation of the indebtedness so assumed.

The acquiring school district shall levy a tax outside the ten-mill limitation upon all property in the acquiring school district to pay the indebtedness so assumed until the indebtedness so assumed has been discharged but not longer than twenty-three years after the original incurrence of the indebtedness, provided, that the levy in the acquiring school district in any year shall not exceed the levy in the original school district to ~~pay the purchase price of projects acquired from~~ make payments to the state. The proceeds of the aforesaid tax levy in the acquiring school district shall be applied to the discharge of indebtedness first incurred in point of time whether or not it be an indebtedness assumed from another school district.

Sec. 3318.21. As used in sections 3318.21 to 3318.29 of the Revised Code:

(A) "Allowable costs" means all or part of the costs of a permanent improvement that may be financed with, and paid from the proceeds of, securities issued pursuant to section 133.15 of the Revised Code.

(B) "Bond proceedings" means the resolution, order, trust agreement, indenture, loan agreement, lease agreement, and other agreements, amendments and supplements to the foregoing, or any one or more or combination thereof, authorizing or providing for the terms and conditions applicable to, or providing for the security or liquidity of, obligations issued

pursuant to section 3318.26 of the Revised Code, and the provisions contained in the obligations.

(C) "Bond service charges" means principal, including mandatory sinking fund requirements for retirement of obligations, and interest, and redemption premium, if any, required to be paid by the state on obligations, and, if provided in the applicable bond proceedings, may include any corresponding lease or sublease payments to be made with respect thereto to the issuing authority by the state or any agency of state government.

(D) "Bond service fund" means the applicable fund and accounts therein created for and pledged to the payment of bond service charges, which may be, or may be part of, either the school building program bond service fund created by division (R) of section 3318.26 of the Revised Code ~~or the school facilities bond service fund created by division (S) of section 3318.26 of the Revised Code~~, including all moneys and investments, and earnings from investments, credited and to be credited thereto.

(E) "Issuing authority" means the treasurer of state, or the officer who by law performs the functions of such officer.

(F) "Obligations" means bonds, notes, or other evidence of obligation including interest coupons pertaining thereto, issued pursuant to section 3318.26 of the Revised Code.

(G) "Permanent improvement" or "improvement" means a permanent improvement or improvement as defined under division (CC) of section 133.01 of the Revised Code to be used for housing agencies of state government, including classroom facilities as defined in division (B) of section 3318.01 of the Revised Code.

(H) "Pledged receipts," in the case of obligations issued to provide moneys for the school building program assistance fund created in section 3318.25 of the Revised Code, means any or all of the following:

(1) Moneys in the lottery profits education fund created in section 3770.06 of the Revised Code appropriated by the general assembly and pledged for the purpose of paying bond service charges on one or more issuances of such obligations;

(2) Accrued interest received from the sale of obligations;

(3) Income from the investment of the special funds;

(4) Any gifts, grants, donations, and pledges, and receipts therefrom, available for the payment of bond service charges.

~~(I) "Pledged receipts," in the case of obligations issued to provide moneys for the school districts facilities fund created in section 3318.23 of the Revised Code, means any or all of the following:~~

~~(1) Moneys from the sale of classroom facilities accruing in the public~~

~~school building fund created in section 3318.15 of the Revised Code, which moneys are pledged for the purpose of paying bond service charges on one or more issuances of such obligations.~~

~~(2) Moneys accruing to the state from the repayment, including interest, of loans from the school districts facilities fund made pursuant to section 3318.24 of the Revised Code;~~

~~(3) Accrued interest received from the sale of obligations;~~

~~(4) Income from the investment of the special funds;~~

~~(5) Any gifts, grants, donations, and pledges, and receipts therefrom, available for the payment of bond service charges.~~

~~(J)~~ "School district" means a school district as defined under division (D) of section 3318.01 of the Revised Code, acting as an agency of state government, performing essential governmental functions of state government pursuant to sections 3318.21 to 3318.29 of the Revised Code.

~~(K)~~~~(J)~~ "Securities" means securities as defined under division (KK) in section 133.01 of the Revised Code.

~~(L)~~~~(K)~~ "Special funds" or "funds" means, except where the context does not permit, the bond service fund, and any other funds, including reserve funds, created under the bond proceedings, and either the school building program bond service fund created by division (R) of section 3318.26 of the Revised Code ~~or the school facilities bond service fund created by division (S) of section 3318.26 of the Revised Code~~ to the extent provided in the bond proceedings, including all moneys and investments, and earnings from investment, credited and to be credited thereto.

Sec. 3318.25. There is hereby created in the state treasury the school building program assistance fund. The fund shall consist of the proceeds of obligations issued for the purposes of such fund pursuant to section 3318.26 of the Revised Code that are payable from moneys in the lottery profits education fund created in section 3770.06 of the Revised Code. All investment earnings of the fund shall be credited to the fund. Moneys in the fund shall be used as directed by the Ohio school facilities commission for the cost to the state of acquiring constructing classroom facilities ~~for sale to school districts pursuant to~~ under sections 3318.01 to 3318.20 of the Revised Code.

Sec. 3318.26. (A) Subject to the limitations provided in section 3318.29 of the Revised Code, the issuing authority, upon the certification by the Ohio school facilities commission to the issuing authority of the amount of moneys or additional moneys needed in the ~~school districts facilities fund for the purpose of making loans for allowable costs from such fund or in the school building program assistance fund for the purposes of sections~~

.01 to 3318.20 of the Revised Code, or needed for capitalized interest, for funding reserves, and for paying costs and expenses incurred in connection with the issuance, carrying, securing, paying, redeeming, or retirement of the obligations or any obligations refunded thereby, including payment of costs and expenses relating to letters of credit, lines of credit, insurance, put agreements, standby purchase agreements, indexing, marketing, remarketing and administrative arrangements, interest swap or hedging agreements, and any other credit enhancement, liquidity, remarketing, renewal, or refunding arrangements, all of which are authorized by this section, shall issue obligations of the state under this section in the required amount. The proceeds of such obligations, except for obligations issued to provide moneys for the school building program assistance fund ~~or except for such portion to~~ shall be deposited by the treasurer of state in special funds, including reserve funds, as ~~may be provided in the bond proceedings, shall as provided in the bond proceedings be deposited by the treasurer of state to the school districts facilities fund.~~ The issuing authority may appoint trustees, paying agents, and transfer agents and may retain the services of financial advisors and accounting experts and retain or contract for the services of marketing, remarketing, indexing, and administrative agents, other consultants, and independent contractors, including printing services, as are necessary in the issuing authority's judgment to carry out this section. The costs of such services are payable from ~~the school districts facilities fund,~~ the school building program assistance fund, or any special fund determined by the issuing authority.

(B) The holders or owners of such obligations shall have no right to have moneys raised by taxation obligated or pledged, and moneys raised by taxation shall not be obligated or pledged, for the payment of bond service charges. Such holders or owners shall have no rights to payment of bond service charges from any money or property received by the commission, treasurer of state, or the state, or from any other use of the proceeds of the sale of the obligations, and no such moneys may be used for the payment of bond service charges, except for accrued interest, capitalized interest, and reserves funded from proceeds received upon the sale of the obligations and except as otherwise expressly provided in the applicable bond proceedings pursuant to written directions by the treasurer of state. The right of such holders and owners to payment of bond service charges shall be limited to all or that portion of the pledged receipts and those special funds pledged thereto pursuant to the bond proceedings in accordance with this section, and each such obligation shall bear on its face a statement to that effect.

(C) Obligations shall be authorized by resolution or order of the issuing

authority and the bond proceedings shall provide for the purpose thereof and the principal amount or amounts, and shall provide for or authorize the manner or agency for determining the principal maturity or maturities, not exceeding the limits specified in section 3318.29 of the Revised Code, the interest rate or rates or the maximum interest rate, the date of the obligations and the dates of payment of interest thereon, their denomination, and the establishment within or without the state of a place or places of payment of bond service charges. Sections 9.98 to 9.983 of the Revised Code are applicable to obligations issued under this section, subject to any applicable limitation under section 3318.29 of the Revised Code. The purpose of such obligations may be stated in the bond proceedings in terms describing the general purpose or purposes to be served. The bond proceedings shall also provide, subject to the provisions of any other applicable bond proceedings, for the pledge of all, or such part as the issuing authority may determine, of the pledged receipts and the applicable special fund or funds to the payment of bond service charges, which pledges may be made either prior or subordinate to other expenses, claims, or payments, and may be made to secure the obligations on a parity with obligations theretofore or thereafter issued, if and to the extent provided in the bond proceedings. The pledged receipts and special funds so pledged and thereafter received by the state are immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledges is valid and binding against all parties having claims of any kind against the state or any governmental agency of the state, irrespective of whether such parties have notice thereof, and shall create a perfected security interest for all purposes of Chapter 1309. of the Revised Code, without the necessity for separation or delivery of funds or for the filing or recording of the bond proceedings by which such pledge is created or any certificate, statement or other document with respect thereto; and the pledge of such pledged receipts and special funds is effective and the money therefrom and thereof may be applied to the purposes for which pledged without necessity for any act of appropriation, except as required by section 3770.06 of the Revised Code. Every pledge, and every covenant and agreement made with respect thereto, made in the bond proceedings may therein be extended to the benefit of the owners and holders of obligations authorized by this section, and to any trustee therefor, for the further security of the payment of the bond service charges.

(D) The bond proceedings may contain additional provisions as to:

(1) The redemption of obligations prior to maturity at the option of the issuing authority at such price or prices and under such terms and conditions

as are provided in the bond proceedings;

(2) Other terms of the obligations;

(3) Limitations on the issuance of additional obligations;

(4) The terms of any trust agreement or indenture securing the obligations or under which the same may be issued;

(5) The deposit, investment and application of special funds, and the safeguarding of moneys on hand or on deposit, without regard to Chapter 131., 133., or 135. of the Revised Code, but subject to any special provisions of sections 3318.21 to 3318.29 of the Revised Code, with respect to particular funds or moneys, provided that any bank or trust company that acts as depository of any moneys in the special funds may furnish such indemnifying bonds or may pledge such securities as required by the issuing authority;

(6) Any or every provision of the bond proceedings being binding upon such officer, board, commission, authority, agency, department, or other person or body as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision;

(7) Any provision that may be made in a trust agreement or indenture;

(8) The lease or sublease of any interest of the school district or the state in one or more projects as defined in division (C) of section 3318.01 of the Revised Code, or in one or more permanent improvements, to or from the issuing authority, as provided in one or more lease or sublease agreements between the school or the state and the issuing authority;

(9) Any other or additional agreements with the holders of the obligations, or the trustee therefor, relating to the obligations or the security therefor, ~~including in the case of obligations issued to provide moneys for the school district facilities fund the assignment of security obtained or to be obtained for loans under section 3318.24 of the Revised Code.~~

(E) The obligations may have the great seal of the state or a facsimile thereof affixed thereto or printed thereon. The obligations and any coupons pertaining to obligations shall be signed or bear the facsimile signature of the issuing authority. Any obligations or coupons may be executed by the person who, on the date of execution, is the proper issuing authority although on the date of such bonds or coupons such person was not the issuing authority. In case the issuing authority whose signature or a facsimile of whose signature appears on any such obligation or coupon ceases to be the issuing authority before delivery thereof, such signature or facsimile is nevertheless valid and sufficient for all purposes as if the issuing authority had remained the issuing authority until such delivery; and in case

the seal to be affixed to obligations has been changed after a facsimile of the seal has been imprinted on such obligations, such facsimile seal shall continue to be sufficient as to such obligations and obligations issued in substitution or exchange therefor.

(F) All obligations are negotiable instruments and securities under Chapter 1308. of the Revised Code, subject to the provisions of the bond proceedings as to registration. The obligations may be issued in coupon or in registered form, or both, as the issuing authority determines. Provision may be made for the registration of any obligations with coupons attached thereto as to principal alone or as to both principal and interest, their exchange for obligations so registered, and for the conversion or reconversion into obligations with coupons attached thereto of any obligations registered as to both principal and interest, and for reasonable charges for such registration, exchange, conversion, and reconversion.

(G) Obligations may be sold at public sale or at private sale, as determined in the bond proceedings.

(H) Pending preparation of definitive obligations, the issuing authority may issue interim receipts or certificates which shall be exchanged for such definitive obligations.

(I) In the discretion of the issuing authority, obligations may be secured additionally by a trust agreement or indenture between the issuing authority and a corporate trustee which may be any trust company or bank having its principal place of business within the state. Any such agreement or indenture may contain the resolution or order authorizing the issuance of the obligations, any provisions that may be contained in any bond proceedings, and other provisions that are customary or appropriate in an agreement or indenture of such type, including, but not limited to:

(1) Maintenance of each pledge, trust agreement, indenture, or other instrument comprising part of the bond proceedings until the state has fully paid the bond service charges on the obligations secured thereby, or provision therefor has been made;

(2) In the event of default in any payments required to be made by the bond proceedings, or any other agreement of the issuing authority made as a part of the contract under which the obligations were issued, enforcement of such payments or agreement by mandamus, the appointment of a receiver, suit in equity, action at law, or any combination of the foregoing;

(3) The rights and remedies of the holders of obligations and of the trustee, and provisions for protecting and enforcing them, including limitations on rights of individual holders of obligations;

(4) The replacement of any obligations that become mutilated or are

destroyed, lost, or stolen;

(5) Such other provisions as the trustee and the issuing authority agree upon, including limitations, conditions, or qualifications relating to any of the foregoing.

(J) Any holder of obligations or a trustee under the bond proceedings, except to the extent that the holder's or trustee's rights are restricted by the bond proceedings, may by any suitable form of legal proceedings, protect and enforce any rights under the laws of this state or granted by such bond proceedings. Such rights include the right to compel the performance of all duties of the issuing authority, the commission, or the director of budget and management required by sections 3318.21 to 3318.29 of the Revised Code or the bond proceedings; to enjoin unlawful activities; and in the event of default with respect to the payment of any bond service charges on any obligations or in the performance of any covenant or agreement on the part of the issuing authority, the commission, or the director of budget and management in the bond proceedings, to apply to a court having jurisdiction of the cause to appoint a receiver to receive and administer the pledged receipts and special funds, other than those in the custody of the treasurer of state or the commission, which are pledged to the payment of the bond service charges on such obligations or which are the subject of the covenant or agreement, with full power to pay, and to provide for payment of bond service charges on, such obligations, and with such powers, subject to the direction of the court, as are accorded receivers in general equity cases, excluding any power to pledge additional revenues or receipts or other income or moneys of the issuing authority or the state or governmental agencies of the state to the payment of such principal and interest and excluding the power to take possession of, mortgage, or cause the sale or otherwise dispose of any permanent improvement.

Each duty of the issuing authority and the issuing authority's officers and employees, and of each governmental agency and its officers, members, or employees, undertaken pursuant to the bond proceedings or any agreement or loan made under authority of sections 3318.21 to 3318.29 of the Revised Code, and in every agreement by or with the issuing authority, is hereby established as a duty of the issuing authority, and of each such officer, member, or employee having authority to perform such duty, specifically enjoined by the law resulting from an office, trust, or station within the meaning of section 2731.01 of the Revised Code.

The person who is at the time the issuing authority, or the issuing authority's officers or employees, are not liable in their personal capacities on any obligations issued by the issuing authority or any agreements of or

ith the issuing authority.

(K) The issuing authority may authorize and issue obligations for the refunding, including funding and retirement, and advance refunding with or without payment or redemption prior to maturity, of any obligations previously issued by the issuing authority. Such obligations may be issued in amounts sufficient for payment of the principal amount of the prior obligations, any redemption premiums thereon, principal maturities of any such obligations maturing prior to the redemption of the remaining obligations on a parity therewith, interest accrued or to accrue to the maturity dates or dates of redemption of such obligations, and any allowable costs including expenses incurred or to be incurred in connection with such issuance and such refunding, funding, and retirement. Subject to the bond proceedings therefor, the portion of proceeds of the sale of obligations issued under this division to be applied to bond service charges on the prior obligations shall be credited to an appropriate account held by the trustee for such prior or new obligations or to the appropriate account in the bond service fund for such obligations. Obligations authorized under this division shall be deemed to be issued for those purposes for which such prior obligations were issued and are subject to the provisions of this section pertaining to other obligations, except as otherwise provided in this section; provided that, unless otherwise authorized by the general assembly, any limitations imposed by the general assembly pursuant to this section with respect to bond service charges applicable to the prior obligations shall be applicable to the obligations issued under this division to refund, fund, advance refund or retire such prior obligations.

(L) The authority to issue obligations under this section includes authority to refund or refinance any obligations previously issued by the state under sections 3318.21 to 3318.29 of the Revised Code.

The authority to issue obligations under this section also includes authority to issue obligations in the form of bond anticipation notes and to renew the same from time to time by the issuance of new notes. The holders of such notes or interest coupons pertaining thereto shall have a right to be paid solely from the pledged receipts and special funds that may be pledged to the payment of the bonds anticipated, or from the proceeds of such bonds or renewal notes, or both, as the issuing authority provides in the resolution or order authorizing such notes. Such notes may be additionally secured by covenants of the issuing authority to the effect that the issuing authority and the state will do such or all things necessary for the issuance of such bonds or renewal notes in appropriate amount, and apply the proceeds thereof to the extent necessary, to make full payment of the principal of and interest on

such notes at the time or times contemplated, as provided in such resolution or order. For such purpose, the issuing authority may issue bonds or renewal notes in such principal amount and upon such terms as may be necessary to provide funds to pay when required the principal of and interest on such notes, notwithstanding any limitations prescribed by or for purposes of this section. Subject to this division, all provisions for and references to obligations in this section are applicable to notes authorized under this division.

The issuing authority in the bond proceedings authorizing the issuance of bond anticipation notes shall set forth for such bonds an estimated interest rate and a schedule of principal payments for such bonds and the annual maturity dates thereof, and for purposes of any limitation on bond service charges prescribed under section 3318.29 of the Revised Code, the amount of bond service charges on such bond anticipation notes shall be deemed to be the bond service charges for the bonds anticipated thereby as set forth in the bond proceedings applicable to such notes, but this provision does not modify any authority in this section to pledge pledged receipts and special funds to, and covenant to issue bonds to fund, the payment of principal of and interest and any premium on such notes.

(M) Obligations issued under this section are lawful investments for banks, societies for savings, savings and loan associations, deposit guarantee associations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other special funds of political subdivisions and taxing districts of this state, the commissioners of the sinking fund of the state, the administrator of workers' compensation, the state teachers retirement system, the public employees retirement system, the school employees retirement system, and the police and firemen's disability and pension fund, notwithstanding any other provisions of the Revised Code or rules adopted pursuant thereto by any governmental agency of the state with respect to investments by them, and also are acceptable as security for the deposit of public moneys.

(N) Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in the special funds established by or pursuant to this section may be invested by or on behalf of the issuing authority only in notes, bonds, or other obligations of the United States, or of any agency or instrumentality of the United States, obligations guaranteed as to principal and interest by the United States, obligations of this state or any political subdivision of this state, and certificates of deposit of any national bank located in this state and any bank, as defined in section 1101.01 of the

Revised Code, subject to inspection by the superintendent of financial institutions. If the law or the instrument creating a trust pursuant to division (I) of this section expressly permits investment in direct obligations of the United States or an agency of the United States, unless expressly prohibited by the instrument, such moneys also may be invested in no front end load money market mutual funds consisting exclusively of obligations of the United States or an agency of the United States and in repurchase agreements, including those issued by the fiduciary itself, secured by obligations of the United States or an agency of the United States; and in collective investment funds established in accordance with section 1111.14 of the Revised Code and consisting exclusively of any such securities, notwithstanding division (A)(1)(c) of that section. The income from such investments shall be credited to such funds as the issuing authority determines, and such investments may be sold at such times as the issuing authority determines or authorizes.

(O) Provision may be made in the applicable bond proceedings for the establishment of separate accounts in the bond service fund and for the application of such accounts only to the specified bond service charges on obligations pertinent to such accounts and bond service fund and for other accounts therein within the general purposes of such fund. Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in the several special funds established pursuant to this section shall be disbursed on the order of the treasurer of state, provided that no such order is required for the payment from the bond service fund when due of bond service charges on obligations.

(P) The issuing authority may pledge all, or such portion as the issuing authority determines, of the pledged receipts to the payment of bond service charges on obligations issued under this section, and for the establishment and maintenance of any reserves, as provided in the bond proceedings, and make other provisions therein with respect to pledged receipts as authorized by this chapter, which provisions shall be controlling notwithstanding any other provisions of law pertaining thereto.

(Q) The issuing authority may covenant in the bond proceedings, and any such covenants shall be controlling notwithstanding any other provision of law, that the state and applicable officers and governmental agencies of the state, including the general assembly, so long as any obligations are outstanding, shall:

(1) Maintain statutory authority for and cause to be operated the state lottery, including the transfers to and from the lottery profits education fund created in section 3770.06 of the Revised Code so that the pledged receipts

shall be sufficient in amount to meet bond service charges, and the establishment and maintenance of any reserves and other requirements provided for in the bond proceedings;

(2) Take or permit no action, by statute or otherwise, that would impair the exclusion from gross income for federal income tax purposes of the interest on any obligations designated by the bond proceeding as tax-exempt obligations.

(R) There is hereby created the school building program bond service fund, which shall be in the custody of the treasurer of state but shall be separate and apart from and not a part of the state treasury. All moneys received by or on account of the issuing authority or state agencies and required by the applicable bond proceedings, consistent with this section, to be deposited, transferred, or credited to the school building program bond service fund, and all other moneys transferred or allocated to or received for the purposes of the fund, shall be deposited and credited to such fund and to any separate accounts therein, subject to applicable provisions of the bond proceedings, but without necessity for any act of appropriation, except as required by section 3770.06 of the Revised Code. During the period beginning with the date of the first issuance of obligations and continuing during such time as any such obligations are outstanding, and so long as moneys in the school building program bond service fund are insufficient to pay all bond service charges on such obligations becoming due in each year, a sufficient amount of the moneys from the lottery profits education fund included in pledged receipts, subject to appropriation for such purpose as provided in section 3770.06 of the Revised Code, are committed and shall be paid to the school building program bond service fund in each year for the purpose of paying the bond service charges becoming due in that year. The school building program bond service fund is a trust fund and is hereby pledged to the payment of bond service charges solely on obligations issued to provide moneys for the school building program assistance fund to the extent provided in the applicable bond proceedings, and payment thereof from such fund shall be made or provided for by the treasurer of state in accordance with such bond proceedings without necessity for any act of appropriation except as required by section 3770.06 of the Revised Code.

~~(S) There is hereby created the school facilities bond service fund, which shall be in the custody of the treasurer of state but shall be separate and apart from and not a part of the state treasury. All moneys received by or on account of the issuing authority or state agencies and required by the applicable bond proceedings, consistent with this section, to be deposited, transferred, or credited to the school facilities bond service fund, and all~~

~~other moneys transferred or allocated to or received for the purposes of the fund, shall be deposited and credited to such fund and to any separate accounts therein, subject to applicable provisions of the bond proceedings, but without necessity for any act of appropriation. During the period beginning with the date of the first issuance of obligations and continuing during such time as any such obligations are outstanding, and so long as moneys in the school facilities bond service fund are insufficient to pay all bond service charges on such obligations becoming due in each year, a sufficient amount of the moneys from the public school building fund included in pledged receipts are committed and shall be paid to the bond service fund in each year for the purpose of paying the bond service charges becoming due in that year. The school facilities bond service fund is a trust fund and is hereby pledged to the payment of bond service charges on obligations issued to provide moneys for the school districts facilities fund to the extent provided in the applicable bond proceedings, and payment thereof from such fund shall be made or provided for by the treasurer of state in accordance with such bond proceedings without necessity for any act or appropriation.~~

(F) The obligations, the transfer thereof, and the income therefrom, including any profit made on the sale thereof, at all times shall be free from taxation within the state.

Sec. 3318.29. The maximum maturity of any obligations issued pursuant to section 3318.26 of the Revised Code to provide moneys for the school building program assistance fund shall be ten years. The terms of the obligations shall be such that in any fiscal year the aggregate amount of moneys from the lottery profits education fund, and not from other sources, that are pledged to pay bond service charges on obligations issued to provide moneys for the school building program assistance fund shall not exceed ten million dollars.

As used in this section, "other sources" includes the annual investment income on special funds to the extent the income will be available for payment of any bond service charges in lieu of use of moneys from the lottery profits education fund. The annual investment income shall be estimated on the basis of the expected funding of those special funds and assumed investment earnings thereon at a rate equal to the weighted average yield on investments of those special funds determined as of any date within sixty days immediately preceding the date of issuance of the bonds in respect of which the determination is being made.

The determinations required by this section shall be made by the treasurer of state at the time of issuance of an issue of obligations and shall

be conclusive for purposes of such issuance of obligations from and after their issuance and delivery.

~~The maximum maturity of obligations issued pursuant to section 3318.26 of the Revised Code to provide moneys for the school district facilities fund shall not exceed the maximum maturity of the loan made from such fund pursuant to section 3318.24 of the Revised Code utilizing the proceeds of such obligations or ten years, whichever is less. The terms of the obligations shall be such that in any fiscal year the aggregate amount of moneys from the public school building fund that are pledged to pay bond service charges on obligations issued to provide moneys for the school districts facilities fund shall not exceed an amount which shall be established by the Ohio school facilities commission.~~

Sec. 3318.31. (A) The Ohio school facilities commission may perform any act and ensure the performance of any function necessary or appropriate to carry out the purposes of, and exercise the powers granted under, sections 3318.01 to 3318.33 and section 3318.36 of the Revised Code, including any of the following:

(1) Employ and fix the compensation of such employees as will facilitate the activities and purposes of the commission, and who shall serve at the pleasure of the commission.

(2) Adopt, amend, and rescind, pursuant to section 111.15 of the Revised Code, rules for the administration of sections 3318.01 to 3318.33 and section 3318.36 of the Revised Code.

(3) Contract with, retain the services of, or designate, and fix the compensation of, such agents, accountants, consultants, advisers, and other independent contractors as may be necessary or desirable to carry out the purposes of sections 3318.01 to 3318.33 and section 3318.36 of the Revised Code.

(4) Receive and accept any gifts, grants, donations, and pledges, and receipts therefrom, to be used for the purposes of sections 3318.01 to 3318.33 and section 3318.36 of the Revised Code.

(5) Make and enter into all contracts, commitments, and agreements, and execute all instruments, necessary or incidental to the performance of its duties and the execution of its rights and powers under sections 3318.01 to 3318.33 and section 3318.36 of the Revised Code.

(B) The attorney general shall serve as the legal representative for the commission and may appoint other counsel as necessary for that purpose in accordance with section 109.07 of the Revised Code.

Sec. 3318.33. (A) There is hereby created in the state treasury the Ohio School Facilities Commission Fund, which shall consist of transfers of

moneys authorized by the general assembly and revenues received by the Ohio School Facilities Commission under section 3318.31 of the Revised Code. Investment earnings on moneys in the fund shall be credited to the fund. moneys in the fund may be used by the Commission to pay personnel and other administrative expenses, to pay the cost of conducting evaluations of classroom facilities, to pay the cost of preparing building design specifications, to pay the cost of providing project management services, and for other purposes determined by the Commission to be necessary to fulfill its duties under Chapter 3318. of the Revised Code.

(B) The director of Budget and management may transfer to the Ohio School Facilities Commission Fund the investment earnings on the Public School Building Fund, created in section 3318.15 of the Revised Code. The director of Budget and management may transfer to the Ohio School Facilities Commission Fund the investment earnings on the school building program assistance fund, created under section 3318.25 of the Revised Code, in excess of the amounts needed to meet estimated federal arbitrage rebate requirements.

Sec. 3318.35. (A) As used in this section:

(1) "Adjusted valuation per pupil" ~~has means the same meaning as in~~ amount calculated for a district by the department of education under division (A) of section 3317.0213 3318.011 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 a~~ a current, one-year adjusted valuation per pupil less than the current, one-year adjusted valuation per pupil of the school district with the two hundred ninety-third lowest adjusted valuation per pupil in the state. The commission shall submit to the controlling board for its approval 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) 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. 3318.36. (A) As used in this section:

(1) "Ohio school facilities commission," "classroom facilities," "school district," "school district board," "net bonded indebtedness," "required percentage of the basic project costs," "basic project cost," "valuation," and "percentile" have the same meanings as in section 3318.01 of the Revised Code.

(2) "Required level of indebtedness" means five per cent of the school district's valuation for the year preceding the year in which the commission and school district enter into an agreement under division (B) of this section, plus [two one-hundredths of one per cent multiplied by (the percentile in which the district ranks in the fiscal year the commission and the school district enter into such agreement minus one)].

(B) There is hereby established the School Building Assistance Expedited Local Partnership program. Under the program, the Ohio School Facilities Commission may enter into an agreement with the school district board of any school district ranked in the twentieth to fortieth percentiles, as determined under section 3318.011 of the Revised Code in the fiscal year that the commission and school district board enter into such agreement. Under the agreement, the school district board may proceed with the new construction or major repairs of a part of the school district's classroom facilities needs, as determined under sections 3318.01 to 3318.20 of the Revised Code, through the expenditure of local resources prior to the school district's eligibility for state assistance under sections 3318.01 to 3318.20 of the Revised Code and may apply that expenditure toward meeting the school district's portion of the basic project cost of the total of the school district's classroom facilities needs, as determined under sections 3318.01 to 3318.20 of the Revised Code and as recalculated under division (E) of this section, that are eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code when the school district becomes eligible for such state assistance.

more than five school districts each year.

To participate in the program, a school district board shall first adopt a resolution certifying to the commission the board's intent to participate in the program.

The commission shall consider school districts for participation in the program under this section each year in the order in which they adopt the resolutions required under this section and submit them to the commission.

Any project under this section shall comply with section 3318.03 of the Revised Code and with any specifications for plans and materials for classroom facilities adopted by the commission under section 3318.04 of the Revised Code.

(C) If the commission and a school district board enter into an agreement authorized under division (B) of this section, the commission shall conduct on-site visits to the school district and shall conduct an assessment of the school district's classroom facilities needs as authorized in section 3318.021 of the Revised Code within six months of the execution of the agreement. Based on the results of the on-site visits and assessment, the commission shall determine the basic project cost of the school district's classroom facilities needs. The commission shall determine the school district's portion of such basic project cost, which shall be the greater of:

(1) The required percentage of the basic project costs, determined based on the school district's percentile ranking in the fiscal year the commission and the school district enter into the agreement under division (B) of this section;

(2) An amount necessary to raise the school district's net bonded indebtedness, as of the fiscal year the commission and the school district enter into the agreement under division (B) of this section, to within five thousand dollars of the required level of indebtedness.

(D)(1) When the commission determines the basic project cost of the classroom facilities needs of a school district and the school district's portion of that basic project cost under division (C) of this section, the project shall be conditionally approved. 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; however, no state funds shall be encumbered under this section. Upon approval by the controlling board, the school district board may identify a discrete part of its classroom facilities needs, which shall include only new construction of or additions or major repairs to a particular building, to address with local resources. Upon identifying a part of the school district's

basic project cost to address with local resources, the school district board may allocate any available school district moneys to pay the cost of that identified part, including the proceeds of an issuance of bonds if approved by the electors of the school district.

All local resources utilized under this division shall first be deposited in the project construction account required under section 3318.08 of the Revised Code.

(2) For a school district to qualify for participation in the program authorized under this section, the electors of the school district by a majority vote shall approve the levy of taxes outside the ten-mill limitation for a period not to exceed twenty-three years at the rate of one-half mill for each dollar of valuation to be used to pay the cost of maintaining the classroom facilities included in the basic project cost as determined by the commission. The form of the ballot to be used to submit the question whether to approve the tax required under this division to the electors of the school district shall be the form for an additional levy of taxes prescribed in division (C) of section 3318.06 of the Revised Code. Proceeds of this additional levy of taxes shall be deposited into a separate fund as specified in division (B) of section 3318.05 of the Revised Code.

(E) If the school district becomes eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code based on its percentile ranking as determined under division (B) of this section, the commission shall conduct a new assessment of the school district's classroom facilities needs and shall recalculate the basic project cost based on this new assessment. The basic project cost recalculated under this division shall include the amount of expenditures made by the school district board under division (D)(1) of this section. The commission shall then recalculate the school district's portion of the new basic project cost by utilizing the proportion of the original basic project cost assigned to the school district as its portion under division (C) of this section. The commission shall deduct the expenditure of school district moneys made under division (D)(1) of this section from the school district's portion of the basic project cost as recalculated under this division. If the amount of school district resources applied by the school district board to the school district's portion of the basic project cost under this section is less than the total amount of such portion as recalculated under this division, the School district board by a majority vote of all of its members shall, if it desires to seek state assistance under sections 3318.01 to 3318.20 of the Revised Code, adopt a resolution as specified in section 3318.06 of the Revised Code to submit to the electors of the school district the question of approval of a bond issue in order to pay

any additional amount of school district portion required for state assistance. The tax levy approved under division (D)(2) of this section shall satisfy the requirements to levy the one-half mill additional tax under section 3318.06 of the Revised Code.

If the amount of school district resources applied by the school district board to the school district's portion of the basic project cost under this section is more than the total amount of such portion as recalculated under this division, the commission may reimburse to the school district the difference between the two calculated portions, but at no time shall the commission expend any state funds on a project in an amount greater than the state's portion of the basic project cost as recalculated under this division.

Sec. 3319.22. (A) The state board of education shall adopt rules establishing the standards and requirements for obtaining temporary, associate, provisional, and professional educator licenses of any categories, types, and levels the board elects to provide. However, no educator license shall be required for teaching children two years old or younger.

(B) Any rules the state board of education adopts, amends, or rescinds for educator licenses under this section, division (D) of section 3301.07 of the Revised Code, or any other law shall be adopted, amended, or rescinded under Chapter 119. of the Revised Code except as follows:

(1) Notwithstanding division (D) of section 119.03 and division (A)(1) of section 119.04 of the Revised Code, the effective date of any rules, or amendment or rescission of any rules, shall not be as prescribed in division (D) of section 119.03 and division (A)(1) of section 119.04 of the Revised Code. Instead, the rules or amendment or rescission of the rules shall take effect only after the rules or amendment or rescission of the rules are filed with the chairpersons of the committees of the house of representatives and of the senate that are primarily responsible for consideration of education legislation and only after approval by the general assembly through adoption of a concurrent resolution by a majority of the members of both the house of representatives and the senate. The effective date of the rules shall be the later of the date on which the concurrent resolution is adopted by the second house or the date prescribed by section 3319.23 of the Revised Code.

(2) Notwithstanding the authority to adopt, amend, or rescind emergency rules in division (F) of section 119.03 of the Revised Code, this authority shall not apply to the state board of education with regard to rules for educator licenses.

(C)(1) The rules adopted under this section establishing standards requiring additional coursework for the renewal of any educator license

shall require a school district and a chartered nonpublic school to establish local professional development committees. In a nonpublic school, the chief administrative officer shall establish the committees in any manner acceptable to such officer. The committees established under this division shall determine whether coursework that a district or chartered nonpublic school teacher proposes to complete meets the requirement of the rules. The rules shall establish a procedure by which a teacher may appeal the decision of a local professional development committee.

(2) In any school district in which there is no exclusive representative established under Chapter 4117. of the Revised Code, the professional development committees shall be established as described in division (C)(2) of this section.

Not later than the effective date of the rules adopted under this section, the board of education of each school district shall establish the structure for one or more local professional development committees to be operated by such school district. The committee structure so established by a district board shall remain in effect unless within thirty days prior to an anniversary of the date upon which the current committee structure was established, the board provides notice to all affected district employees that the committee structure is to be modified. Professional development committees may have a district-level or building-level scope of operations, and may be established with regard to particular grade or age levels for which an educator license is designated.

Each professional development committee shall consist of at least three classroom teachers employed by the district, one principal employed by the district, and one other employee of the district appointed by the district superintendent. For committees with a building-level scope, the teacher and principal members shall be assigned to that building, and the teacher members shall be elected by majority vote of the classroom teachers assigned to that building. For committees with a district-level scope, the teacher members shall be elected by majority vote of the classroom teachers of the district, and the principal member shall be elected by a majority vote of the principals of the district, unless there are two or fewer principals employed by the district, in which case the one or two principals employed shall serve on the committee. If a committee has a particular grade or age level scope, the teacher members shall be licensed to teach such grade or age levels, and shall be elected by majority vote of the classroom teachers holding such a license and the principal shall be elected by all principals serving in buildings where any such teachers serve. The district superintendent shall appoint a replacement to fill any vacancy that occurs on

a professional development committee, except in the case of vacancies among the elected classroom teacher members, which shall be filled by vote of the remaining members of the committee so selected.

Terms of office on professional development committees shall be prescribed by the district board establishing the committees. The conduct of elections for members of professional development committees shall be prescribed by the district board establishing the committees. A professional development committee may include additional members, except that the majority of members on each such committee shall be classroom teachers employed by the district. Any member appointed to fill a vacancy occurring prior to the expiration date of the term for which a predecessor was appointed shall hold office as a member for the remainder of that term.

The initial meeting of any professional development committee, upon election and appointment of all committee members, shall be called by a member designated by the district superintendent. At this initial meeting, the committee shall select a chairperson and such other officers the committee deems necessary, and shall adopt rules for the conduct of its meetings. Thereafter, the committee shall meet at the call of the chairperson or upon the filing of a petition with the district superintendent signed by a majority of the committee members calling for the committee to meet.

(3) In the case of a school district in which an exclusive representative has been established pursuant to Chapter 4117. of the Revised Code, professional development committees shall be established in accordance with any collective bargaining agreement in effect in the district that includes provisions for such committees.

If the collective bargaining agreement does not specify a different method for the selection of teacher members of the committees, the exclusive representative of the district's teachers shall select the teacher members.

If the collective bargaining agreement does not specify a different structure for the committees, the board of education of the school district shall establish the structure, including the number of committees and the number of teacher and administrative members on each committee; the specific administrative members to be part of each committee; whether the scope of the committees will be district levels, building ~~level~~ levels, or by type of grade or age levels for which educator licenses are designated; the lengths of terms for members; the manner of filling vacancies on the committees; and the frequency and time and place of meetings. However, in all cases, except as provided in division (C)(4) of this section, there shall be a majority of teacher members of any professional development committee,

there shall be at least five total members of any professional development committee, and the exclusive representative shall designate replacement members in the case of vacancies among teacher members, unless the collective bargaining agreement specifies a different method of selecting such replacements.

(4) Whenever an administrator's coursework plan is being discussed or voted upon, the local professional development committee shall, at the request of one of its administrative members, cause a majority of the committee to consist of administrative members by reducing the number of teacher members voting on the plan.

(D)(1) The department of education, educational service centers, county boards of mental retardation and developmental disabilities, regional professional development centers, special education regional resource centers, college and university departments of education, head start programs, the Ohio SchoolNet commission, and the Ohio education computer network may establish local professional development committees to determine whether the coursework proposed by their employees who are licensed or certificated under this section or section 3319.222 of the Revised Code meet the requirements of the rules adopted under this section. They may establish local professional development committees on their own or in collaboration with a school district or other agency having authority to establish them.

Local professional development committees established by county boards of mental retardation and developmental disabilities shall be structured in a manner comparable to the structures prescribed for school districts in divisions (C)(2) and (3) of this section, as shall the committees established by any other entity specified in division (D)(1) of this section that provides educational services by employing or contracting for services of classroom teachers licensed or certificated under this section or section 3319.222 of the Revised Code. All other entities specified in division (D)(1) of this section shall structure their committees in accordance with guidelines which shall be issued by the state board.

(2) Any public agency that is not specified in division (D)(1) of this section but provides educational services and employs or contracts for services of classroom teachers licensed or certificated under this section or section 3319.222 of the Revised Code may establish a local professional development committee, subject to the approval of the department of education. The committee shall be structured in accordance with guidelines issued by the state board.

Sec. 3319.235. (A) The standards for the preparation of teachers

d under section 3319.23 of the Revised Code shall require any institution that provides a course of study for the training of teachers to ensure that graduates of such course of study are skilled at integrating educational technology in the instruction of children, as evidenced by the graduate having either demonstrated proficiency in such skills in a manner prescribed by the department of education or completed a course that includes training in such skills.

(B) ~~The office of information, learning, and technology~~ Ohio SchoolNet commission, established in division (B) of pursuant to section 3301.80 of the Revised Code, shall establish model professional development programs to assist teachers who completed their teacher preparation prior to the effective date of division (A) of this section to become skilled at integrating educational technology in the instruction of children. ~~The office~~ commission shall provide technical assistance to school districts wishing to establish such programs.

Sec. 3324.01. As used in this section and sections 3324.02 through 3324.06 of the Revised Code:

(A) "Approved" means approved by the department of education and included on the list compiled by the department under section 3324.02 of the Revised Code.

(B) "Gifted" means students who perform or show potential for performing at remarkably high levels of accomplishment when compared to others of their age, experience, or environment and who are identified under division (A), (B), (C), or (D) of section 3324.03 of the Revised Code.

(C) "School district" does not include a joint vocational school district.

(D) "Specific academic ability field" means one or more of the following areas of instruction:

- (1) Mathematics;
- (2) Science;
- (3) Reading, writing, or a combination of these skills;
- (4) Social studies.

Sec. 3324.02. (A) The department of education shall construct lists of existing assessment instruments it approves for use by school districts, and may include on the lists and make available to school districts additional assessment instruments developed by the department. Wherever possible, the department shall approve assessment instruments that utilize nationally recognized standards for scoring or are nationally normed. The lists of instruments shall include:

(1) Initial screening instruments for use in selecting potentially gifted students for further assessment;

(2) Instruments for identifying gifted students under section 3324.03 of the Revised Code.

(B) The department, under Chapter 119. of the Revised Code, shall also adopt rules for the administration of any tests or assessment instruments it approves on the list required by division (A) of this section and for establishing the scores or performance levels required under section 3324.03 of the Revised Code.

(C) The department shall ensure that the approved list of assessment instruments under this section includes instruments that allow for appropriate screening and identification of gifted minority and disadvantaged students, children with disabilities, and students for whom English is a second language.

(D) Districts shall select screening and identification instruments from the approved lists for inclusion in their district policies.

(E) The department shall make Initial lists of approved assessment instruments and the rules for the administration of the instruments available by September 1, 1999.

Sec. 3324.03. The board of education of each school district shall identify gifted students in grades kindergarten through twelve as follows:

(A) A student shall be identified as exhibiting "superior cognitive ability" if the student did either of the following within the preceding twenty-four months:

(1) Scored two standard deviations above the mean, minus the standard error of measurement, on an approved individual standardized intelligence test administered by a licensed psychologist;

(2) Accomplished any one of the following:

(a) Scored at least two standard deviations above the mean, minus the standard error of measurement, on an approved standardized group intelligence test;

(b) Performed at or above the ninety-fifth percentile on an approved individual or group standardized basic or composite battery of a nationally normed achievement test;

(c) Attained an approved score on one or more above-grade level standardized, nationally normed approved tests.

(B) A student shall be identified as exhibiting "specific academic ability" superior to that of children of similar age in a specific academic ability field if within the preceding twenty-four months the student performs at or above the ninety-fifth percentile at the national level on an approved individual or group standardized achievement test of specific academic ability in that field. A student may be identified as gifted in more than one

specific academic ability field.

(C) A student shall be identified as exhibiting "creative thinking ability" superior to children of a similar age, if within the previous twenty-four months, the student scored one standard deviation above the mean, minus the standard error of measurement, on an approved individual or group intelligence test and also did either of the following:

(1) Attained a sufficient score, as established by the department of education, on an approved individual or group test of creative ability;

(2) Exhibited sufficient performance, as established by the department of education, on an approved checklist of creative behaviors.

(D) A student shall be identified as exhibiting "visual or performing arts ability" superior to that of children of similar age if the student has done both of the following:

(1) Demonstrated through a display of work, an audition, or other performance or exhibition, superior ability in a visual or performing arts area;

(2) Exhibited sufficient performance, as established by the department of education, on an approved checklist of behaviors related to a specific arts area.

Sec. 3324.04. The board of education of each school district shall adopt a plan by January 1, 2000, for identifying gifted students. The plan shall be submitted to the department of education for approval. The department shall approve the plan within sixty days if it contains all of the following:

(A) A description of the assessment instruments from the list adopted by the department that the district will use to screen and identify gifted students;

(B) Acceptable scheduling procedures for screening and for administering assessment instruments for identifying gifted students. These procedures shall provide:

(1) At least two opportunities a year for assessment in the case of students requesting assessment or recommended for assessment by teachers, parents, or other students;

(2) Assurance of inclusion in screening and assessment procedures for minority and disadvantaged students, children with disabilities, and students for whom English is a second language;

(3) Assurance that any student transferring into the district will be assessed within ninety days of the transfer at the request of a parent.

(C) Procedures for notification of parents within thirty days about the results of any screening procedure or assessment instrument and the provision of an opportunity for parents to appeal any decision about the

results of any screening procedure or assessment, the scheduling of children for assessment, or the placement of a student in any program or for receipt of services;

(D) A commitment that the district will accept scores on assessment instruments provided by other school districts or trained personnel outside the school district, provided the assessment instruments are on the list approved by the department of education under section 3324.02 of the Revised Code.

The district's plan may provide for the district to contract with any qualified public or private service provider to provide screening or assessment services under the plan.

The department shall assist any district whose plan it disapproves under this section to amend the plan so that it meets the requirements of this section.

Sec. 3324.05. (A) Each school district shall submit an annual report to the department of education specifying the number of students in each of grades kindergarten through twelfth screened, the number assessed, and the number identified as gifted in each category specified in section 3324.03 of the Revised Code.

(B) The department of education shall audit each school district's identification numbers at least once every three years and may select any district at random or upon complaint or suspicion of noncompliance for a further audit to determine compliance with sections 3324.03 to 3324.06 of the Revised Code.

(C) The department shall provide technical assistance to any district found in noncompliance under division (B) of this section. The department may reduce funds received by the district under Chapter 3317. Of the Revised Code by any amount if the district continues to be noncompliant.

Sec. 3324.06. The board of education of each school district shall adopt a statement of its policy for the screening and identification of gifted students and shall distribute the policy statement to parents. The policy statement shall specify:

(A) The criteria and methods the district uses to screen students and to select students for further assessment who perform or show potential for performing at remarkably high levels of accomplishment in one of the gifted areas specified in section 3324.03 of the Revised Code;

(B) The sources of assessment data the district uses to select students for further testing and an explanation for parents of the multiple assessment instruments required to identify gifted students under section 3324.03 of the Revised Code;

(C) An explanation for parents of the methods the district uses to ensure equal access to screening and further assessment by all district students, including minority or disadvantaged students, children with disabilities, and students for whom English is a second language;

(D) Provisions to ensure equal opportunity for all district students identified as gifted to receive any services offered by the district;

(E) Provisions for students to withdraw from gifted programs or services, for reassessment of students, and for assessment of students transferring into the district;

(f) Methods for resolving disagreements between parents and the district concerning identification and placement decisions.

A copy of the district's policy adopted under this section shall accompany the district's plan submitted to the department of education under section 3324.04 of the Revised Code.

Sec. 3324.07. (A) The board of education of Each school district shall develop a plan for the service of gifted students enrolled in the district that are identified under section 3324.03 of the Revised Code. Services specified in the plan developed by each board may include such options as the following:

(1) a Differentiated curriculum;

(2) cluster grouping;

(3) mentorships;

(4) accelerated course work;

(5) the post-secondary enrollment option program under chapter 3365. of the Revised Code;

(6) advanced placement;

(7) honors classes;

(8) magnet schools;

(9) self-contained classrooms;

(10) independent study;

(11) other options identified in rules adopted by the Department of Education.

(B) Each board shall file the plan developed under division (A) of this section with the Department of Education by December 15, 2000. the Department shall review and analyze each plan to determine if it is adequate and to make funding estimates.

(C) UNLESS OTHERWISE REQUIRED BY LAW, RULE, OR AS A CONDITION FOR RECEIPT OF FUNDS, school boards MAY implement the plans developed under division (A) of this section, BUT SHALL NOT BE REQUIRED TO DO SO UNTIL FURTHER ACTION BY THE

GENERAL ASSEMBLY OR THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION.

Sec. 3332.05. (A) The state board of proprietary school registration shall issue a certificate of registration to an applicant of good reputation seeking to offer one or more programs upon receipt of the fee established in accordance with section 3332.07 of the Revised Code and upon determining the applicant has the facilities, resources, and faculty to provide students with the kind of instruction that it proposes to offer and meets the minimum standards of the board. A certificate of registration shall be granted or denied within one hundred twenty days of the receipt of the application therefor by the board. A person shall obtain a separate certificate for each location at which ~~he~~ the person offers programs. A The first certificate of registration issued on or after the effective date of this amendment for each new location is valid for one year, unless earlier revoked for cause by the board under section 3332.09 of the Revised Code. Any other certificate of registration is valid for two years, unless earlier revoked for cause by the board under that section.

(B) The board shall issue program authorization for an associate degree, certificate, or diploma program to an applicant holding a certificate of registration issued pursuant to division (A) of this section upon receipt of the fee established in accordance with section 3332.07 of the Revised Code and upon determining the applicant has the facilities, resources, and faculty to provide students the kind of program it proposes to offer and meets the minimum standards of the state board.

The state board shall promptly furnish the Ohio board of regents a copy of all applications for issuance or renewal of program authorization to offer any associate degree program. Prior to the issuance or renewal of such program authorization the state board shall conduct an on-site visit of the school proposing the program. A representative of the board of regents shall participate in the visit. Within twenty-one days of the on-site visit the representative of the board of regents shall provide the state board with a written statement recommending approval or disapproval of the application.

Any program authorization issued by the board under this division is valid only for the specified program at the location for which it is issued and does not cover any other program offered at the school or at other schools operated by the owner. Program authorization is valid for the period of time specified by the board, unless earlier suspended or revoked for cause by the board under section 3332.09 of the Revised Code.

(C) The state board shall accept and review all applications for program authorization for baccalaureate, master's, and doctoral degree programs only

from schools holding certificates of registration issued by the board that have held such certificates for the ten previous consecutive years. After review the board shall refer any application it finds valid to the Ohio board of regents for approval. The board of regents shall review, and approve or disapprove, such degree programs and if so approved, issue certificates of authorization to such schools to offer such degree programs pursuant to Chapter 1713. of the Revised Code. The board of regents shall notify the state board of proprietary school registration of each school registered with the state board that receives a certificate of authorization and the approval to offer any degree program. Upon receipt of such notification and the fee established in accordance with section 3332.07 of the Revised Code, the state board shall review, and may issue program authorization to offer, such a degree program. Any program authorization issued by the board under this division is valid only for the specified program at the location for which it is issued and does not cover any other program offered at the school or at other schools operated by the owner. Program authorization is valid for the period of time specified by the board, unless earlier suspended or revoked for cause by the board under section 3332.09 of the Revised Code. The state board shall not issue such program authorization unless the degree program has been approved by the board of regents.

(D) The board may cause an investigation to be made into the correctness of the information submitted in any application received under this section. If the board believes that false, misleading, or incomplete information has been submitted to it in connection with any application, the board shall conduct a hearing on the matter pursuant to Chapter 119. of the Revised Code, and may withhold a certificate of registration or program authorization upon finding that the applicant has failed to meet the standards for such certificate or program authorization or has submitted false, misleading, or incomplete information to the board. Application for a certificate of registration or program authorization shall be made in writing to the board on forms furnished by the board. A certificate of registration or program authorization is not transferable and shall be prominently displayed on the premises of an institution.

The board shall assign registration numbers to all schools registered with it. Schools shall display their registration numbers on all school publications and on all advertisements bearing the name of the school.

Notwithstanding the requirements of this section for issuance of certificates of registration and program authorization, the board may, in accordance with rules adopted by it, grant certificates of registration and program authorization to schools, colleges, institutes, or universities that

have been approved by the state department of education pursuant to the "Act of March 3, 1966," 80 Stat. 20, 38 U.S.C.A. 1771.

Sec. 3332.07. (A) Each application for issuance and renewal of a certificate of registration, for the issuance and renewal of program authorization, for issuance and renewal of agent's permits, and for any other service specified by the state board of proprietary school registration shall be accompanied by the required fee. Fees submitted under this section are not returnable even if approval or renewal is denied.

(B) Fee schedules for the issuance and renewal of certificates of registration, for the issuance and renewal of program authorization, for issuance and renewal of agent's permits, and for any other service specified by the board shall be established by rule adopted by the state board. The fee for a one-year certificate of registration shall be one-half the fee for a two-year certificate.

(C) If in any fiscal year the amount received in fees under this section does not equal or exceed fifty per cent of board expenditures for the fiscal year, the board shall increase fees for the ensuing fiscal year by an amount estimated to be sufficient to produce revenues equal to fifty per cent of estimated expenditures for that ensuing fiscal year.

Sec. 3332.084. The student tuition recovery authority may:

(A) Adopt bylaws for the regulation of its affairs and the conduct of its business;

(B) Maintain a principal office at such place within the state as is designated by the authority;

(C) Distribute moneys from the student tuition recovery fund to or on behalf of students who are determined eligible by the authority;

(D) Reduce contributions to or utilize excess money in the fund, as provided in division (C) of section 3332.085 of the Revised Code.

Sec. 3332.085. (A) ~~Within thirty days after the effective date of this section and not~~ NOT later than the thirty-first day of August in each year ~~thereafter~~, each school registered by the state board of proprietary school registration shall pay into the student tuition recovery fund in the following amounts:

(1) Schools initially registered or sold on or after ~~the effective date of this section~~ JULY 28, 1989, for the first five payments \$500;

(2) Any other school, according to its prior year's tuition receipts:

Up to \$400,000	\$ 200
\$400,001 to \$700,000	400
\$700,001 to \$1,000,000	800
Over \$1,000,000	1,000

Checks shall be made payable to the student tuition recovery fund and sent to the executive director of the state board, who shall promptly forward all such receipts to the treasurer of state. Failure of a school to make a payment is cause for cancellation of its certificate of registration.

(B) The student tuition recovery authority may impose a special assessment on the schools in an amount up to the amount of an annual contribution if the draw on the money exceeds the money on hand.

(C) Once the fund has assets in excess of liabilities of approximately one million dollars, the authority may ~~reduce~~:

(1) Reduce or eliminate the annual contributions, except on institutions that are required to contribute to the fund for at least a five-year period. The reduction in contributions to the fund will be at the discretion of the authority but they will be guided by the objective to maintain assets in excess of liabilities of approximately one million dollars.

(2) Utilize moneys in excess of the assets required to be maintained in the fund by division (C)(1) of this section for the purposes of disseminating consumer information about proprietary schools and maintaining student records from closed schools.

Sec. 3333.04. The Ohio board of regents shall:

(A) Make studies of state policy in the field of higher education and formulate a master plan for higher education for the state, considering the needs of the people, the needs of the state, and the role of individual public and private institutions within the state in fulfilling these needs;

(B)(1) Report annually to the governor and the general assembly on the findings from its studies and the master plan for higher education for the state;

(2) Report at least semiannually to the general assembly and the governor the enrollment numbers at each state-assisted institution of higher education.

(C) Approve or disapprove the establishment of new branches or academic centers of state colleges and universities;

(D) Approve or disapprove the establishment of state technical colleges or any other state institution of higher education;

(E) Recommend the nature of the programs, undergraduate, graduate, professional, state-financed research, and public services which should be offered by the state colleges, universities, and other state-assisted institutions of higher education in order to utilize to the best advantage their facilities and personnel;

(F) Recommend to the state colleges, universities, and other state-assisted institutions of higher education graduate or professional

programs, including, but not limited to, doctor of philosophy, doctor of education, and juris doctor programs, that could be eliminated because they constitute unnecessary duplication, as shall be determined using the process developed pursuant to this section, or for other good and sufficient cause. For purposes of determining the amounts of any state instructional subsidies paid to these colleges, universities, and institutions, the board may exclude students enrolled in any program that the board has recommended for elimination pursuant to this division except that the board shall not exclude any such student who enrolled in the program prior to the date on which the board initially commences to exclude students under this division. The board of regents and these colleges, universities, and institutions shall jointly develop a process for determining which existing graduate or professional programs constitute unnecessary duplication.

(G) Recommend to the state colleges, universities, and other state-assisted institutions of higher education programs which should be added to their present programs;

(H) Conduct studies for the state colleges, universities, and other state-assisted institutions of higher education to assist them in making the best and most efficient use of their existing facilities and personnel;

(I) Make recommendations to the governor and general assembly concerning the development of state-financed capital plans for higher education; the establishment of new state colleges, universities, and other state-assisted institutions of higher education; and the establishment of new programs at the existing state colleges, universities, and other institutions of higher education;

(J) Review the appropriation requests of the public community colleges and the state colleges and universities and submit to the office of budget and management and to the chairpersons of the finance committees of the house of representatives and of the senate its recommendations in regard to the biennial higher education appropriation for the state, including appropriations for the individual state colleges and universities and public community colleges. For the purpose of determining the amounts of instructional subsidies to be paid to state-assisted colleges and universities, the board shall define "full-time equivalent student" by program per academic year. The definition may take into account the establishment of minimum enrollment levels in technical education programs below which support allowances will not be paid. Except as otherwise provided in this section, the board shall make no change in the definition of "full-time equivalent student" in effect on November 15, 1981, which would increase or decrease the number of subsidy-eligible full-time equivalent students,

without first submitting a fiscal impact statement to the president of the senate, the speaker of the house of representatives, the legislative budget office of the legislative service commission, and the director of budget and management. The board shall work in close cooperation with the director of budget and management in this respect and in all other matters concerning the expenditures of appropriated funds by state colleges, universities, and other institutions of higher education.

(K) Seek the cooperation and advice of the officers and trustees of both public and private colleges, universities, and other institutions of higher education in the state in performing its duties and making its plans, studies, and recommendations;

(L) Appoint advisory committees consisting of persons associated with public or private secondary schools, members of the state board of education, or personnel of the state department of education;

(M) Appoint advisory committees consisting of college and university personnel, or other persons knowledgeable in the field of higher education, or both, in order to obtain their advice and assistance in defining and suggesting solutions for the problems and needs of higher education in this state;

(N) Approve or disapprove all new degrees and new degree programs at all state colleges, universities, and other state-assisted institutions of higher education;

(O) Adopt such rules as are necessary to carry out its duties and responsibilities;

(P) Establish and submit to the governor and the general assembly a clear and measurable set of goals and timetables for their achievement for each program under the supervision of the board that is designed to accomplish any of the following:

- (1) Increased access to higher education;
- (2) Job training;
- (3) Adult literacy;
- (4) Research;
- (5) Excellence in higher education;
- (6) Reduction in the number of graduate programs within the same subject area.

In July of each odd-numbered year, the board of regents shall submit to the governor and the general assembly a report on progress made toward these goals.

(Q) Make recommendations to the governor and the general assembly regarding the design and funding of the student financial aid programs

specified in sections 3333.12, 3333.21 to 3333.27, and 5910.02 of the Revised Code;

(R) Participate in education-related state or federal programs on behalf of the state and assume responsibility for the administration of such programs in accordance with applicable state or federal law;

(S) Adopt rules for student financial aid programs as required by sections 3333.12, 3333.21 to 3333.27, 3333.28, 3333.29, and 5910.02 of the Revised Code, and perform any other administrative functions assigned to the board by those sections;

(T) Administer contracts under sections 3702.74 and 3702.75 of the Revised Code in accordance with rules adopted by the director of health under section 3702.79 of the Revised Code;

(U) Conduct enrollment audits of state-supported institutions of higher education;

(V) Appoint consortiums of college and university personnel to participate in the development and operation of statewide collaborative efforts, including the Ohio Supercomputer Center, the Ohio Academic resources network, OhioLink, and the Ohio learning network. For each CONSORTIUM, The board shall designate a college or university to serve as That consortium's fiscal agent, financial officer, and employer. Any funds appropriated to the board for consortiums shall be distributed to the fiscal agents for the operation of the consortiums. A consortium shall follow the rules of the college or university that serves as its fiscal agent.

Sec. 3333.12. (A) As used in this section:

(1) "Eligible student" means an undergraduate student who is:

(a) An Ohio resident;

(b) Enrolled in either of the following:

(i) An accredited institution of higher education in this state that meets the requirements of Title VI of the Civil Rights Act of 1964 and is state-assisted, is nonprofit and has a certificate of authorization from the Ohio board of regents pursuant to Chapter 1713. of the Revised Code, or has a certificate of registration from the state board of proprietary school registration and program authorization to award an associate or bachelor's degree. Students who attend an institution that holds a certificate of registration shall be enrolled in a program leading to an associate or bachelor's degree for which associate or bachelor's degree program the institution has program authorization issued under section 3332.05 of the Revised Code.

(ii) A technical education program of at least two years duration sponsored by a private institution of higher education in this state that meets

the requirements of Title VI of the Civil Rights Act of 1964.

(c) Enrolled as a full-time student or enrolled as a less than full-time student for the term expected to be the student's final term of enrollment and is enrolled for the number of credit hours necessary to complete the requirements of the program in which the student is enrolled.

(2) "Gross income" includes all taxable and nontaxable income of the parents, the student, and the student's spouse, except income derived from an Ohio academic scholarship ~~and, income earned by the student between the last day of the spring term and the first day of the fall term, as published by the institution in which the student is enrolled. In the case of self-employed persons, business expenses as defined by the Ohio board of regents shall be subtracted from taxable and nontaxable income. Where no gross income or inadequate gross income as determined by the board is reported, the board shall establish a formula for determining the means by which the family maintained itself and translate the data into gross income for Ohio instructional grant purposes. Family income may be verified by supplying to the board a copy of the federal government tax return, by authorizing access to the family federal government income tax return, and other income exclusions designated by the board. Gross income may be verified to the board by the institution in which the student is enrolled using the federal financial aid eligibility verification process or by other means satisfactory to the board.~~

(3) "Resident," "full-time student," "dependent," "financially independent," and "accredited" shall be defined by rules adopted by the board.

~~(4) "Federal law" means the "Higher Education Amendments of 1986," 101 Stat. 1278, 1408, 20 U.S.C.A. 1085, as amended.~~

~~(5) "Default rate" means the cohort default rate determined by the United States secretary of education pursuant to federal law.~~

~~(6) "School year" means the twelve months that begin on the first day of August of a calendar year and end on the thirty first day of July of the following calendar year.~~

(B) The Ohio board of regents shall establish and administer an instructional grant program and may adopt rules to carry out this section. The general assembly shall support the instructional grant program by such sums and in such manner as it may provide, but the board may also receive funds from other sources to support the program. If the amounts available for support of the program are inadequate to provide grants to all eligible students, preference in the payment of grants shall be given in terms of income, beginning with the lowest income category of gross income and

proceeding upward by category to the highest gross income category.

An instructional grant shall be paid to an eligible student through the institution in which the student is enrolled, except that no instructional grant shall be paid to any person serving a term of imprisonment. Applications for such grants shall be made as prescribed by the board, and such applications may be made in conjunction with and upon the basis of information provided in conjunction with student assistance programs funded by agencies of the United States government or from financial resources of the institution of higher education. The institution shall certify that the student applicant meets the requirements set forth in divisions (A)(1)(b) and (c) of this section. Instructional grants shall be provided to an eligible student only as long as the student is making appropriate progress toward a nursing diploma or an associate or bachelor's degree. ~~The grant shall cover any two semesters, three quarters, or the equivalent of one academic year.~~ No student shall be eligible to receive a grant for more than ten semesters, fifteen quarters, or the equivalent of five academic years. A grant made to an eligible student on the basis of less than full-time enrollment shall be based on the number of credit hours for which the student is enrolled and shall be computed in accordance with a formula adopted by the board. No student shall receive more than one grant on the basis of less than full-time enrollment.

An instructional grant shall not exceed the total instructional and general charges of the institution.

(C) ~~For~~ The tables in this division prescribe the maximum grant amounts covering two semesters, three quarters, or a comparable portion of one academic year. Grant amounts for additional terms in the same academic year shall be determined under division (D) of this section.

For a full-time student who is a dependent and enrolled in a nonprofit educational institution that is not a state-assisted institution and that has a certificate of authorization issued pursuant to Chapter 1713. of the Revised Code, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Gross Income	Table of Grants				
	Maximum Grant \$4,428 4,872				
	Number of Dependents				
	1	2	3	4	5 or more
Under \$11,001	\$4,428	\$4,428	\$4,428	\$4,428	\$4,428
\$11,001—\$12,000	3,984	4,428	4,428	4,428	4,428

\$12,001 - \$13,000	3,534	3,984	4,428	4,428	4,428
\$13,001 - \$14,000	3,096	3,534	3,984	4,428	4,428
\$14,001 - \$15,000	2,658	3,096	3,534	3,984	4,428
\$15,001 - \$16,000	2,220	2,658	3,096	3,534	3,984
\$16,001 - \$17,000	1,770	2,220	2,658	3,096	3,534
\$17,001 - \$20,000	1,320	1,770	2,220	2,658	3,096
\$20,001 - \$23,000	1,092	1,320	1,770	2,220	2,658
\$23,001 - \$26,000	882	1,092	1,320	1,770	2,220
\$26,001 - \$29,000	804	882	1,092	1,320	1,770
\$29,001 - \$31,000	720	804	882	1,092	1,320
Over \$31,000	-0-	-0-	-0-	-0-	-0-
<u>Under \$13,001</u>	<u>\$4,872</u>	<u>\$4,872</u>	<u>\$4,872</u>	<u>\$4,872</u>	<u>\$4,872</u>
<u>\$13,001 - \$14,000</u>	<u>4,386</u>	<u>4,872</u>	<u>4,872</u>	<u>4,872</u>	<u>4,872</u>
<u>\$14,001 - \$15,000</u>	<u>3,888</u>	<u>4,386</u>	<u>4,872</u>	<u>4,872</u>	<u>4,872</u>
<u>\$15,001 - \$16,000</u>	<u>3,408</u>	<u>3,888</u>	<u>4,386</u>	<u>4,872</u>	<u>4,872</u>
<u>\$16,001 - \$17,000</u>	<u>2,928</u>	<u>3,408</u>	<u>3,888</u>	<u>4,386</u>	<u>4,872</u>
<u>\$17,001 - \$20,000</u>	<u>2,442</u>	<u>2,928</u>	<u>3,408</u>	<u>3,888</u>	<u>4,386</u>
<u>\$20,001 - \$23,000</u>	<u>1,944</u>	<u>2,442</u>	<u>2,928</u>	<u>3,408</u>	<u>3,888</u>
<u>\$23,001 - \$26,000</u>	<u>1,452</u>	<u>1,944</u>	<u>2,442</u>	<u>2,928</u>	<u>3,408</u>
<u>\$26,001 - \$29,000</u>	<u>1,200</u>	<u>1,452</u>	<u>1,944</u>	<u>2,442</u>	<u>2,928</u>
<u>\$29,001 - \$30,000</u>	<u>966</u>	<u>1,200</u>	<u>1,452</u>	<u>1,944</u>	<u>2,442</u>
<u>\$30,001 - \$31,000</u>	<u>882</u>	<u>966</u>	<u>1,200</u>	<u>1,452</u>	<u>1,944</u>
<u>\$31,001 - \$32,000</u>	<u>792</u>	<u>882</u>	<u>966</u>	<u>1,200</u>	<u>1,452</u>
<u>\$32,001 - \$33,000</u>	<u>396</u>	<u>792</u>	<u>882</u>	<u>966</u>	<u>1,200</u>
<u>\$33,001 - \$34,000</u>	<u>-0-</u>	<u>396</u>	<u>792</u>	<u>882</u>	<u>966</u>
<u>\$34,001 - \$35,000</u>	<u>-0-</u>	<u>-0-</u>	<u>396</u>	<u>792</u>	<u>882</u>
<u>\$35,001 - \$36,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>396</u>	<u>792</u>
<u>\$36,001 - \$37,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>396</u>
<u>Over \$37,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

For a full-time student who is financially independent and enrolled in a nonprofit educational institution that is not a state-assisted institution and that has a certificate of authorization issued pursuant to Chapter 1713. of the Revised Code, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Table of Grants

Gross Income	Maximum Grant \$4,428 <u>4,872</u>					
	Number of Dependents					
	0	1	2	3	4	5 or more

Under \$3,601	\$4,428	\$4,428	\$4,428	\$4,428	\$4,428	\$4,428
\$3,601 - \$4,200	3,984	4,428	4,428	4,428	4,428	4,428
\$4,201 - \$4,700	3,534	3,984	4,428	4,428	4,428	4,428
\$4,701 - \$5,200	3,096	3,534	3,984	4,428	4,428	4,428
\$5,201 - \$5,700	2,658	3,096	3,534	3,984	4,428	4,428
\$5,701 - \$6,200	2,220	2,658	3,096	3,534	3,984	4,428
\$6,201 - \$7,200	1,770	2,220	2,658	3,096	3,534	3,984
\$7,201 - \$8,200	1,320	1,770	2,220	2,658	3,096	3,534
\$8,201 - \$9,200	1,092	1,320	1,770	2,220	2,658	3,096
\$9,201 - \$10,700	882	1,092	1,320	1,770	2,220	2,658
\$10,701 - \$12,200	804	882	1,092	1,320	1,770	2,220
\$12,201 - \$13,700	720	804	882	1,092	1,320	1,770
\$13,701 - \$15,200	-0-	720	804	882	1,092	1,320
\$15,201 - \$18,200	-0-	-0-	720	804	882	1,092
\$18,201 - \$21,200	-0-	-0-	-0-	720	804	882
\$21,201 - \$24,200	-0-	-0-	-0-	-0-	720	804
\$24,201 - \$28,900	-0-	-0-	-0-	-0-	-0-	720
Over \$28,900	-0-	-0-	-0-	-0-	-0-	-0-
Under \$4,201	\$4,872	\$4,872	\$4,872	\$4,872	\$4,872	\$4,872
<u>\$4,201 - \$4,800</u>	<u>4,386</u>	<u>4,872</u>	<u>4,872</u>	<u>4,872</u>	<u>4,872</u>	<u>4,872</u>
<u>\$4,801 - \$5,300</u>	<u>3,888</u>	<u>4,386</u>	<u>4,872</u>	<u>4,872</u>	<u>4,872</u>	<u>4,872</u>
<u>\$5,301 - \$5,800</u>	<u>3,408</u>	<u>3,888</u>	<u>4,386</u>	<u>4,872</u>	<u>4,872</u>	<u>4,872</u>
<u>\$5,801 - \$6,300</u>	<u>2,928</u>	<u>3,408</u>	<u>3,888</u>	<u>4,386</u>	<u>4,872</u>	<u>4,872</u>
<u>\$6,301 - \$6,800</u>	<u>2,442</u>	<u>2,928</u>	<u>3,408</u>	<u>3,888</u>	<u>4,386</u>	<u>4,872</u>
<u>\$6,801 - \$7,800</u>	<u>1,944</u>	<u>2,442</u>	<u>2,928</u>	<u>3,408</u>	<u>3,888</u>	<u>4,386</u>
<u>\$7,801 - \$8,800</u>	<u>1,452</u>	<u>1,944</u>	<u>2,442</u>	<u>2,928</u>	<u>3,408</u>	<u>3,888</u>
<u>\$8,801 - \$9,800</u>	<u>1,200</u>	<u>1,452</u>	<u>1,944</u>	<u>2,442</u>	<u>2,928</u>	<u>3,408</u>
<u>\$9,801 - \$11,300</u>	<u>966</u>	<u>1,200</u>	<u>1,452</u>	<u>1,944</u>	<u>2,442</u>	<u>2,928</u>
<u>\$11,301 - \$12,800</u>	<u>882</u>	<u>966</u>	<u>1,200</u>	<u>1,452</u>	<u>1,944</u>	<u>2,442</u>
<u>\$12,801 - \$14,300</u>	<u>792</u>	<u>882</u>	<u>966</u>	<u>1,200</u>	<u>1,452</u>	<u>1,944</u>
<u>\$14,301 - \$15,800</u>	<u>396</u>	<u>792</u>	<u>882</u>	<u>966</u>	<u>1,200</u>	<u>1,452</u>
<u>\$15,801 - \$18,800</u>	<u>-0-</u>	<u>396</u>	<u>792</u>	<u>882</u>	<u>966</u>	<u>1,200</u>
<u>\$18,801 - \$21,800</u>	<u>-0-</u>	<u>-0-</u>	<u>396</u>	<u>792</u>	<u>882</u>	<u>966</u>
<u>\$21,801 - \$24,800</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>396</u>	<u>792</u>	<u>882</u>
<u>\$24,801 - \$29,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>396</u>	<u>792</u>
<u>\$29,501 - \$34,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>396</u>
Over \$34,500	-0-	-0-	-0-	-0-	-0-	-0-

For a full-time student who is a dependent and enrolled in an educational institution that holds a certificate of registration from the state board of proprietary school registration, the amount of the instructional

grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Table of Grants

Gross Income	Maximum Grant \$3,750 <u>4,128</u>				
	Number of Dependents				
	1	2	3	4	5 or more
Under \$11,001	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750
\$11,001 - \$12,000	3,384	3,750	3,750	3,750	3,750
\$12,001 - \$13,000	2,988	3,384	3,750	3,750	3,750
\$13,001 - \$14,000	2,616	2,988	3,384	3,750	3,750
\$14,001 - \$15,000	2,268	2,616	2,988	3,384	3,750
\$15,001 - \$16,000	1,860	2,268	2,616	2,988	3,384
\$16,001 - \$17,000	1,506	1,860	2,268	2,616	2,988
\$17,001 - \$20,000	1,152	1,506	1,860	2,268	2,616
\$20,001 - \$23,000	924	1,152	1,506	1,860	2,268
\$23,001 - \$26,000	738	924	1,152	1,506	1,860
\$26,001 - \$29,000	696	738	924	1,152	1,506
\$29,001 - \$31,000	612	696	738	924	1,152
Over \$31,000	-0-	-0-	-0-	-0-	-0-
<u>Under \$13,001</u>	<u>\$4,128</u>	<u>\$4,128</u>	<u>\$4,128</u>	<u>\$4,128</u>	<u>\$4,128</u>
<u>\$13,001 - \$14,000</u>	<u>3,726</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>
<u>\$14,001 - \$15,000</u>	<u>3,288</u>	<u>3,726</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>
<u>\$15,001 - \$16,000</u>	<u>2,874</u>	<u>3,288</u>	<u>3,726</u>	<u>4,128</u>	<u>4,128</u>
<u>\$16,001 - \$17,000</u>	<u>2,490</u>	<u>2,874</u>	<u>3,288</u>	<u>3,726</u>	<u>4,128</u>
<u>\$17,001 - \$20,000</u>	<u>2,046</u>	<u>2,490</u>	<u>2,874</u>	<u>3,288</u>	<u>3,726</u>
<u>\$20,001 - \$23,000</u>	<u>1,656</u>	<u>2,046</u>	<u>2,490</u>	<u>2,874</u>	<u>3,288</u>
<u>\$23,001 - \$26,000</u>	<u>1,266</u>	<u>1,656</u>	<u>2,046</u>	<u>2,490</u>	<u>2,874</u>
<u>\$26,001 - \$29,000</u>	<u>1,014</u>	<u>1,266</u>	<u>1,656</u>	<u>2,046</u>	<u>2,490</u>
<u>\$29,001 - \$30,000</u>	<u>810</u>	<u>1,014</u>	<u>1,266</u>	<u>1,656</u>	<u>2,046</u>
<u>\$30,001 - \$31,000</u>	<u>762</u>	<u>810</u>	<u>1,014</u>	<u>1,266</u>	<u>1,656</u>
<u>\$31,001 - \$32,000</u>	<u>672</u>	<u>762</u>	<u>810</u>	<u>1,014</u>	<u>1,266</u>
<u>\$32,001 - \$33,000</u>	<u>336</u>	<u>672</u>	<u>762</u>	<u>810</u>	<u>1,014</u>
<u>\$33,001 - \$34,000</u>	<u>-0-</u>	<u>336</u>	<u>672</u>	<u>762</u>	<u>810</u>
<u>\$34,001 - \$35,000</u>	<u>-0-</u>	<u>-0-</u>	<u>336</u>	<u>672</u>	<u>762</u>
<u>\$35,001 - \$36,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>336</u>	<u>672</u>
<u>\$36,001 - \$37,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>336</u>
<u>Over \$37,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

For a full-time student who is financially independent and enrolled in an educational institution that holds a certificate of registration from the state

board of proprietary school registration, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Gross Income	Table of Grants					
	Maximum Grant \$3,750 <u>4,128</u>					
	Number of Dependents					
	0	1	2	3	4	5 or more
Under \$3,601	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750
\$3,601 - \$4,200	3,384	3,750	3,750	3,750	3,750	3,750
\$4,201 - \$4,700	2,988	3,384	3,750	3,750	3,750	3,750
\$4,701 - \$5,200	2,616	2,988	3,384	3,750	3,750	3,750
\$5,201 - \$5,700	2,268	2,616	2,988	3,384	3,750	3,750
\$5,701 - \$6,200	1,860	2,268	2,616	2,988	3,384	3,750
\$6,201 - \$7,200	1,506	1,860	2,268	2,616	2,988	3,384
\$7,201 - \$8,200	1,152	1,506	1,860	2,268	2,616	2,988
\$8,201 - \$9,200	924	1,152	1,506	1,860	2,268	2,616
\$9,201 - \$10,700	738	924	1,152	1,506	1,860	2,268
\$10,701 - \$12,200	696	738	924	1,152	1,506	1,860
\$12,201 - \$13,700	612	696	738	924	1,152	1,506
\$13,701 - \$15,200	-0-	612	696	738	924	1,152
\$15,201 - \$18,200	-0-	-0-	612	696	738	924
\$18,201 - \$21,200	-0-	-0-	-0-	612	696	738
\$21,201 - \$24,200	-0-	-0-	-0-	-0-	612	696
\$24,201 - \$28,900	-0-	-0-	-0-	-0-	-0-	612
Over \$28,900	-0-	-0-	-0-	-0-	-0-	-0-
<u>Under \$4,201</u>	<u>\$4,128</u>	<u>\$4,128</u>	<u>\$4,128</u>	<u>\$4,128</u>	<u>\$4,128</u>	<u>\$4,128</u>
<u>\$4,201 - \$4,800</u>	<u>3,726</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>
<u>\$4,801 - \$5,300</u>	<u>3,288</u>	<u>3,726</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>
<u>\$5,301 - \$5,800</u>	<u>2,874</u>	<u>3,288</u>	<u>3,726</u>	<u>4,128</u>	<u>4,128</u>	<u>4,128</u>
<u>\$5,801 - \$6,300</u>	<u>2,490</u>	<u>2,874</u>	<u>3,288</u>	<u>3,726</u>	<u>4,128</u>	<u>4,128</u>
<u>\$6,301 - \$6,800</u>	<u>2,046</u>	<u>2,490</u>	<u>2,874</u>	<u>3,288</u>	<u>3,726</u>	<u>4,128</u>
<u>\$6,801 - \$7,800</u>	<u>1,656</u>	<u>2,046</u>	<u>2,490</u>	<u>2,874</u>	<u>3,288</u>	<u>3,726</u>
<u>\$7,801 - \$8,800</u>	<u>1,266</u>	<u>1,656</u>	<u>2,046</u>	<u>2,490</u>	<u>2,874</u>	<u>3,288</u>
<u>\$8,801 - \$9,800</u>	<u>1,014</u>	<u>1,266</u>	<u>1,656</u>	<u>2,046</u>	<u>2,490</u>	<u>2,874</u>
<u>\$9,801 - \$11,300</u>	<u>810</u>	<u>1,014</u>	<u>1,266</u>	<u>1,656</u>	<u>2,046</u>	<u>2,490</u>
<u>\$11,301 - \$12,800</u>	<u>762</u>	<u>810</u>	<u>1,014</u>	<u>1,266</u>	<u>1,656</u>	<u>2,046</u>
<u>\$12,801 - \$14,300</u>	<u>672</u>	<u>762</u>	<u>810</u>	<u>1,014</u>	<u>1,266</u>	<u>1,656</u>
<u>\$14,301 - \$15,800</u>	<u>336</u>	<u>672</u>	<u>762</u>	<u>810</u>	<u>1,014</u>	<u>1,266</u>
<u>\$15,801 - \$18,800</u>	<u>-0-</u>	<u>336</u>	<u>672</u>	<u>762</u>	<u>810</u>	<u>1,014</u>

<u>\$18,801 - \$21,800</u>	<u>-0-</u>	<u>-0-</u>	<u>336</u>	<u>672</u>	<u>762</u>	<u>810</u>
<u>\$21,801 - \$24,800</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>336</u>	<u>672</u>	<u>762</u>
<u>\$24,801 - \$29,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>336</u>	<u>672</u>
<u>\$29,501 - \$34,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>336</u>
<u>Over \$34,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

For a full-time student who is a dependent and enrolled in a state-assisted educational institution, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Table of Grants

Gross Income	Maximum Grant \$1,782 <u>1,956</u>				
	Number of Dependents				
	1	2	3	4	5 or more
<u>Under \$11,001</u>	<u>\$1,782</u>	<u>\$1,782</u>	<u>\$1,782</u>	<u>\$1,782</u>	<u>\$1,782</u>
<u>\$11,001 - \$12,000</u>	<u>1,602</u>	<u>1,782</u>	<u>1,782</u>	<u>1,782</u>	<u>1,782</u>
<u>\$12,001 - \$13,000</u>	<u>1,416</u>	<u>1,602</u>	<u>1,782</u>	<u>1,782</u>	<u>1,782</u>
<u>\$13,001 - \$14,000</u>	<u>1,254</u>	<u>1,416</u>	<u>1,602</u>	<u>1,782</u>	<u>1,782</u>
<u>\$14,001 - \$15,000</u>	<u>1,074</u>	<u>1,254</u>	<u>1,416</u>	<u>1,602</u>	<u>1,782</u>
<u>\$15,001 - \$16,000</u>	<u>882</u>	<u>1,074</u>	<u>1,254</u>	<u>1,416</u>	<u>1,602</u>
<u>\$16,001 - \$17,000</u>	<u>708</u>	<u>882</u>	<u>1,074</u>	<u>1,254</u>	<u>1,416</u>
<u>\$17,001 - \$20,000</u>	<u>534</u>	<u>708</u>	<u>882</u>	<u>1,074</u>	<u>1,254</u>
<u>\$20,001 - \$23,000</u>	<u>432</u>	<u>534</u>	<u>708</u>	<u>882</u>	<u>1,074</u>
<u>\$23,001 - \$26,000</u>	<u>348</u>	<u>432</u>	<u>534</u>	<u>708</u>	<u>882</u>
<u>\$26,001 - \$29,000</u>	<u>324</u>	<u>348</u>	<u>432</u>	<u>534</u>	<u>708</u>
<u>\$29,001 - \$31,000</u>	<u>294</u>	<u>324</u>	<u>348</u>	<u>432</u>	<u>534</u>
<u>Over \$31,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Under \$13,001</u>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$1,956</u>
<u>\$13,001 - \$14,000</u>	<u>1,764</u>	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>
<u>\$14,001 - \$15,000</u>	<u>1,554</u>	<u>1,764</u>	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>
<u>\$15,001 - \$16,000</u>	<u>1,380</u>	<u>1,554</u>	<u>1,764</u>	<u>1,956</u>	<u>1,956</u>
<u>\$16,001 - \$17,000</u>	<u>1,182</u>	<u>1,380</u>	<u>1,554</u>	<u>1,764</u>	<u>1,956</u>
<u>\$17,001 - \$20,000</u>	<u>966</u>	<u>1,182</u>	<u>1,380</u>	<u>1,554</u>	<u>1,764</u>
<u>\$20,001 - \$23,000</u>	<u>774</u>	<u>966</u>	<u>1,182</u>	<u>1,380</u>	<u>1,554</u>
<u>\$23,001 - \$26,000</u>	<u>582</u>	<u>774</u>	<u>966</u>	<u>1,182</u>	<u>1,380</u>
<u>\$26,001 - \$29,000</u>	<u>468</u>	<u>582</u>	<u>774</u>	<u>966</u>	<u>1,182</u>
<u>\$29,001 - \$30,000</u>	<u>378</u>	<u>468</u>	<u>582</u>	<u>774</u>	<u>966</u>
<u>\$30,001 - \$31,000</u>	<u>348</u>	<u>378</u>	<u>468</u>	<u>582</u>	<u>774</u>
<u>\$31,001 - \$32,000</u>	<u>318</u>	<u>348</u>	<u>378</u>	<u>468</u>	<u>582</u>
<u>\$32,001 - \$33,000</u>	<u>162</u>	<u>318</u>	<u>348</u>	<u>378</u>	<u>468</u>

<u>\$33,001 - \$34,000</u>	<u>-0-</u>	<u>162</u>	<u>318</u>	<u>348</u>	<u>378</u>
<u>\$34,001 - \$35,000</u>	<u>-0-</u>	<u>-0-</u>	<u>162</u>	<u>318</u>	<u>348</u>
<u>\$35,001 - \$36,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>162</u>	<u>318</u>
<u>\$36,001 - \$37,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>162</u>
<u>Over \$37,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

For a full-time student who is financially independent and enrolled in a state-assisted educational institution, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Table of Grants

Maximum Grant ~~\$1,782~~ 1,956

Gross Income	Number of Dependents					
	0	1	2	3	4	5 or more
<u>Under \$3,601</u>	<u>\$1,782</u>	<u>\$1,782</u>	<u>\$1,782</u>	<u>\$1,782</u>	<u>\$1,782</u>	<u>\$1,782</u>
<u>\$3,601 - \$4,200</u>	<u>1,602</u>	<u>1,782</u>	<u>1,782</u>	<u>1,782</u>	<u>1,782</u>	<u>1,782</u>
<u>\$4,201 - \$4,700</u>	<u>1,416</u>	<u>1,602</u>	<u>1,782</u>	<u>1,782</u>	<u>1,782</u>	<u>1,782</u>
<u>\$4,701 - \$5,200</u>	<u>1,254</u>	<u>1,416</u>	<u>1,602</u>	<u>1,782</u>	<u>1,782</u>	<u>1,782</u>
<u>\$5,201 - \$5,700</u>	<u>1,074</u>	<u>1,254</u>	<u>1,416</u>	<u>1,602</u>	<u>1,782</u>	<u>1,782</u>
<u>\$5,701 - \$6,200</u>	<u>882</u>	<u>1,074</u>	<u>1,254</u>	<u>1,416</u>	<u>1,602</u>	<u>1,782</u>
<u>\$6,201 - \$7,200</u>	<u>708</u>	<u>882</u>	<u>1,074</u>	<u>1,254</u>	<u>1,416</u>	<u>1,602</u>
<u>\$7,201 - \$8,200</u>	<u>534</u>	<u>708</u>	<u>882</u>	<u>1,074</u>	<u>1,254</u>	<u>1,416</u>
<u>\$8,201 - \$9,200</u>	<u>432</u>	<u>534</u>	<u>708</u>	<u>882</u>	<u>1,074</u>	<u>1,254</u>
<u>\$9,201 - \$10,700</u>	<u>348</u>	<u>432</u>	<u>534</u>	<u>708</u>	<u>882</u>	<u>1,074</u>
<u>\$10,701 - \$12,200</u>	<u>324</u>	<u>348</u>	<u>432</u>	<u>534</u>	<u>708</u>	<u>882</u>
<u>\$12,201 - \$13,700</u>	<u>294</u>	<u>324</u>	<u>348</u>	<u>432</u>	<u>534</u>	<u>708</u>
<u>\$13,701 - \$15,200</u>	<u>-0-</u>	<u>294</u>	<u>324</u>	<u>348</u>	<u>432</u>	<u>534</u>
<u>\$15,201 - \$18,200</u>	<u>-0-</u>	<u>-0-</u>	<u>294</u>	<u>324</u>	<u>348</u>	<u>432</u>
<u>\$18,201 - \$21,200</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>294</u>	<u>324</u>	<u>348</u>
<u>\$21,201 - \$24,200</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>294</u>	<u>324</u>
<u>\$24,201 - \$28,900</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>294</u>
<u>Over \$28,900</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>Under \$4,201</u>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$1,956</u>	<u>\$1,956</u>
<u>4,201 - \$4,800</u>	<u>1,764</u>	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>
<u>\$4,801 - \$5,300</u>	<u>1,554</u>	<u>1,764</u>	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>
<u>\$5,301 - \$5,800</u>	<u>1,380</u>	<u>1,554</u>	<u>1,764</u>	<u>1,956</u>	<u>1,956</u>	<u>1,956</u>
<u>\$5,801 - \$6,300</u>	<u>1,182</u>	<u>1,380</u>	<u>1,554</u>	<u>1,764</u>	<u>1,956</u>	<u>1,956</u>
<u>\$6,301 - \$6,800</u>	<u>966</u>	<u>1,182</u>	<u>1,380</u>	<u>1,554</u>	<u>1,764</u>	<u>1,956</u>
<u>\$6,801 - \$7,800</u>	<u>774</u>	<u>966</u>	<u>1,182</u>	<u>1,380</u>	<u>1,554</u>	<u>1,764</u>
<u>\$7,801 - \$8,800</u>	<u>582</u>	<u>774</u>	<u>966</u>	<u>1,182</u>	<u>1,380</u>	<u>1,554</u>

<u>\$8,801 - \$9,800</u>	<u>468</u>	<u>582</u>	<u>774</u>	<u>966</u>	<u>1,182</u>	<u>1,380</u>
<u>\$9,801 - \$11,300</u>	<u>378</u>	<u>468</u>	<u>582</u>	<u>774</u>	<u>966</u>	<u>1,182</u>
<u>\$11,301 - \$12,800</u>	<u>348</u>	<u>378</u>	<u>468</u>	<u>582</u>	<u>774</u>	<u>966</u>
<u>\$12,801 - \$14,300</u>	<u>318</u>	<u>348</u>	<u>378</u>	<u>468</u>	<u>582</u>	<u>774</u>
<u>\$14,301 - \$15,800</u>	<u>162</u>	<u>318</u>	<u>348</u>	<u>378</u>	<u>468</u>	<u>582</u>
<u>\$15,801 - \$18,800</u>	<u>-0-</u>	<u>162</u>	<u>318</u>	<u>348</u>	<u>378</u>	<u>468</u>
<u>\$18,801 - \$21,800</u>	<u>-0-</u>	<u>-0-</u>	<u>162</u>	<u>318</u>	<u>348</u>	<u>378</u>
<u>\$21,801 - \$24,800</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>162</u>	<u>318</u>	<u>348</u>
<u>\$24,801 - \$29,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>162</u>	<u>318</u>
<u>\$29,501 - \$34,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>162</u>
<u>Over \$34,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

(D) For a full-time student enrolled in an eligible institution for a semester or quarter in addition to the portion of the academic year covered by a grant determined under division (C) of this section, the maximum grant amount shall be a percentage of the maximum prescribed in the applicable table of that division. The maximum grant for a fourth quarter shall be one-third of the maximum amount prescribed under that division. The maximum grant for a third semester shall be one-half of the maximum amount prescribed under that division.

(E) No grant shall be made to any student in a course of study in theology, religion, or other field of preparation for a religious profession unless such course of study leads to an accredited bachelor of arts, bachelor of science, ~~or~~ associate of arts, or associate of science degree.

~~(E)(F)(1)~~ Except as provided in division ~~(E)(F)(2)~~ of this section, no grant shall be made to any student for enrollment during a ~~school~~ fiscal year in an institution with a cohort default rate determined by the United States secretary of education pursuant to the "Higher Education Amendments of 1986," 100 Stat. 1278, 1408, 20 U.S.C.A. 1085, as amended, as of the fifteenth day of June preceding such school the fiscal year, equal to or greater than thirty per cent for each of the preceding two fiscal years.

(2) Division ~~(E)(F)(1)~~ of this section does not apply to the following:

(a) Any student enrolled in an institution that under the federal law appeals its loss of eligibility for federal financial aid and the United States secretary of education determines its cohort default rate after recalculation is lower than the rate specified in division ~~(E)(F)(1)~~ of this section or the secretary determines due to mitigating circumstances the institution may continue to participate in federal financial aid programs. The board shall adopt rules requiring institutions to provide information regarding an appeal to the board.

(b) Any student who has previously received a grant under this section

who meets all other requirements of this section.

(3) The board shall adopt rules for the notification of all institutions whose students will be ineligible to participate in the grant program pursuant to division ~~(E)~~(F)(1) of this section.

(4) A student's attendance at an institution whose students lose eligibility for grants under division ~~(E)~~(F)(1) of this section shall not affect that student's eligibility to receive a grant when enrolled in another institution.

~~(F)~~(G) Institutions of higher education that enroll students receiving instructional grants under this section shall report to the board all students who have received instructional grants but are no longer eligible for all or part of such grants and shall refund any moneys due the state within thirty days after the beginning of the quarter or term immediately following the quarter or term in which the student was no longer eligible to receive all or part of the student's grant. There shall be an interest charge of one per cent per month on all moneys due and payable after such thirty-day period. The board shall immediately notify the office of budget and management and the legislative budget office of the legislative service commission of all refunds so received.

Sec. 3333.27. As used in this section:

(A) "Eligible institution" means a nonprofit Ohio institution of higher education that holds a certificate of authorization issued under section 1713.02 of the Revised Code and meets the requirements of Title VI of the Civil Rights Act of 1964.

(B) "Resident" and "full-time student" have the meanings established for purposes of this section by rule of the Ohio board of regents.

The board shall establish and administer a student choice grant program and shall adopt rules for the administration of the program.

The board may make a grant to any resident of this state who is enrolled as a full-time student in a bachelor's degree program at an eligible institution and maintains an academic record that meets or exceeds the standard established pursuant to this section by rule of the board, except that no grant shall be made to any individual who was enrolled as a student in an institution of higher education on or before July 1, 1984, or is serving a term of imprisonment. The grant shall not exceed the lesser of the total instructional and general charges of the institution in which the student is enrolled, or an amount equal to one-fourth of the total of any state instructional subsidy amount distributed by the board in the second fiscal year of the preceding biennium for all full-time students enrolled in bachelor's degree programs at four-year state-assisted institutions of higher

education divided by the sum of the actual number of full-time students enrolled in bachelor's degree programs at four-year state-assisted institutions of higher education reported to the board for such year by the institutions to which the subsidy was distributed.

The board shall prescribe the form and manner of application for grants including the manner of certification by eligible institutions that each applicant from such institution is enrolled in a bachelor's degree program as a full-time student and has an academic record that meets or exceeds the standard established by the board.

A grant awarded to an eligible student shall be paid to the institution in which the student is enrolled, and the institution shall reduce the student's instructional and general charges by the amount of the grant. Each grant awarded shall be prorated and paid in equal installments at the time of enrollment for each term of the academic year for which the grant is awarded. No student shall be eligible to receive a grant for more than ten semesters, fifteen quarters, or the equivalent of five academic years.

The receipt of an Ohio student choice grant shall not affect a student's eligibility for assistance, or the amount of such assistance, granted under section 3315.33, 3333.12, 3333.22, 3333.26, 5910.03, 5910.032, or 5919.34 of the Revised Code. If a student receives assistance under one or more of such sections, the student choice grant made to the student shall not exceed the difference between the amount of assistance received under such sections and the total instructional and general charges of the institution in which the student is enrolled.

The general assembly shall support the student choice grant program by such sums and in such manner as it may provide, but the board may also receive funds from other sources to support the program.

No grant shall be made to any student enrolled in a course of study leading to a degree in theology, religion, or other field of preparation for a religious profession unless the course of study leads to an accredited bachelor of arts or bachelor of science degree.

Institutions of higher education that enroll students receiving grants under this section shall report to the board the name of each student who has received such a grant but who is no longer eligible for all or part of such grant and shall refund all moneys due to the state within thirty days after the beginning of the term immediately following the term in which the student was no longer eligible to receive all or part of the grant. There shall be an interest charge of one per cent per month on all moneys due and payable after such thirty-day period. The board shall immediately notify the office of budget and management and the legislative budget office of the legislative

service commission of all refunds received.

Sec. 3333.29. (A) As used in this section, "resident" has the meaning established for purposes of this section by rule of the Ohio Board of Regents.

(B) Beginning July 1, 2000, the Ohio board of regents shall establish and administer the student workforce development grant program and shall adopt rules for the administration of the program. Such rules shall be similar to the rules the Ohio board of regents adopts under section 3333.27 of the Revised Code.

(C) The Ohio board of regents may make a grant to any resident of this state who is enrolled as a full-time student in an authorized baccalaureate degree or associate degree program at a private career school registered in accordance with section 3332.05 of the Revised Code and who maintains an academic record that meets or exceeds a standard established by rule of the state board of proprietary school registration, except that no grant shall be made to any individual who was enrolled as a student in a registered private career school before July 1, 2000. Each grant award shall be in an amount of approximately two hundred dollars. The actual size of an annual grant award shall be determined by the Ohio Board of Regents based on the amount of funds available for the program. The grant shall be prorated and paid in equal installments per academic term in accordance with division (E) of this section.

(D) The Ohio Board of Regents shall prescribe the form and manner of application for grants and shall provide a method for registered private career schools to certify applicants who are enrolled in authorized baccalaureate degree or associate degree programs and have academic records meeting or exceeding the standard established by the state board of proprietary school registration.

(E) A grant awarded to an eligible student shall be paid to the registered private career school in which the student is enrolled, and the school shall reduce the student's instructional and general charges by the amount of the grant. Each grant awarded shall be paid in accordance with division (C) of this section within thirty days after the start of each term of the academic year for which the grant is awarded. No student shall be eligible to receive grants for more than the equivalent of five academic years.

instructional and general charges assessed to the student by the private career school and the amount of total assistance the student receives under other provisions of state law.

(G) The General Assembly shall support the workforce development grant program with such appropriations as the General Assembly sees fit. The Ohio Board of Regents may also receive funds from other sources to support the program.

(H) Private career schools that enroll students receiving grants under this section shall report to the Ohio Board of Regents the name of each student who has received such a grant but who is no longer eligible for such a grant. In the event that an eligible student who has been awarded a grant under this section withdraws from enrollment at a school during any term, the school shall refund a prorated amount of the student's grant for that term to the Ohio board of regents in accordance with the school's refund policy.

(I) Beginning July 1, 2000, the state board of proprietary school registration shall report to the Ohio Board of Regents each degree granting proprietary school's job placement rate for the immediately preceding academic year. No grant awarded to an eligible student under this section shall be paid to a registered private career school if the school's job placement rate for that student's baccalaureate degree or associate degree program for the preceding academic year was less than seventy-five per cent.

Sec. 3333.50. (A)(1) There is hereby created the Ohio higher education, business, and economic development council. The council shall consist of sixteen members, including the chancellor of the Ohio board of regents, the director of development, the governor's science and technology advisor, the chairperson of the inter-university council of Ohio, the chairperson of the association of independent colleges and universities, the secretary of the Ohio association of community colleges, one member of the senate from each major party appointed by the president of the senate, one member of the house of representatives from each major party appointed by the speaker of the house of representatives, and six representatives of private business appointed jointly by the chancellor of the board of regents and the director of development. One representative of private business shall be appointed from each of the five higher education regions of the board of regents and one representative of private business shall be appointed at large. The council shall be chaired jointly by the chancellor of the board of regents, the director of development, and the at-large representative of private business. The terms of the representatives of private business shall be three years.

(2) Members of the council shall serve without compensation but shall

be paid the actual and necessary expenses they incur in the performance of their duties.

(3) The board of regents and the department of development shall provide staff personnel for the council and share the expenses of the council equally.

(4) The council shall meet at least four times annually at such times and places as may be designated by the chairpersons.

(B) The council shall have the following powers and duties:

(1) To provide a forum in which leaders of business, higher education, and government may formulate both short-term and long-term strategies to advance technological development in Ohio;

(2) To stimulate collaboration among business, higher education, and government that will encourage research in science and technology, the development of new work skills, the introduction of new products, the strengthening of existing businesses, and the creation of new businesses;

(3) To encourage the development of regional economic clusters and to provide a forum for the formulation of statewide policies that will enhance the creation and growth of such clusters;

(4) To encourage state policies and investments that foster the development of knowledge and the use of new technologies that will be required for Ohio to be a leading economic state in the twenty-first century;

(5) To focus research and workforce training on areas of critical need to the state;

(6) To encourage investments in Ohio higher education that will ensure state-of-the-art technology, job training, research, and equipment on Ohio campuses;

(7) To promote programs that will attract to and retain in Ohio colleges and universities world-class faculty in areas of critical need to the state;

(8) To make higher education in Ohio more affordable and accessible;

(9) To ensure that Ohio colleges and universities achieve the highest standards of efficiency and increase productivity in teaching, research, and administration while maintaining quality programs;

(10) To identify critical state needs to be addressed by programs designed to attract, develop, and retain companies of strategic importance to the state's economy or to fund graduate education or attract eminent scholars to or retain them at Ohio colleges and universities, and to make recommendations to the agencies or offices that administer such programs;

(11) To make such rules as the council considers advisable for the conduct of its own business.

(C) The council shall report annually to the governor on council

ties and on Ohio's educational and technological development. The annual report may include any recommendations believed necessary or desirable to carry out the purposes of this section.

(D) The council is not subject to section 101.84 of the Revised Code and shall not expire in accordance with that section.

Sec. 3345.22. (A) A student, faculty or staff member, or employee of a college or university ~~which that~~ receives any state funds in support thereof, arrested for any offense covered by division (D) of section 3345.23 of the Revised Code shall be afforded a hearing, as provided in this section, to determine whether ~~he~~ the person shall be immediately suspended from ~~such~~ the college or university. ~~Such~~ The hearing shall be held within not more than five days after ~~his~~ the person's arrest, subject to reasonable continuances for good cause shown, which continuances shall not exceed a total of ten days.

(B) The arresting authority shall immediately notify the president of the college or university of the arrest of a student, faculty or staff member, or employee of ~~such the~~ college or university for any offense covered by division (D) of section 3345.23 of the Revised Code, ~~and the president shall immediately notify the chancellor of the Ohio board of regents of such arrest.~~ The hearing to determine whether the person shall be immediately suspended shall be held in the county where the college or university is located, before a referee appointed by the ~~board of regents~~ president. ~~Such~~ The referee shall be an attorney admitted to the practice of law in Ohio, but ~~he the referee~~ shall not be attorney for, or a faculty or staff member or employee of, any college or university. Immediate notice of the time and place of ~~such the~~ hearing shall be given or sent to ~~such the~~ person.

(C) The referee may administer oaths, issue subpoenas to compel the attendance of witnesses and the production of evidence, and enforce ~~such the~~ subpoenas, as well as preserve the order and decorum of the proceedings over which ~~he the referee~~ presides, by means of contempt proceedings in the court of common pleas as provided by law.

(D) The hearing shall be adversary in nature; and shall be conducted fairly and impartially, but the formalities of the criminal process are not required. A person whose suspension is being considered has the right to be represented by counsel; but counsel need not be furnished for ~~him the~~ person. ~~Such the~~ person also has the right to cross-examine witnesses against ~~him the person~~, to testify, and to present the testimony of witnesses and other evidence in ~~his~~ the person's behalf. In the absence of a waiver of the right against compulsory self-incrimination, the testimony of a person whose suspension is being considered, given at ~~such the~~ hearing, shall not

sequently be used in any criminal proceeding against ~~him~~ the person. The referee may require the separation of witnesses, and may bar from the proceedings any person whose presence is not essential to ~~such~~ the proceedings, except that members of the news media shall not be barred from ~~such~~ the proceedings.

(E) Upon hearing, if the referee finds by a preponderance of the evidence that the person whose suspension is being considered committed any offense covered by division (D) of section 3345.23 of the Revised Code, ~~he~~ the referee shall order the person suspended, except that when the good order and discipline of a college or university will not be prejudiced or compromised thereby, the referee may permit the person to return to the college or university on terms of strict disciplinary probation. Subsequent violation of the terms of the probation automatically effects a suspension. A person suspended under this section may be readmitted pursuant to division (A) of section 3345.23 of the Revised Code. A suspension under this section is in effect until the person is acquitted or convicted of the crime for which ~~he~~ the person was arrested. If convicted, ~~he~~ the person is dismissed pursuant to section 3345.23 of the Revised Code.

(F) Upon acquittal, or upon any final judicial determination not resulting in conviction, of the charges for which a person is suspended pursuant to this section, ~~such~~ the suspension automatically terminates, and the person suspended shall be reinstated and the record of the suspension expunged from ~~his~~ the person's college or university record.

(G) An order of a referee pursuant to this section may be appealed on questions of law and fact to the court of common pleas of the county in which the college or university is located, within twenty days after the date of the order. If the court to which ~~such~~ an appeal is taken determines that the good order and discipline of a college or university will not be prejudiced thereby, it may permit the person suspended to return to the college or university on terms of strict disciplinary probation.

(H) A person afforded a hearing pursuant to this section who does not appear at the hearing shall be declared suspended by the hearing officer.

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", except as specified in division (G) of this section, 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 defined in division (B) of section 3317.02 of the Revised Code multiplied by the district's cost-of-doing-business factor defined in division (N) of section 3317.02 of the Revised Code. The participant's "school district" in the case of a participant enrolled in a community school shall be the school district in which the student is entitled to attend school under section 3313.64 or 3313.65 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.

(K) "Community school" means any school established pursuant to Chapter 3314. of the Revised Code that includes secondary grades.

(L) "Community school payments" means payments made by the department of education to a community school pursuant to division (D) of section 3314.08 of the Revised Code.

Sec. 3365.02. There is hereby established the post-secondary enrollment options program under which a secondary grade student may enroll at a college, on a full- or part-time basis, and complete nonsectarian courses for high school and college credit.

Secondary grade students in a nonpublic school may participate in the post-secondary enrollment options program if the chief administrator of such school notifies the department of education by the first day of April

prior to the school year in which the school's students will participate.

The state board of education, after consulting with the board of regents, shall adopt rules governing the program. The rules shall include:

(A) Requirements for school districts, community schools, or participating nonpublic schools to provide information about the program prior to the first day of March of each year to all students enrolled in grades eight through eleven;

(B) A requirement that a student or the student's parent inform the district board of education, the governing authority of a community school, or the nonpublic school administrator by the thirtieth day of March of the student's intent to participate in the program during the following school year. The rule shall provide that any student who fails to notify a district board, the governing authority of a community school, or the nonpublic school administrator by the required date may not participate in the program during the following school year without the written consent of the district superintendent, the governing authority of a community school, or the nonpublic school administrator.

(C) Requirements that school districts and community schools provide counseling services to students in grades eight through eleven and to their parents before the students participate in the program under this chapter to ensure that students and parents are fully aware of the possible risks and consequences of participation. Counseling information shall include without limitation:

- (1) Program eligibility;
 - (2) The process for granting academic credits;
 - (3) Financial arrangements for tuition, books, materials, and fees;
 - (4) Criteria for any transportation aid;
 - (5) Available support services;
 - (6) Scheduling;
 - (7) The consequences of failing or not completing a course in which the student enrolls and the effect of the grade attained in the course being included in the student's grade point average, if applicable;
 - (8) The effect of program participation on the student's ability to complete the district's, community school's, or nonpublic school's graduation requirements;
 - (9) The academic and social responsibilities of students and parents under the program;
 - (10) Information about and encouragement to use the counseling services of the college in which the student intends to enroll.
- (D) A requirement that the student and the student's parent sign a form,

provided by the school district or school, stating that they have received the counseling required by division (C) of this section and that they understand the responsibilities they must assume in the program;

(E) The options required by section 3365.04 of the Revised Code;

(F) A requirement that a student may not enroll in any specific college course through the program if the student has taken high school courses in the same subject area as that college course and has failed to attain a cumulative grade point average of at least 3.0 on a 4.0 scale, or the equivalent, in such completed high school courses.

Sec. 3365.03. (A) Notwithstanding any other provision of law, a student enrolled in a school district, a community school, or a participating nonpublic school may apply to a college to enroll in it during the student's ninth, tenth, eleventh, or twelfth grade school year under this chapter. For purposes of this division, during the period of an expulsion imposed under division (B) of section 3313.66 of the Revised Code or extended under division (F) of that section, a student is ineligible to apply to enroll in a college under this section, unless the student is admitted to another school district or community school, or a participating nonpublic school. If a student is enrolled in a college under this section at the time the student is expelled under division (B) of section 3313.66 of the Revised Code, the student's status for the remainder of the college term in which the expulsion is imposed shall be determined under section 3365.041 of the Revised Code.

(B) If a college accepts a student who applies under this section, it shall send written notice to the student, the student's school district, community school, or nonpublic school, and the superintendent of public instruction within ten days after acceptance. Within ten days after each enrollment for a term, the college shall also send the student, the student's school district, community school, or nonpublic school, and the superintendent of public instruction a written notice indicating the courses and hours of enrollment of the student and the option elected by the student under division (A) or (B) of section 3365.04 of the Revised Code for each course.

Sec. 3365.041. (A) When a school district superintendent or governing authority of a community school expels a student under division (B) of section 3313.66 of the Revised Code, the district superintendent or board shall send a written notice of the expulsion to any college in which the expelled student is enrolled under section 3365.03 of the Revised Code at the time the expulsion is imposed. The notice shall indicate the date the expulsion is scheduled to expire. The notice also shall indicate whether the district board of education or community school governing authority has adopted a policy under section 3313.613 of the Revised Code to deny high

school credit for post-secondary courses taken during an expulsion. If the expulsion is extended under division (F) of section 3313.66 of the Revised Code, the district superintendent or governing authority shall notify the college of the extension.

(B) A college may withdraw its acceptance under section 3365.03 of the Revised Code of a student who is expelled from school under division (B) of section 3313.66 of the Revised Code. As provided in section 3365.03 of the Revised Code, regardless of whether the college withdraws its acceptance of the student for the college term in which the student is expelled, the student is ineligible to enroll in a college under that section for subsequent college terms during the period of the expulsion, unless the student enrolls in another school district or community school, or participating nonpublic school during that period.

If a college withdraws its acceptance of an expelled student who elected the option of division (A) of section 3365.04 of the Revised Code, the college shall refund tuition and fees paid by the student in the same proportion that it refunds tuition and fees to students who voluntarily withdraw from the college at the same time in the term.

If a college withdraws its acceptance of an expelled student who elected the option of division (B) of section 3365.04 of the Revised Code, the school district or community school shall not award high school credit for the college courses in which the student was enrolled at the time the college withdrew its acceptance, and any reimbursement under section 3365.07 of the Revised Code for the student's attendance prior to the withdrawal shall be the same as would be paid for a student who voluntarily withdrew from the college at the same time in the term. If the withdrawal results in the college's receiving no reimbursement, the college may require the student to return or pay for the textbooks and materials it provided the student free of charge under section 3365.08 of the Revised Code.

(C) When a student who elected the option of division (B) of section 3365.04 of the Revised Code is expelled under division (B) of section 3313.66 of the Revised Code from a school district or community school that has adopted a policy under section 3313.613 of the Revised Code, that election is automatically revoked for all college courses in which the student is enrolled during the college term in which the expulsion is imposed. Any reimbursement under section 3365.07 of the Revised Code for the student's attendance prior to the expulsion shall be the same as would be paid for a student who voluntarily withdrew from the college at the same time in the term. If the revocation results in the college's receiving no reimbursement, the college may require the student to return or pay for the textbooks and

materials it provided the student free of charge under section 3365.08 of the Revised Code.

No later than five days after receiving an expulsion notice from the superintendent of a district or the governing authority of a community school that has adopted a policy under section 3313.613 of the Revised Code, the college shall send a written notice to the expelled student that the student's election of division (B) of section 3365.04 of the Revised Code is revoked. If the college elects not to withdraw its acceptance of the student, the student shall pay all applicable tuition and fees for the college courses and shall pay for the textbooks and materials that the college provided under section 3365.08 of the Revised Code.

Sec. 3365.05. High school credit awarded for courses successfully completed under this chapter shall count toward the graduation requirements and subject area requirements of the school district, community school, or nonpublic school. If a course comparable to one a student completed at a college is offered by the district, community school, or nonpublic school, the board or school shall award comparable credit for the course completed at the college. If no comparable course is offered by the district, community school, or nonpublic school, the board or school shall grant an appropriate number of credits in a similar subject area to the student.

If there is a dispute between a school district board or a community school governing authority and a student regarding high school credits granted for a course, the student may appeal the board's or governing authority's decision to the state board of education. The state board's decision regarding any high school credits granted under this division is final.

Evidence of successful completion of each course and the high school credits awarded by the district, community school, or participating nonpublic school shall be included in the student's record. The record shall indicate that the credits were earned as a participant under this chapter and shall include the name of the college at which the credits were earned. The district board, community school governing authority, or nonpublic school shall determine whether and the manner in which the grade achieved in a course completed at a college under division (B) of section 3365.04 of the Revised Code will be counted in any cumulative grade point average maintained for the student.

Sec. 3365.07. (A) The rules adopted under section 3365.02 of the Revised Code shall specify a method for each of the following:

(1) Determining, with respect to any participant, the percentage of a full-time educational program constituted by the participant's total

educational program. That percentage shall be the participant's full-time equivalency percentage for purposes of the computation required by division (B)(1) of this section.

(2) In the case of a participant who is not enrolled in a participating nonpublic school, determining the percentage of a participant's school day during which ~~he~~ the participant is participating in each of the following:

(a) Programs provided by the city, local, or exempted village school district, or a community school;

(b) Programs provided by a joint vocational school district;

(c) Programs provided by a college under division (B) of section 3365.04 of the Revised Code.

The sum of divisions (A)(2)(a) to (c) of this section shall equal one hundred per cent.

(3) In the case of a participant who is not enrolled in a participating nonpublic school, determining the percentage of a participant's enrollment that shall be deemed to be enrollment in a joint vocational school district and the percentage that shall be deemed to be enrollment in a city, local, or exempted village school district. The sum of such percentages shall equal one hundred per cent.

(4) In the case of a participant who is enrolled in a participating nonpublic school, determining the percentage of a participant's school day during which ~~he~~ the participant is participating in programs provided by a college under division (B) of section 3365.04 of the Revised Code.

(B) Each July, the department of education shall pay each college for any participant enrolled in the college in the prior school year under division (B) of section 3365.04 of the Revised Code an amount computed as follows:

(1) Multiply the tuition base by the participant's full-time equivalency percentage and multiply the resulting amount by a percentage equal to the percentage of the participant's school day apportioned to the college under division (A)(2)(c) or (4) of this section, as applicable.

(2) Pay the college the lesser of:

(a) The amount computed under division (B)(1) of this section;

(b) The actual costs that would have been the responsibility of the participant had ~~he~~ the participant elected to enroll under division (A) of section 3365.04 of the Revised Code, as verified by the department, of tuition, textbooks, materials, and fees directly related to any courses elected by the participant during the prior school year under division (B) of section 3365.04 of the Revised Code.

(C) The department shall not reimburse any college for any course taken by a participant under division (A) of section 3365.04 of the Revised Code.

(D) If the participant was not enrolled in a participating nonpublic school, the amount paid under division (B) of this section for each participant shall be subtracted from the school foundation payments made to the participant's school district or, if the participant was enrolled in a community school, from the community school payments made to the participant's school under section 3314.08 of the Revised Code. If the participant was enrolled in a joint vocational school district, a portion of the amount shall be subtracted from the payments to the joint vocational school district and a portion shall be subtracted from the payments to the participant's city, local, or exempted village school district. The amount of the payment subtracted from the city, local, or exempted village school district shall be computed as follows:

(1) Add the following:

(a) The percentage of the participant's enrollment in the school district, determined under division (A)(3) of this section; and

(b) Twenty-five per cent times the percentage of the participant's enrollment in the joint vocational school district, determined under division (A)(3) of this section.

(2) Multiply the sum obtained under division (D)(1) of this section by the amount computed under division (B)(2) of this section.

The balance of the payment shall be subtracted from the joint vocational district's school foundation payments.

(E) If the participant was enrolled in a participating nonpublic school, the amount paid under division (B) of this section shall be subtracted from moneys set aside by the general assembly for such purpose from funds appropriated for the purposes of section 3317.06 of the Revised Code.

Sec. 3365.09. Section 3365.07 and divisions (A) and (C) of section 3365.08 of the Revised Code do not apply to any college course in which a student is enrolled if during the term such student is enrolled in the college course ~~he~~ the student is also a full-time student in ~~his~~ the student's district, community school, or nonpublic school. The rules adopted under ~~section~~ section 3365.02 of the Revised Code shall prescribe a method for determining whether a student is enrolled full-time in ~~his~~ the student's district, community school, or nonpublic school.

Sec. 3770.01. (A) There is hereby created the state lottery commission consisting of nine members appointed by the governor with the advice and consent of the senate. No more than five members of the commission shall be members of the same political party. Of the additional and new appointments made to the commission pursuant to the amendment of August 1, 1980, three shall be for terms ending August 1, 1981, three shall be for

rms ending August 1, 1982, and three shall be for terms ending August 1, 1983. Thereafter, terms of office shall be for three years, each term ending on the same day of the same month of the year as did the term which it succeeds. ~~Each~~

(B) ~~Each~~ member shall hold office from the date of appointment until the end of the term for which the member was appointed. ~~The members of the commission shall represent the various geographic regions of the state.~~ Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of ~~such~~ that term. Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first.

(C) All members of the commission shall be citizens of the United States and residents of this state. The members of the commission shall represent the various geographic regions of the state. No member of the commission shall have any pecuniary interest in any contract or license awarded by the commission. One person appointed as a member of the commission shall represent an organization that deals with problem gambling and assists recovering gambling addicts. Each person appointed as a member of the commission, except the member appointed as a representative of an organization that deals with problem gambling and assists recovering gambling addicts, shall have prior experience or education in business administration, management, sales, marketing, or advertising.

(D) The commission shall elect annually one of its members to serve as chairperson for a term of one year. Election as chairperson shall not extend a member's appointive term. Each member of the commission shall receive an annual salary of five thousand dollars, payable in monthly installments. Each member of the commission also shall ~~also~~ receive the member's actual and necessary expenses incurred in the discharge of the member's official duties.

(E) Each member of the commission, before entering upon the discharge of the member's official duties, shall give a bond, payable to the treasurer of state, in the sum of ten thousand dollars with sufficient sureties to be approved by the treasurer of state, which bond shall be filed with the secretary of state.

(F) The governor may remove any member of the commission for malfeasance, misfeasance, or nonfeasance in office, giving ~~such~~ the member a copy of the charges against the member and affording the member an opportunity to be publicly heard in person or by counsel in the member's

own defense upon not less than ten days' notice. If ~~such~~ the member is removed, the governor shall file in the office of the secretary of state a complete statement of all charges made against the member and the governor's finding ~~thereon~~ on the charges, together with a complete report of the proceedings, and the governor's decision ~~thereon~~ on the charges is final.

(G) The commission shall maintain offices at locations in the state as it may ~~deem~~ consider necessary for the efficient performance of its functions. The director shall maintain an office in Columbus to coordinate the activities of the state lottery commission with other state departments.

Sec. 3770.06. (A) There is hereby created the state lottery gross revenue fund, which shall be in the custody of the treasurer of state but shall not be part of the state treasury. All gross revenues received from sales of lottery tickets, fines, fees, and related proceeds shall be deposited into the fund. The treasurer of state shall invest any portion of the fund not needed for immediate use in the same manner as, and subject to all provisions of law with respect to the investment of, state funds. The treasurer of state shall disburse money from the fund on order of the director of the state lottery commission or the director's designee. All revenues of the state lottery gross revenue fund that are not paid to holders of winning lottery tickets, that are not required to meet short-term prize liabilities, that are not paid to lottery sales agents in the form of agent bonuses, commissions, or reimbursements, and that are not paid to financial institutions to reimburse such institutions for sales agent nonsufficient funds shall be transferred to the state lottery fund, which is hereby created in the state treasury. All investment earnings of the fund shall be credited to the fund. Moneys shall be disbursed from the state lottery fund pursuant to vouchers approved by the director of the state lottery commission. Total disbursements for monetary prize awards to holders of winning lottery tickets and purchases of goods and services awarded as prizes to holders of winning lottery tickets shall be of an amount equal to at least fifty per cent of the total revenue accruing from the sale of lottery tickets.

(B) Pursuant to Section 6 of Article XV, Ohio Constitution, there is hereby established in the state treasury the lottery profits education fund. Whenever, in the judgment of the director of budget and management, the amount to the credit of the state lottery fund is in excess of that needed to meet the maturing obligations of the commission and as working capital for its further operations, the director shall transfer the excess to the lottery profits education fund, provided that the amount to be transferred into the lottery profits education fund shall equal no less than thirty per cent of the total revenue accruing from the sale of lottery tickets. Investment earnings

of the lottery profits education fund shall be credited to the fund. There shall also be credited to the fund any repayments of moneys loaned from the educational excellence investment fund. The lottery profits education fund shall be used solely for the support of elementary, secondary, vocational, and special education programs as determined in appropriations made by the general assembly. When determining the availability of money in the lottery profits education fund, the director of budget and management may consider all balances and estimated revenues of the fund.

From the amounts that the director of budget and management transfers in any fiscal year from the state lottery fund to the lottery profits education fund, the director shall transfer the initial ten million dollars of such amounts from the lottery profits education fund to the school building program bond service fund created in division (R) of section 3318.26 of the Revised Code to be pledged for the purpose of paying bond service charges as defined in division (C) of section 3318.21 of the Revised Code on one or more issuances of obligations, which obligations are issued to provide moneys for the school building program assistance fund created in section 3318.25 of the Revised Code.

(C) There is hereby established in the state treasury the deferred prizes trust fund. With the approval of the director of budget and management, an amount sufficient to fund annuity prizes shall be transferred from the state lottery fund and credited to the trust fund. The treasurer of state shall credit all earnings arising from investments purchased under this division to the fund. Within sixty days after the end of each fiscal year, the director of budget and management shall certify the amount of investment earnings necessary to have been credited to the trust fund during the fiscal year just ending to provide for continued funding of deferred prizes. Any earnings credited in excess of this certified amount shall be transferred to the lottery profits education fund. To provide all or a part of the amounts necessary to fund deferred prizes awarded by the commission, the treasurer of state, in consultation with the commission, may invest moneys contained in the deferred prizes trust fund in ~~accordance with section 135.143 of the Revised Code~~ obligations of the type permitted for the investment of state funds but whose maturities are thirty years or less. Investments of the deferred prizes trust fund are not subject to the provisions of division (A)(10) of section 135.143 of the Revised Code limiting to five per cent the amount of the state's total average portfolio that may be invested in debt interests and limiting to one half of one per cent the amount that may be invested in debt interests of a single issuer.

All purchases made under this division shall be effected on a delivery

versus payment method and shall be in the custody of the treasurer of state.

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

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

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

Sec. 4117.101. Notwithstanding sections 4117.08 and 4117.10 of the Revised Code, no agreement entered into under this chapter may contain any provision that in any way limits the effect or operation of Chapter 3314. of the Revised Code or limits the authority of a school district board of education, or the governing board of an educational service center described in division (C)(1)(e) of section 3314.02 of the Revised Code, to enter into a contract with a community school under that chapter. However, nothing in this section shall be construed to prohibit an agreement entered into under this chapter from containing requirements and procedures governing the reassignment of teachers who are employed in a school at the time it is converted to a community school pursuant to Chapter 3314. of the Revised Code and who do not choose or are not chosen to teach in that community school.

Sec. 5126.12. (A) As used in this section:

(1) "Approved school age unit" means a class or unit operated by a county board of mental retardation and developmental disabilities and approved by the state board of education under division (D) of section 3317.05 of the Revised Code.

(2) "Approved preschool unit" means a class or unit operated by a county board of mental retardation and developmental disabilities and approved by the state board of education under division (B) of section 3317.05 of the Revised Code.

(3) "Active treatment" means a continuous treatment program, which includes aggressive, consistent implementation of a program of specialized and generic training, treatment, health services, and related services, that is directed toward the acquisition of behaviors necessary for an individual with mental retardation or other developmental disability to function with as much self-determination and independence as possible and toward the prevention of deceleration, regression, or loss of current optimal functional status.

(3)(4) "Eligible for active treatment" means that an individual with mental retardation or other developmental disability resides in an intermediate care facility for the mentally retarded certified under Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended; resides in a state institution operated by the department of mental retardation and developmental disabilities; or is enrolled in a home and community-based services waiver program administered by the department of mental retardation and developmental disabilities as part of the medical assistance program established under section 5111.01 of the Revised Code.

(4)(5) "Community alternative funding system" means the program under which habilitation services are reimbursed under the medical assistance program pursuant to section 5111.041 of the Revised Code and rules adopted under that section.

(5)(6) "Community employment program" means community employment services provided outside of a sheltered workshop setting under which the person earns competitive wages for the performance of work.

(6)(7) "Traditional adult services" means vocational and nonvocational activities conducted within a sheltered workshop or adult activity center or supportive home services.

(B) Each county board of mental retardation and developmental disabilities shall certify to the director of mental retardation and developmental disabilities all of the following:

(1) On or before the fifteenth day of October, the average daily membership for the first full week of programs and services during October receiving:

(a) Early childhood services provided pursuant to section 5126.05 of the Revised Code for children who are less than three years of age on the thirtieth day of September of the academic year;

(b) Special education for handicapped children in approved school age units;

(c) Adult services for persons sixteen years of age and older operated pursuant to section 5126.05 and division (B) of section 5126.051 of the

Revised Code. Separate counts shall be made for the following:

(i) Persons enrolled in traditional adult services who are eligible for but not enrolled in active treatment under the community alternative funding system;

(ii) Persons enrolled in traditional adult services who are eligible for and enrolled in active treatment under the community alternative funding system;

(iii) Persons enrolled in traditional adult services but who are not eligible for active treatment under the community alternative funding system;

(iv) Persons participating in community employment services. To be counted as participating in community employment services, a person must have spent an average of no less than twenty hours per week in such employment during the preceding six months.

(d) Other programs in the county for individuals with mental retardation and developmental disabilities that have been approved for payment of subsidy by the department of mental retardation and developmental disabilities.

The membership in each such program and service in the county shall be reported on forms prescribed by the department of mental retardation and developmental disabilities.

The department of mental retardation and developmental disabilities shall adopt rules defining full-time equivalent enrollees and for determining the average daily membership therefrom, except that certification of average daily membership in approved school age units shall be in accordance with rules adopted by the state board of education. The average daily membership figure shall be determined by dividing the amount representing the sum of the number of enrollees in each program or service in the week for which the certification is made by the number of days the program or service was offered in that week. No enrollee may be counted in average daily membership for more than one program or service.

(2) By the fifteenth day of December, the number of children enrolled in approved preschool units on the first day of December;

(3) By the fifteenth day of February, an itemized report of expenditures for the preceding calendar year which have been approved for reimbursement by the director;

(3)(4) By the fifteenth day of February, a report of the total annual cost per enrollee for operation of programs and services in the preceding calendar year. The report shall include a grand total of all programs operated, the cost of the individual programs, and the sources of funds

applied to each program.

~~(4)~~(5) That each required certification and report is in accordance with rules established by the department of mental retardation and developmental disabilities and the state board of education for the operation and subsidization of the programs and services.

(C) To compute payments under this section to the board for the fiscal year, the department of mental retardation and developmental disabilities shall use the certification of average daily membership required by division (B)(1) of this section exclusive of the average daily membership in any approved school age unit and the number in any approved preschool unit.

(D) The department shall pay each county board for each fiscal year an amount equal to nine hundred fifty dollars times the certified ~~average daily membership number~~ of persons who on the ~~thirtieth~~ first day of ~~September~~ December of the academic year are under three years of age and are not in an approved ~~unit for preschool children~~ unit. For persons who are at least age sixteen and are not in an approved school age unit, the department shall pay each county board for each fiscal year the following amounts:

(1) One thousand dollars times the certified average daily membership of persons enrolled in traditional adult services who are eligible for but not enrolled in active treatment under the community alternative funding system;

(2) One thousand two hundred dollars times the certified average daily membership of persons enrolled in traditional adult services who are eligible for and enrolled in active treatment under the community alternative funding system;

(3) No less than one thousand five hundred dollars times the certified average daily membership of persons enrolled in traditional adult services but who are not eligible for active treatment under the community alternative funding system;

(4) No less than one thousand five hundred dollars times the certified average daily membership of persons participating in community employment services.

(E) The department shall distribute this subsidy to county boards in semiannual installments of equal amounts. The installments shall be made not later than the thirty-first day of August and the thirty-first day of January.

(F) The director of mental retardation and developmental disabilities shall make efforts to obtain increases in the subsidies for early childhood services and adult services so that the amount of the subsidies is equal to at least fifty per cent of the statewide average cost of those services minus any

applicable federal reimbursements for those services. The director shall advise the director of budget and management of the need for any such increases when submitting the biennial appropriations request for the department.

(G) In determining the reimbursement of a county board for the provision of case management and family support services and other services required or approved by the director for which children three through twenty-one years of age are eligible, the department shall include the average daily membership in approved school age or preschool units. The department, in accordance with this section and upon receipt and approval of the certification required by this section and any other information it requires to enable it to determine a board's payments, shall pay the agency providing the specialized training the amounts payable under this section.

Sec. 5126.16. As used in sections 5126.16 to 5126.18 of the Revised Code:

(A) "Taxable value" means the total taxable value of real and public utility property and of tangible personal property in a county as shown on the county auditor's tax lists.

(B) "Taxes" means the total taxes levied pursuant to division (L) of section 5705.19 of the Revised Code or pursuant to that section and section 5705.222, as shown on the preceding year's tax lists of real and public utility property and tangible personal property, after making the reductions required by section 319.301 of the Revised Code.

(C) "Enrollment" means a county board of mental retardation and developmental disabilities' average daily membership of programs and services as certified under divisions (B)(1)(a), (b), and (c) and (B)(2) of section 5126.12 of the Revised Code, exclusive of individuals who are served solely through case management or family support services provided pursuant to sections 5126.11 and 5126.15 of the Revised Code.

(D) "Effective tax rate" for a county board means a fraction, the numerator of which is the county board's taxes and the denominator of which is the county board's taxable value.

(E) "Local revenue factor" means a county board's taxes divided by the lesser of the aggregate rate of tax authorized to be levied by the board of county commissioners pursuant to division (L) of section 5705.19 and section 5705.222 of the Revised Code or the aggregate rate of tax authorized pursuant to that division and that section and certified to the county auditor under section 319.30 of the Revised Code.

(F) "Hypothetical local revenue per enrollee" means the quotient

obtained by dividing a county board's local revenue factor by its enrollment.

(G) "Hypothetical statewide average revenue per enrollee" means the quotient obtained by dividing the sum of all county boards' local revenue factors by the total enrollment of all county boards.

(H) "Infant and adult enrollment" means a county board of mental retardation and developmental disabilities' total average daily membership of programs and services as certified under divisions (B)(1)(a) and (c) of section 5126.12 of the Revised Code, exclusive of individuals who are served solely through case management or family support services provided pursuant to sections 5126.11 and 5126.15 of the Revised Code.

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, by a two-thirds vote of all members of the board, may appropriate any amount withheld as a voluntary contingency

erve 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) 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%

(G) Except as otherwise provided in this division, the county budget commission shall not reduce the taxing authority of a subdivision as a result of the creation of a reserve balance account. Except as otherwise provided in this division, the county budget commission shall not consider the amount in a reserve balance account of a township, county, or municipal corporation 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. The county budget commission may require documentation of the reasonableness of the reserve balance held in any reserve balance account. The commission shall consider any amount in a reserve balance account that it determines to be unreasonable as unencumbered and as revenue for the purposes of sections 5747.51 and 5747.62 of the Revised Code and may take such amounts into consideration when determining whether to reduce the taxing authority of a subdivision.

(H)(1) Each board of education shall include in its tax budget and shall establish a reserve balance account to accumulate currently available

resources to stabilize the school district's budget against cyclical changes in revenues and expenditures. The balance in the reserve balance account 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 (H)(2) or (3) of this section, and except for deficiencies arising from the appropriation of money from the account 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 reserve balance account. The rules also shall provide that a board of education that borrows against its spending reserve established in its tax budget for a fiscal year under division (F) of this section is not subject to division (H)(2) of this section for that fiscal year. A board of education shall not appropriate money from a reserve balance account without filing a schedule for replenishing the account with the superintendent of public instruction and receiving approval of the schedule from the superintendent of public instruction.

(2)(a) Beginning with the fiscal year ending in 1999 and continuing each fiscal year until the balance in the reserve balance account 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 at least three per cent or more, the board of education shall credit to its reserve balance account, 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 reserve balance account shall be maintained~~ that, when added to the account balance, is not less than:

(i) One per cent of revenues received for current expenses for the prior fiscal year; plus

(ii) The sum of the amounts credited under this section for all fiscal years that amounts were required to be credited under this section.

Each board shall maintain the balance in the district's reserve balance account at not less than five per cent of the district's revenues received for current expenses for the preceding fiscal year, except as otherwise required authorized under division (H)(4) of this section.

(b) Notwithstanding division (H)(2)(a) of this section, in no year shall a board be required to credit to its reserve balance account more than one per

cent of revenues received for current expenses for the prior fiscal year.

(3) The balance in the reserve balance account 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 (H) of this section prevail over any conflicting provisions of agreements between employee organizations and public employers entered into after November 21, 1997.

(5) Notwithstanding division (H)(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 reserve balance account.

(6) A school district board may apply to the state superintendent of public instruction for a one-time waiver of the deposit requirements of division (H)(2) of this section when it determines that meeting the requirements in the current or next fiscal year would cause the district to significantly reduce or eliminate important educational services. The district shall apply in the form and manner required by the state superintendent, and the application may request a waiver of all or part of the deposit required for the current or next fiscal year. The state superintendent may grant a waiver if the state superintendent and the Auditor of State determine that meeting the requirement in the current or next fiscal year would cause the school district to significantly reduce or eliminate important educational services. A waiver may entirely exempt the district from making any deposit into its reserve balance account during the current or next fiscal year or, regardless of whether the district board applied for a waiver of the entire deposit, may simply reduce the amount of the deposit otherwise required during the current or next fiscal year by division (H)(2) of this section. A waiver is valid for one fiscal year: either the fiscal year in which the district board applied for it or the immediately following fiscal year. A district board may receive only one waiver under division (H)(6) of this section.

(I) Notwithstanding division (H)(2) of this section, whenever a city, local, exempted village, or joint vocational school district receives from the bureau of workers' compensation a refund or other reimbursement of money that the district previously paid to the bureau, the district shall deposit the full amount of the refund or other reimbursement into the district's reserve balance account, unless the account already contains five per cent of the district's revenues received for current expenses for the preceding year as

prescribed in division (H)(2)(a) of this section. A district may credit any amount it deposits into that account under this division toward any minimum deposit required for the account in that fiscal year.

Sec. 5705.412. Notwithstanding section 5705.41 of the Revised Code, no school district shall adopt any appropriation measure, make any contract, give any order involving the expenditure of money, or increase during any school year any wage or salary schedule unless there is attached thereto a certificate signed by the treasurer and president of the board of education and the superintendent that the school district has in effect for the remainder of the fiscal year and the succeeding fiscal year the authorization to levy taxes including the renewal or replacement of existing levies which, when combined with the estimated revenue from all other sources available to the district at the time of certification, are sufficient to provide the operating revenues necessary to enable the district to maintain all personnel, programs, and services essential to the provision of an adequate educational program for all the days set forth in its adopted school calendars for the current fiscal year and for a number of days in the succeeding fiscal year equal to the number of days instruction was held or is scheduled for the current fiscal year. However, a certificate attached to an appropriation measure under this section shall cover only the fiscal year in which the appropriation measure is effective and shall not consider the renewal or replacement of an existing levy as the authority to levy taxes that are subject to appropriation in the current fiscal year unless the renewal or replacement levy has been approved by the electors and is subject to appropriation in the current fiscal year. In addition, a certificate attached, in accordance with this section, to any contract shall cover the term of the contract or the current fiscal year plus the two immediately succeeding fiscal years, whichever period of years is greater. If the board of education has not adopted a school calendar for the school year beginning on the first day of the fiscal year in which a certificate is required, the certificate attached to an appropriation measure shall include the number of days on which instruction was held in the preceding fiscal year and other certificates required under this section shall include that number of days for the fiscal year in which the certificate is required and the succeeding fiscal year. Every contract made, order given, or schedule adopted or put into effect without such a certificate shall be void, and no payment of any amount due thereon shall be made. The department of education and the auditor of state jointly shall develop rules governing the methods by which treasurers, presidents of boards of education, and superintendents shall estimate revenue and determine whether such revenue is sufficient to provide necessary operating revenue

for the purpose of making certifications required by this section.

The auditor of state shall be responsible for determining whether school districts are in compliance with this section. At the time a school district is audited pursuant to section 117.11 of the Revised Code, the auditor of state shall review each certificate issued under this section since the district's last audit, and the appropriation measure, contract, order, or wage and salary schedule to which such certificate was attached. This provision shall not preclude any court from making a determination regarding compliance with this section. If noncompliance is determined, the provisions of section 117.28 of the Revised Code shall have effect.

~~The treasurer shall forward a copy of each certificate of available resources required under this section to the auditor of any county in which a part of the district is located. The county auditor shall not distribute property taxes or any payment under Chapter 3317. of the Revised Code to a school district that has not forwarded copies of all such certificates. If a county auditor determines that a copy of a certificate has not been forwarded as required, or has reason to believe that a certificate for which a copy has been forwarded contains false statements or that a certificate has not been signed and attached to an appropriation measure, contract, order, or wage and salary schedule as required by this section, the auditor shall provide immediate written notification to the superintendent of public instruction. In the case of a certificate which the auditor has reason to believe contains false information or the failure to sign and attach a certificate as required, the auditor shall also provide immediate written notification to the auditor of state and the county prosecuting attorney, city director of law, or other chief law officer of the district.~~

This section does not apply to any contract, order, or increase in any wage or salary schedule that is necessary in order to enable a board of education to comply with division (B) of section 3317.13 of the Revised Code, provided the contract, order, or increase does not exceed the amount required to be paid to be in compliance with such division.

Any officer, employee, or other person who knowingly expends or authorizes the expenditure of any public funds or knowingly authorizes or executes any contract, order, or schedule contrary to this section, knowingly expends or authorizes the expenditure of any public funds on the void contract, order, or schedule, or knowingly issues a certificate under this section which contains any false statements is liable to the school district for the full amount paid from the district's funds on the contract, order, or schedule. The officer, employee, or other person is jointly and severally liable in person and upon any official bond that the officer, employee, or

other person has given to the school district to the extent of any payments on the void claim, not to exceed twenty thousand dollars. However, no officer, employee, or other person shall be liable for a mistaken estimate of available resources made in good faith and based upon reasonable grounds. If an officer, employee, or other person is found to have complied with rules adopted by the department of education under this section governing methods by which revenue shall be estimated and determined sufficient to provide necessary operating revenue for the purpose of making certifications required by this section, the officer, employee, or other person shall not be liable under this section if the estimates and determinations made according to those rules do not, in fact, conform with actual revenue. The prosecuting attorney of the county, the city director of law, or other chief law officer of the district shall enforce this liability by civil action brought in any court of appropriate jurisdiction in the name of and on behalf of the school district. If the prosecuting attorney, city director of law, or other chief law officer of the district fails, upon the written request of any taxpayer, to institute action for the enforcement of the liability, the taxpayer may institute the action in the taxpayer's own name in behalf of the subdivision.

This section does not require the attachment of an additional certificate beyond that required by section 5705.41 of the Revised Code for any purchase order, for current payrolls of, or contracts of employment with, regular employees or officers.

This section does not require the attachment of a certificate to a temporary appropriation measure if all of the following apply:

(A) The amount appropriated does not exceed twenty-five per cent of the total amount from all sources available for expenditure from any fund during the preceding fiscal year;

(B) The measure will not be in effect on or after the thirtieth day following the earliest date on which the district may pass an annual appropriation measure;

(C) An amended official certificate of estimated resources for the current year, if required, has not been certified to the board of education under division (B) of section 5705.36 of the Revised Code.

Sec. 5747.01. Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter has the same meaning as when used in a comparable context in the Internal Revenue Code, and all other statutes of the United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross income" means

adjusted gross income as defined and used in the Internal Revenue Code, adjusted as provided in ~~divisions (A)(1) to (17)~~ of this section:

(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.

(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States that are exempt from federal income taxes but not from state income taxes.

(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.

(5) Deduct benefits under Title II of the Social Security Act and tier 1 railroad retirement benefits to the extent included in federal adjusted gross income under section 86 of the Internal Revenue Code.

(6) Add, in the case of a taxpayer who is a beneficiary of a trust that makes an accumulation distribution as defined in section 665 of the Internal Revenue Code, the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is made. "Undistributed net income of a trust" means the taxable income of the trust increased by (a)(i) the additions to adjusted gross income required under division (A) of this section and (ii) the personal exemptions allowed to the trust pursuant to section 642(b) of the Internal Revenue Code, and decreased by (b)(i) the deductions to adjusted gross income required under division (A) of this section, (ii) the amount of federal income taxes attributable to such income, and (iii) the amount of taxable income that has been included in the adjusted gross income of a beneficiary by reason of a prior accumulation distribution. Any undistributed net income included in the adjusted gross income of a beneficiary shall reduce the undistributed net income of the trust commencing with the earliest years of the accumulation period.

(7) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the targeted jobs credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect.

(8) Deduct any interest or interest equivalent on public obligations and

purchase obligations to the extent included in federal adjusted gross income.

(9) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent included in federal adjusted gross income.

(10) Regarding tuition credits purchased under Chapter 3334. of the Revised Code:

(a) Deduct the following:

(i) For credits that as of the end of the taxable year have not been refunded pursuant to the termination of a tuition payment contract under section 3334.10 of the Revised Code, the amount of income related to the credits, to the extent included in federal adjusted gross income;

(ii) For credits that during the taxable year have been refunded pursuant to the termination of a tuition payment contract under section 3334.10 of the Revised Code, the excess of the total purchase price of the tuition credits refunded over the amount of refund, to the extent the amount of the excess was not deducted in determining federal adjusted gross income;

(b) Add the following:

(i) For credits that as of the end of the taxable year have not been refunded pursuant to the termination of a tuition payment contract under section 3334.10 of the Revised Code, the amount of loss related to the credits, to the extent the amount of the loss was deducted in determining federal adjusted gross income;

(ii) For credits that during the taxable year have been refunded pursuant to the termination of a tuition payment contract under section 3334.10 of the Revised Code, the excess of the amount of refund over the purchase price of each tuition credit refunded, to the extent not included in federal adjusted gross income.

(11) Deduct, in the case of a self-employed individual as defined in section 401(c)(1) of the Internal Revenue Code and to the extent not otherwise allowable as a deduction in computing federal adjusted gross income for the taxable year, the amount paid during the taxable year for insurance that constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents. No deduction under division (A)(11) of this section shall be allowed to any taxpayer who is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer. No deduction under division (A)(11) of this section shall be allowed to the extent that the sum of such deduction and any related deduction allowable in computing federal adjusted gross income for the taxable year exceeds the taxpayer's earned income, within the meaning of section 401(c) of the Internal Revenue Code, derived by the taxpayer from

the trade or business with respect to which the plan providing the medical coverage is established.

(12) Deduct any amount included in federal adjusted gross income solely because the amount represents a reimbursement or refund of expenses that in a previous year the taxpayer had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations.

(13) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year;

(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year.

(14) Deduct an amount equal to the deposits made to, and net investment earnings of, a medical savings account during the taxable year, in accordance with section 3924.66 of the Revised Code. The deduction allowed by division (A)(14) of this section does not apply to medical savings account deposits and earnings otherwise deducted or excluded for the current or any other taxable year from the taxpayer's federal adjusted gross income.

(15)(a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net investment earnings on those funds, when the funds withdrawn were used for any purpose other than to reimburse an account holder for, or to pay, eligible medical expenses, in accordance with section 3924.66 of the Revised Code;

(b) Add the amounts distributed from a medical savings account under division (A)(2) of section 3924.68 of the Revised Code during the taxable year.

(16) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that such amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal adjusted gross income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction of the taxpayer's federal adjusted gross income as required to be reported for any of the taxpayer's taxable

years under the Internal Revenue Code.

(17) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of human services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (A)(17) of this section.

(18) Beginning in taxable year 2001, if the taxpayer is married and files a joint return and the combined federal adjusted gross income of the taxpayer and the taxpayer's spouse for the taxable year does not exceed one hundred thousand dollars, or if the taxpayer is single and has a federal adjusted gross income for the taxable year not exceeding fifty thousand dollars, deduct amounts paid during the taxable year for qualified tuition and fees paid to an eligible institution for the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer, who is a resident of this state and is enrolled in or attending a program that culminates in a degree or diploma at an eligible institution. The deduction may be claimed only to the extent that qualified tuition and fees are not otherwise deducted or excluded for any taxable year from federal or Ohio adjusted gross income. The deduction may not be claimed for educational expenses for which the taxpayer claims a credit under section 5747.27 of the Revised Code.

(19) Add any reimbursement received during the taxable year of any amount the taxpayer deducted under division (A)(18) of this section in any previous taxable year to the extent the amount is not otherwise included in Ohio adjusted gross income.

(B) "Business income" means income arising from transactions, activities, and sources in the regular course of a trade or business and includes income from tangible and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of the regular course of a trade or business operation.

(C) "Nonbusiness income" means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, capital gains, interest, dividends and distributions, patent or copyright royalties, or lottery winnings, prizes, and awards.

(D) "Compensation" means any form of remuneration paid to an employee for personal services.

(E) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any other person acting in any fiduciary capacity

for any individual, trust, or estate.

(F) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.

(G) "Individual" means any natural person.

(H) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(I) "Resident" means:

(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;

(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code and any election under section 5747.25 of the Revised Code are not controlling for purposes of division (I)(2) of this section.

(J) "Nonresident" means an individual or estate that is not a resident. An individual who is a resident for only part of a taxable year is a nonresident for the remainder of that taxable year.

(K) "Pass-through entity" has the same meaning as in section 5733.04 of the Revised Code.

(L) "Return" means the notifications and reports required to be filed pursuant to this chapter for the purpose of reporting the tax due and includes declarations of estimated tax when so required.

(M) "Taxable year" means the calendar year or the taxpayer's fiscal year ending during the calendar year, or fractional part thereof, upon which the adjusted gross income is calculated pursuant to this chapter.

(N) "Taxpayer" means any person subject to the tax imposed by section 5747.02 of the Revised Code or any pass-through entity that makes the election under division (D) of section 5747.08 of the Revised Code.

(O) "Dependents" means dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.

(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.

(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:

(1) "Subdivision" means any county, municipal corporation, park district, or township.

(2) "Essential local government purposes" includes all functions that

any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.

(R) "Overpayment" means any amount already paid that exceeds the figure determined to be the correct amount of the tax.

(S) "Taxable income" applies to estates only and means taxable income as defined and used in the Internal Revenue Code adjusted as follows:

(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities;

(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States that are exempt from federal income taxes but not from state income taxes;

(3) Add the amount of personal exemption allowed to the estate pursuant to section 642(b) of the Internal Revenue Code;

(4) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States that are exempt from state taxes under the laws of the United States;

(5) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal taxable income for the taxable year, had the targeted jobs credit allowed under sections 38, 51, and 52 of the Internal Revenue Code not been in effect;

(6) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent included in federal taxable income;

(7) Add any loss or deduct any gain resulting from sale, exchange, or other disposition of public obligations to the extent included in federal taxable income;

(8) Except in the case of the final return of an estate, add any amount deducted by the taxpayer on both its Ohio estate tax return pursuant to section 5731.14 of the Revised Code, and on its federal income tax return in determining either federal adjusted gross income or federal taxable income;

(9) Deduct any amount included in federal taxable income solely because the amount represents a reimbursement or refund of expenses that in a previous year the decedent had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable treasury regulations;

(10) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported

income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer's taxable income or the decedent's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year.

(b) It does not otherwise reduce the taxpayer's taxable income or the decedent's adjusted gross income for the current or any other taxable year.

(11) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that the amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal taxable income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction in the taxpayer's federal taxable income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(T) "School district income" and "school district income tax" have the same meanings as in section 5748.01 of the Revised Code.

(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code.

(V) "Limited liability company" means any limited liability company formed under Chapter 1705. of the Revised Code or under the laws of any other state.

(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or investor in that pass-through entity.

(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code.

(Y) "Month" means a calendar month.

(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year.

(AA)(1) "Eligible institution" means a state university or state institution of higher education as defined in section 3345.011 of the Revised Code, or a private, nonprofit college, university, or other post-secondary institution located in this state that possesses a certificate of authorization issued by the Ohio board of regents pursuant to Chapter 1713. of the Revised Code or a certificate of registration issued by the state board of proprietary school registration under Chapter 3332. of the Revised Code.

(2) "Qualified tuition and fees" means tuition and fees imposed by an eligible institution as a condition of enrollment or attendance, not exceeding two thousand five hundred dollars in each of the individual's first two years of post-secondary education. If the individual is a part-time student, "qualified tuition and fees" includes tuition and fees paid for the academic equivalent of the first two years of post-secondary education during a maximum of five taxable years, not exceeding a total of five thousand dollars. "Qualified tuition and fees" does not include:

(a) Expenses for any course or activity involving sports, games, or hobbies unless the course or activity is part of the individual's degree or diploma program;

(b) The cost of books, room and board, student activity fees, athletic fees, insurance expenses, or other expenses unrelated to the individual's academic course of instruction;

(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program.

(BB) Any term used in this chapter that is not otherwise defined in this section and that is not used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes has the same meaning as in section 5733.40 of the Revised Code.

Sec. 5910.032. (A) A war orphans scholarship, as provided under sections 5910.01 to 5910.06 of the Revised Code, shall be granted to the child of any person who, in the course of honorable service in the armed services of the United States, was declared by the United States department of defense to be a prisoner of war or missing in action as a result of the United States' participation in armed conflict on or after January 1, 1960, ~~and who if either of the following apply:~~

(1) The parent, at the time of entry into the armed services of the United States, or at the time the ~~person~~ parent was declared to be a prisoner of war or missing in action, was a resident of Ohio;

(2) If the parent did not enter the armed services as a resident of Ohio and was not a resident of Ohio when declared a prisoner of war or missing in action, the child has resided in Ohio for the year immediately preceding the year in which the application for the scholarship is made and any four of the last ten years. Such

The scholarships shall be in addition to the total number of scholarships provided under section 5910.05 of the Revised Code. Notwithstanding section 5910.03 of the Revised Code, scholarships provided under this section shall be made to any such child who, at the time of application, has attained the sixteenth, but not the twenty-first, birthday. The termination of a

child's parent or guardian's status as a prisoner of war or being missing in action does not affect such child's eligibility for the benefit provided by this section.

(B) Scholarships provided under this section shall consist of either of the following:

(1) A scholarship of the type described in division (A) of section 5910.04 of the Revised Code together with reasonable and necessary expenses for room, board, books, and laboratory fees. The additional amount for such expenses shall be paid from moneys appropriated by the general assembly for such purpose.

(2) A scholarship of the type described in division (B) of section 5910.04 of the Revised Code together with an additional grant equal to the average value of the reasonable and necessary expenses granted under division (B)(1) of this section during the preceding year for room, board, books, and laboratory fees. The additional grant shall be paid from moneys appropriated by the general assembly for such purpose, and shall be paid to the child through the institution in which the child is enrolled. In no case shall the additional grant exceed the amount actually expended by the child for room, board, books, and laboratory fees.

Sec. 5919.34. (A) As used in this section:

(1) "Academic term" means any one of the following:

(a) Fall term, which consists of fall semester or fall quarter, as appropriate;

(b) Winter term, which consists of winter semester, winter quarter, or spring semester, as appropriate;

(c) Spring term, which consists of spring quarter;

(d) Summer term, which consists of summer semester or summer quarter, as appropriate.

(2) "Eligible applicant" means any individual to whom all of the following apply:

(a) The individual does not possess a baccalaureate degree;

(b) The individual has enlisted, re-enlisted, or extended current enlistment in the Ohio national guard;

(c) The individual is actively enrolled as a full-time or part-time student for at least six credit hours of course work in a semester or quarter in a two-year or four-year degree-granting program at an institution of higher education or in a diploma-granting program at an institution of higher education that is a school of nursing;

(d) The individual has not accumulated ninety-six eligibility units under division (E) of this section.

~~(2)~~(3) "Institution of higher education" means an Ohio institution of higher education that is state-assisted, that is nonprofit and has received a certificate of authorization from the Ohio board of regents pursuant to Chapter 1713. of the Revised Code, or that holds a certificate of registration and program authorization issued by the state board of proprietary school registration pursuant to section 3332.05 of the Revised Code.

~~(3)~~(4) "State university" has the same meaning as in section 3345.011 of the Revised Code.

(B)(1) There is hereby created ~~an instructional grant~~ a scholarship program to be known as the Ohio national guard ~~tuition grant~~ scholarship program. The For the fiscal year 2000, the number of participants in the program for the fall term is limited to the equivalent of two thousand five hundred full-time participants; the number of participants in the program for the winter term is limited to the equivalent of two thousand five hundred full-time participants; the number of participants in the program for the spring term is limited to the equivalent of one thousand six hundred seventy-five full-time participants; and the number of participants in the program for the summer term is limited to the equivalent of six hundred full-time participants. Except as provided in division (B)(2) of this section for the fiscal year 2001 and succeeding fiscal years, the number of participants in the program for the fall term is limited to the equivalent of three thousand five hundred full-time participants; the number of PARTICIPANTS in the program for the winter term is limited to the equivalent of three thousand five hundred full-time participants; the number of participants in the program for the spring term is limited to the equivalent of two thousand three hundred forty-five full-time participants; and the number of participants in the program for the summer term is limited to four thousand per academic term the equivalent of eight hundred full-time participants

(2) After the application deadline for any academic term in fiscal year 2001, the adjutant general may request the controlling board, if sufficient appropriated funds are available, to approve the following number of additional participants for that term:

(a) for the fall or winter academic term, up to the equivalent of five hundred additional full-time participants;

(b) For the spring academic term, up to the equivalent of three hundred seventy-five additional full-time participants;

(c) For the summer academic term, up to the equivalent of one hundred twenty-five additional full-time participants.

(C) If the adjutant general estimates that appropriations for all

~~instructional-grants~~ scholarships applied for under this section and likely to be used during a an academic term are inadequate for all eligible applicants for that academic term to receive ~~grants~~ scholarships, the adjutant general shall promptly inform all applicants not receiving ~~grants~~ scholarships for that academic term of the next academic term that appropriations will be adequate for the ~~grants~~ scholarships. Any such eligible applicant may again apply for ~~grants~~ a scholarship beginning that academic term if the applicant is in compliance with all requirements established by this section and the adjutant general for the program. The adjutant general shall process all applications for ~~instructional-grants~~ scholarships for each academic term in the order in which they are received. The ~~grants~~ scholarships shall be made without regard to financial need. At no time shall one person be placed in priority over another because of sex, race, or religion.

(D) ~~For~~ Except as provided in division (H) of this section, for each academic term that an eligible applicant is approved for ~~an instructional grant~~ a scholarship under this section and remains a current member in good standing of the Ohio national guard, the institution of higher education in which the applicant is enrolled shall, if the applicant's enlistment obligation extends beyond the end of that academic term, be paid on the applicant's behalf the applicable one of the following amounts:

(1) If the institution is state-assisted, an amount equal to ~~sixty~~ one hundred per cent of the institution's tuition charges;

(2) If the institution is a nonprofit private institution, an amount equal to ~~sixty~~ one hundred per cent of the average tuition charges of all state universities;

(3) If the institution is an institution that holds a certificate of registration from the state board of proprietary school registration, the lesser of the following:

(a) An amount equal to ~~sixty~~ one hundred per cent of the total instructional and general charges of the institution;

(b) An amount equal to ~~sixty~~ one hundred per cent of the average tuition charges of all state universities.

(4) an eligible applicant's scholarship shall not be reduced by the amount of that applicant's benefits under "the Montgomery G.I. Bill Act of 1984," Pub. L. No. 98-525, 98 Stat. 2553 (1984).

(E) A ~~grant~~ scholarship recipient under this section shall be entitled to receive ~~instructional-grants~~ scholarships under this section for the number of quarters or semesters it takes the recipient to accumulate ninety-six eligibility units as determined under divisions (E)(1) to (3) of this section.

(1) To determine the maximum number of semesters or quarters for

which a recipient is entitled to ~~grants a scholarship~~ under this section, the adjutant general shall convert a recipient's credit hours of enrollment for each academic term into eligibility units in accordance with the following table:

Number of credit hours of enrollment in a <u>an</u> <u>academic</u> term	equal to or The following number of eligibility units if a quarter
12 or more hours	12 8 units
9 but less than 12	9 6 units
6 but less than 9	6 4 units

(2) A ~~grant scholarship~~ recipient under this section may continue to apply for ~~grants scholarships~~ under this section until the recipient has accumulated ninety-six eligibility units.

(3) If a ~~grant scholarship~~ recipient withdraws from courses prior to the end of a an academic term so that the recipient's enrollment for that academic term is less than six credit hours, no ~~grant scholarship~~ shall be paid on behalf of that person for that academic term except that, if a ~~grant scholarship~~ has already been paid on behalf of the person for that academic term, the adjutant general shall add to that person's accumulated eligibility units the number of eligibility units for which the ~~grant scholarship~~ was paid.

(F) A ~~grant scholarship~~ recipient under this section who fails to complete the term of enlistment, re-enlistment, or extension of current enlistment the recipient was serving at the time ~~an instructional grant a scholarship~~ was paid on behalf of the recipient under this section is liable to the state for repayment of a percentage of all ~~instructional grants~~ Ohio national guard scholarships paid on behalf of the recipient under this section, plus interest at the rate of ten per cent per annum calculated from the dates the ~~grants scholarships~~ were paid. This percentage shall equal the percentage of the current term of enlistment, re-enlistment, or extension of

enlistment a recipient has not completed as of the date the recipient is discharged from the Ohio national guard.

The attorney general may commence a civil action on behalf of the adjutant general to recover the amount of the ~~grants~~ scholarships and the interest provided for in this division and the expenses incurred in prosecuting the action, including court costs and reasonable attorney's fees. A ~~grant~~ scholarship recipient is not liable under this division if the recipient's failure to complete the term of enlistment being served at the time ~~an instructional grant a scholarship~~ was paid on behalf of the recipient under this section is due to the recipient's death; discharge from the national guard due to disability; or the recipient's enlistment, for a term not less than the recipient's remaining term in the national guard, in the active component of the United States armed forces or the active reserve forces component of the United States armed forces.

(G) On or before the first day of each academic term, the adjutant general shall provide an eligibility roster to each institution of higher education at which one or more ~~instructional grant~~ scholarship recipients have applied for enrollment. The institution shall use the roster to certify the actual full-time or part-time enrollment of each ~~instructional grant~~ scholarship recipient listed as enrolled at the institution and return the roster to the adjutant general within thirty days after the first day of the academic term. ~~Within thirty days after the adjutant general receives all the rosters, he~~ the adjutant general shall report to the Ohio Board of Regents the number of students in the Ohio National Guard Scholarship Program at each institution of higher education. The Ohio Board of Regents shall provide for payment of the appropriate number and amount of scholarships to each institution of higher education pursuant to division (D) of this section. The adjutant general shall report on a quarterly basis to the director of budget and management, the speaker of the house of representatives, and the president of the senate the number of students in the tuition grant program Ohio national guard scholarship recipients and a projection of the cost of the program for the remainder of the biennium.

(H) the chancellor of the Ohio board of regents and the adjutant general may adopt rules pursuant to Chapter 119. of the Revised Code governing the administration and fiscal management of the Ohio national gaurd scholarship program and the procedure by which the Ohio board of regents and the department of the adjutant general may modify the amount of scholarships a member receives based on the amount other state financial aid a member recives.

(I) Notwithstanding division (A) of section 127.14 of the Revised Code,

the controlling board shall not transfer all or part of any appropriation for the Ohio national guard scholarship program.

SECTION 2. That existing sections 9.90, 109.57, 125.05, 125.13, 1111.01, 3301.011, 3301.0711, 3301.0714, 3301.17, 3301.171, 3301.80, 3301.801, 3301.86, 3301.87, 3301.88, 3301.91, 3302.01, 3302.02, 3302.03, 3302.04, 3302.07, 3311.19, 3311.213, 3311.24, 3313.376, 3313.603, 3313.608, 3313.61, 3313.611, 3313.612, 3313.613, 3313.981, 3314.02, 3314.03, 3314.05, 3314.06, 3314.08, 3314.09, 3314.11, 3314.12, 3314.13, 3315.17, 3316.05, 3316.06, 3317.01, 3317.02, 3317.022, 3317.023, 3317.024, 3317.029, 3317.0212, 3317.0213, 3317.0216, 3317.03, 3317.033, 3317.05, 3317.051, 3317.11, 3317.162, 3317.19, 3317.51, 3318.01, 3318.011, 3318.05, 3318.06, 3318.08, 3318.081, 3318.082, 3318.13, 3318.14, 3318.15, 3318.16, 3318.17, 3318.18, 3318.21, 3318.25, 3318.26, 3318.29, 3318.31, 3318.35, 3319.22, 3319.235, 3332.05, 3332.07, 3332.084, 3332.085, 3333.04, 3333.12, 3333.27, 3345.22, 3365.01, 3365.02, 3365.03, 3365.041, 3365.05, 3365.07, 3365.09, 3770.01, 3770.06, 4117.101, 5126.12, 5126.16, 5705.29, 5705.412, 5747.01, 5910.032, and 5919.34 and sections 3313.21, 3313.974, 3313.975, 3313.976, 3313.977, 3313.978, 3313.979, 3317.0214, 3317.053, 3317.16, 3318.23, 3318.24, and 3318.27 of the Revised Code are hereby repealed.

SECTION 3. Except as otherwise provided, all appropriation line items (ALI) in this act are hereby appropriated out of any moneys in the state treasury to the credit of the designated fund, which are not otherwise appropriated. For all appropriations made in this act, those amounts in the first column are for fiscal year 2000 and those amounts in the second column are for fiscal year 2001.

<u>FND ALI</u>	<u>ALI TITLE</u>	<u>FY 2000</u>	<u>FY 2001</u>
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SECTION 4. EDU DEPARTMENT OF EDUCATION

General Revenue Fund

GRF 200-100	Personal Services	\$ 12,190,600	\$ 12,265,000
GRF 200-320	Maintenance and Equipment	\$ 8,961,654	\$ 5,293,979
GRF 200-406	Head Start	\$ 96,992,016	\$ 100,843,825
GRF 200-408	Public Preschool	\$ 19,066,606	\$ 19,506,205
GRF 200-410	Professional Development	\$ 27,293,834	\$ 28,568,834
GRF 200-411	Family and Children First	\$ 10,642,188	\$ 10,642,188
GRF 200-416	Vocational Education Match	\$ 2,325,916	\$ 2,381,738
GRF 200-420	Technical Systems Development	\$ 4,950,000	\$ 3,850,000

Am. Sub. H. B. No. 282

253

GRF 200-422	School Management Assistance	\$	1,387,186	\$	1,440,836
GRF 200-424	Policy Analysis	\$	505,354	\$	637,655
GRF 200-426	Ohio Educational Computer Network	\$	25,089,772	\$	37,004,086
GRF 200-431	School Improvement Models	\$	26,900,000	\$	26,775,000
GRF 200-432	School Conflict Management	\$	611,645	\$	621,524
GRF 200-437	Student Proficiency	\$	16,097,983	\$	15,692,045
GRF 200-441	American Sign Language	\$	231,449	\$	237,003
GRF 200-442	Child Care Licensing	\$	1,477,003	\$	1,518,359
GRF 200-445	OhioReads Admin/Volunteer Support	\$	5,000,000	\$	5,000,000
GRF 200-446	Education Management Information System	\$	13,799,674	\$	12,649,674
GRF 200-447	GED Testing/Adult High School	\$	2,033,187	\$	2,081,983
GRF 200-455	Community Schools	\$	3,500,000	\$	3,500,000
GRF 200-500	School Finance Equity	\$	47,608,196	\$	33,756,194
GRF 200-501	Base Cost Funding	\$	3,469,673,294	\$	3,794,843,963
GRF 200-502	Pupil Transportation	\$	266,080,719	\$	291,182,101
GRF 200-503	Bus Purchase Allowance	\$	38,132,291	\$	39,047,466
GRF 200-505	School Lunch Match	\$	9,450,000	\$	9,450,000
GRF 200-509	Adult Literacy Education	\$	9,361,964	\$	9,586,651
GRF 200-511	Auxiliary Services	\$	110,255,190	\$	118,083,309
GRF 200-513	Summer Intervention	\$	15,500,000	\$	15,500,000
GRF 200-514	Post-Secondary/Adult Vocational Education	\$	21,254,866	\$	23,230,243
GRF 200-520	Disadvantaged Pupil Impact Aid	\$	390,708,953	\$	390,708,953
GRF 200-521	Gifted Pupil Program	\$	41,923,505	\$	44,060,601
GRF 200-524	Educational Excellence and Competency	\$	13,548,666	\$	11,934,667
GRF 200-532	Nonpublic Administrative Cost Reimbursement	\$	48,062,292	\$	51,474,714
GRF 200-533	School-Age Child Care	\$	1,070,720	\$	1,096,417
GRF 200-534	Desegregation Costs	\$	12,000,000	\$	11,700,000
GRF 200-540	Special Education Enhancements	\$	127,842,848	\$	139,220,164
GRF 200-545	Vocational Education Enhancements	\$	30,793,259	\$	32,662,107
GRF 200-546	Charge-Off Supplement	\$	10,000,000	\$	14,000,000
GRF 200-547	Power Equalization	\$	21,900,000	\$	34,700,000
GRF 200-551	Reading Improvement	\$	1,704,454	\$	1,745,361
GRF 200-552	County MR/DD Boards Vehicle Purchases	\$	1,627,152	\$	1,666,204
GRF 200-553	County MR/DD Boards Transportation Operating	\$	8,326,400	\$	9,575,910
GRF 200-558	Emergency Loan Interest Subsidy	\$	6,940,447	\$	5,470,150
GRF 200-566	OhioReads Grants	\$	25,000,000	\$	25,000,000
GRF 200-570	School Improvement Incentive Grants	\$	10,000,000	\$	10,000,000
GRF 200-572	Teacher Incentive Grants	\$	5,000,000	\$	0
GRF 200-573	Character Education	\$	1,050,000	\$	1,050,000

Am. Sub. H. B. No. 282

254

GRF 200-574	Substance Abuse Prevention	\$	2,300,000	\$	2,420,000
GRF 200-575	12th Grade Proficiency Stipend	\$	17,500,000	\$	17,500,000
GRF 200-580	River Valley School Environmental Issues	\$	350,000	\$	0
GRF 200-901	Property Tax Allocation - Education	\$	636,200,000	\$	673,960,000
GRF 200-906	Tangible Tax Exemption - Education	\$	69,000,000	\$	71,000,000
TOTAL GRF General Revenue Fund		\$	5,749,221,283	\$	6,176,135,110
General Services Fund Group					
138 200-606	Computer Services	\$	4,255,067	\$	4,374,209
4D1 200-602	Ohio Prevention/Education Resource Center	\$	310,000	\$	325,000
4L2 200-681	Teacher Certification and Licensure	\$	3,774,544	\$	3,880,232
452 200-638	Miscellaneous Revenue	\$	1,045,000	\$	1,045,000
5H3 200-687	School District Solvency Assistance	\$	30,000,000	\$	30,000,000
596 200-656	Ohio Career Information System	\$	699,399	\$	718,084
TOTAL GSF General Services Fund Group		\$	40,084,010	\$	40,342,525
Federal Special Revenue Fund Group					
309 200-601	Educationally Disadvantaged	\$	14,444,213	\$	14,872,241
366 200-604	Adult Basic Education	\$	14,901,137	\$	14,901,137
3H9 200-605	Head Start Collaboration Project	\$	250,000	\$	250,000
367 200-607	School Food Services	\$	9,492,000	\$	9,783,000
3T4 200-613	Public Charter Schools	\$	3,157,895	\$	4,725,000
368 200-614	Veterans' Training	\$	609,517	\$	626,584
369 200-616	Vocational Education	\$	7,500,000	\$	8,000,000
3L6 200-617	Federal School Lunch	\$	163,500,000	\$	170,500,000
3L7 200-618	Federal School Breakfast	\$	40,500,000	\$	44,500,000
3L8 200-619	Child and Adult Care Programs	\$	58,600,000	\$	58,600,000
3L9 200-621	Vocational Education Basic Grant	\$	55,583,418	\$	57,139,754
3M0 200-623	ESEA Chapter One	\$	375,633,666	\$	394,415,350
370 200-624	Education of All Handicapped Children	\$	1,594,949	\$	1,320,000
3T5 200-625	Coordinated School Health	\$	536,437	\$	536,437
3N7 200-627	School-to-Work	\$	13,864,500	\$	14,252,706
371 200-631	EEO Title IV	\$	488,052	\$	508,917
374 200-647	E.S.E.A. Consolidated Grants	\$	107,096	\$	110,094
376 200-653	J.T.P.A.	\$	5,123,365	\$	5,266,819
3R3 200-654	Goals 2000	\$	19,453,001	\$	20,425,651
378 200-660	Math/Science Technology Investments	\$	11,686,926	\$	12,271,272
3C5 200-661	Federal Dependent Care Programs	\$	17,996,709	\$	17,996,709
3D1 200-664	Drug Free Schools	\$	20,026,500	\$	20,587,242
3D2 200-667	Honors Scholarship Program	\$	1,976,400	\$	2,371,680

Am. Sub. H. B. No. 282

255

3E2	200-668	AIDS Education Project	\$	620,774	\$	620,774
3S7	200-673	Child Care School Age	\$	5,135,000	\$	5,278,000
3M1	200-678	ESEA Chapter Two	\$	61,901,429	\$	16,591,501
3M2	200-680	Ind W/Disab Education Act	\$	143,000,000	\$	162,000,000
3P9	200-686	SRRC/FRC Evaluation Project	\$	51,350	\$	52,788
TOTAL FED Federal Special Revenue Fund Group			\$	1,047,734,334	\$	1,058,503,656
State Special Revenue Fund Group						
4M4	200-637	Emergency Service Telecommunication Training	\$	762,548	\$	783,899
4R7	200-695	Indirect Cost Recovery	\$	2,868,561	\$	2,948,881
4V7	200-633	Interagency Vocational Support	\$	645,359	\$	663,429
454	200-610	Guidance and Testing	\$	503,912	\$	516,484
455	200-608	Commodity Foods	\$	8,000,000	\$	8,000,000
5B1	200-651	Child Nutrition Services	\$	2,500,000	\$	2,500,000
598	200-659	Auxiliary Services Mobile Units	\$	1,292,714	\$	1,328,910
620	200-615	Educational Grants	\$	1,500,000	\$	1,500,000
TOTAL SSR State Special Revenue Fund Group			\$	18,073,094	\$	18,241,603
Lottery Profits Education Fund Group						
017	200-612	Base Cost Funding	\$	656,247,000	\$	660,467,000
017	200-682	Lease Rental Payment Reimbursement	\$	29,753,000	\$	29,733,000
TOTAL LPE Lottery Profits Education Fund Group			\$	686,000,000	\$	690,200,000
TOTAL ALL BUDGET FUND GROUPS			\$	7,541,112,721	\$	7,983,422,894

SECTION 4.01.

Personal Services

Of the foregoing appropriation item 200-100, Personal Services, \$120,000 in each fiscal year shall be used to support the salary and fringe benefits of a teacher in residence and support staff at the Governor's Office.

Of the foregoing appropriation item 200-100, Personal Services, up to \$250,000 in fiscal year 2000 shall be used by the Department of Education to contract with an independent researcher to conduct a study of the educational and fiscal benefits of sharing services, programs, and facilities in school districts that are declared to be in a state of academic emergency under division (B) of section 3302.03 of the Revised Code or declared to be in a state of fiscal emergency under section 3316.03 of the Revised Code. The study shall pay particular attention to the academic benefits of school district sharing services and shall examine the feasibility of joint use of facilities and joint provision of programs by school districts. The department shall submit the completed study to the General Assembly and the Governor

by December 31, 1999.

Maintenance and Equipment

Of the foregoing appropriation item 200-320, Maintenance and Equipment, up to \$25,000 may be expended in each year of the biennium for State Board of Education out-of-state travel.

Of the foregoing appropriation item 200-320, Maintenance and Equipment, \$4,000,000 in fiscal year 2000 shall be reserved to fund expenses associated with the Department of Education's move from the Ohio Departments Building. The unencumbered balance of the appropriation at the end of fiscal year 2000 is hereby transferred to fiscal year 2001 to pay the cost of the move of the Department of Education from the Ohio Departments Building.

Of the foregoing appropriation item 200-320, Maintenance and Equipment, \$30,000 in each fiscal year shall be used to fund the travel expenses and administrative overhead of the Teacher in Residence and support staff at the Governor's Office.

Of the foregoing appropriation item 200-320, Maintenance and Equipment, up to \$17,675 in fiscal year 2000 shall be used to fund the acquisition and shipping costs associated with providing one copy of the book "Letters Home: The Letters of the Ohio Veterans Plaza," and a videotape of the dedication of the Ohio Veterans Plaza to each public high school library in the state.

Of the foregoing appropriation item 200-320, Maintenance and Equipment, up to \$350,000 in fiscal year 2001 shall be reserved for the expenses of the Auditor of State, if necessary, subject to approval of the Controlling Board.

SECTION 4.02.

Head Start

The foregoing appropriation item 200-406, Head Start, shall be distributed by the Department of Education to Head Start agencies. A "Head Start agency" means an entity that has been approved to be an agency in accordance with Section 641 (42 U.S.C. 9836) of the Head Start Act and amendments thereto, or an entity designated for state Head Start funding under this section. Participation in state funded Head Start programs is voluntary.

Moneys distributed under this heading shall not be used to reduce expenditures from funds received by a Head Start agency from any other sources. Section 3301.31 of the Revised Code does not apply to funds distributed under this heading. In lieu of section 3301.31 of the Revised

Code, distribution of moneys under this heading shall be as follows:

(A) In fiscal years 2000 and 2001, up to two per cent of the appropriation may be used by the department for administrative costs of complying with this section; developing program capacity; and assisting programs with facilities planning, construction, renovation, or lease agreements in combination with the Community Development Finance Fund (CDFF). Up to \$3,000,000 in fiscal year 2000 and \$1,500,000 in fiscal year 2001 may be used for training in early literacy for Head Start classroom teachers and administrators to support the OhioReads Initiative.

(B) The department shall provide an annual report to the Governor, the Speaker of the House of Representatives, the President of the Senate, the State Board of Education, Head Start grantees, and other interested parties. The report shall include the following:

(1) The number and per cent of eligible children by county and by grantee;

(2) The amount of state funds requested for continuation per grantee;

(3) The amount of state funds received for continuation per grantee;

(4) A summary of program performance on the state critical performance indicators;

(5) A summary of developmental progress of children participating in the state funded Head Start program;

(6) Any other data reflecting the performance of Head Start that the department considers pertinent.

(C) For purposes of this section, "eligible child" means a child who is at least three years of age and not of compulsory school age whose family earns no more than 100 per cent of the federal poverty level, except as otherwise provided in this division.

The Department of Education, in consultation with Head Start grantees or their designated representatives, shall establish criteria under which individual Head Start grantees may apply to the department for a waiver to include as "eligible children" those children from families earning up to 125 per cent of the federal poverty level when the children otherwise qualify as "eligible children" under this division.

The Department of Education, in consultation with the Department of Human Services, interested parties, and Head Start agencies shall formulate a method for determining an estimate of the number of eligible children and the per cent served by grantee(s) in each county.

(D) After setting aside amounts to make any payments due from the prior fiscal year, in fiscal years 2000 and 2001, funds shall first be distributed to recipients of Head Start funds during the preceding fiscal year.

Awards under this division may be reduced by the amount received in that year for one-time start-up costs and may be adjusted for actual months of program operation or enrollment as reported during the first full week of December, and may be increased by a reasonable percentage for inflation to be determined by the Department of Education and in accordance with this section. The department may redistribute dollars to programs demonstrating an unmet need based on updated assessments of family needs and community resources, with special attention to the projected impact of welfare reform. In fiscal years 2000 and 2001, the department may authorize recipients to carry over funds to the subsequent fiscal year.

The department may reallocate unobligated or unspent money to participating Head Start agencies for purposes of program expansion, improvement, or special projects to promote excellence and innovation.

(E) Costs for developing and administering a Head Start program may not exceed fifteen per cent of the total approved costs of the program.

All recipients of funds shall maintain such fiscal control and accounting procedures as may be necessary to ensure the disbursement of, and accounting for, these funds. The control of funds provided in this program, and title to property obtained therefrom, shall be under the authority of the approved recipient for purposes provided in the program. The approved recipient shall administer and use such property and funds for the purposes specified.

Each recipient shall furnish the department an annual audit that includes the review of state funds received under this section.

(F) The department shall prescribe target levels for critical performance indicators for the purpose of assessing Head Start programs. On-site reviews and follow-up visits shall be based on grantee progress in meeting the prescribed target levels.

The department may audit a Head Start agency's financial and program records. Head Start agencies that have financial practices not in accordance with standard accounting principles, that fail to substantially meet the Head Start performance standards, or that exhibit below-average performance shall be subject to an on-site review.

The department shall require corrective plans of action for programs not achieving target levels or financial and program standards. Action plans shall include activities to be conducted by the grantee and timelines for activities to be completed and timelines for additional data submission to the department demonstrating targets have been met. The Policy Council chairperson and the appropriate grantee board official shall sign the corrective plans of action.

Programs not meeting performance targets in accordance with the plan of action and prescribed timelines may have their continuation funding reduced, be disqualified for expansion consideration until targets are met, or have all state funds withdrawn and a new grantee established.

The department shall require school districts to collect "preschool" information by program type. All data shall be reported via the Education Management Information System (EMIS).

(G) The department shall require Head Start grantees to document child progress, using a common instrument prescribed by the department, and report results annually. The department shall determine the dates for documenting and reporting.

The State Board of Education shall adopt rules addressing the use of screening and assessment data, including, but not limited to, all the following:

(1) Protection of the identity of individual children through assignment of a unique but not personally identifiable code;

(2) Parents' rights;

(3) Use of the data by school personnel as it relates to kindergarten entrance.

(H) New agencies may be designated for state Head Start funding if a Head Start agency voluntarily waives its right for funding or is de-funded based on performance.

When such a condition exists, the department shall conduct a competitive bidding process to select a new agency to provide state funded continuation and/or expansion services. The bidding process shall include notices of competitive bidding mailed to delegate agencies in the affected area and to newspapers in the Head Start service area.

Section 3313.646 of the Revised Code does not apply to funds distributed under this section.

(I) It is the intent of the General Assembly that appropriations for appropriation items 200-406, Head Start, and 200-408, Public Preschool, be available for transfer between Head Start and public preschool programs so that unallocated funds may be used between the two programs.

SECTION 4.03.

Public Preschool

The Department of Education shall distribute the foregoing appropriation item 200-408, Public Preschool, to pay the costs of comprehensive preschool programs. As used in this section, "school district" means a city, local, exempted village, or joint vocational school district, or

an educational service center.

(A) In fiscal years 2000 and 2001, up to two per cent of the total appropriation may be used by the department for administrative costs of complying with this section; developing program capacity; and assisting programs with facilities planning, construction, renovation, or lease agreements in conjunction with the Community Development Finance Fund (CDFS).

(B) The department shall provide an annual report to the Governor, the Speaker of the House of Representatives, the President of the Senate, the State Board of Education, Head Start grantees, and other interested parties. The report shall include:

(1) The number and per cent of eligible children by county and by school district;

(2) The amount of state funds requested for continuation per school district;

(3) The amount of state funds received for continuation per school district;

(4) A summary of program performance on the state critical performance indicators in the public preschool program;

(5) A summary of developmental progress of children participating in the state funded public preschool program;

(6) Any other data reflecting the performance of public preschool programs that the department considers pertinent.

(C) For purposes of this section "eligible child" means a child who is at least three years of age whose family earns no more than 185 per cent of the federal poverty level.

The Department of Education, in consultation with the Department of Human Services, interested parties, and Head Start agencies shall formulate a method for determining an estimate of the number of eligible children and the percentage served by grantees in each county.

(D) After setting aside amounts to make any payments due from the prior fiscal year, in fiscal years 2000 and 2001, funds shall first be distributed to recipients of funds during the preceding fiscal year. Awards under this division may be reduced by the amount received in that fiscal year for one-time start-up costs and may be adjusted for actual months of program operation or enrollment as reported during the first full week of December, and may be increased by a reasonable percentage to be determined by the Department of Education. The department may redistribute dollars to programs demonstrating an unmet need based on updated assessments of family needs and community resources, with special

attention to the projected impact of welfare reform. In fiscal years 2000 and 2001, the department may authorize recipients to carry over funds to the subsequent fiscal year.

The department may reallocate unobligated or unspent money to participating school districts for purposes of program expansion, improvement, or special projects to promote excellence and innovation.

(E) Costs for developing and administering a preschool program may not exceed fifteen per cent of the total approved costs of the program.

All recipients of funds shall maintain such fiscal control and accounting procedures as may be necessary to ensure the disbursement of, and accounting for, these funds. The control of funds provided in this program, and title to property obtained therefrom, shall be under the authority of the approved recipient for purposes provided in the program. The approved recipient shall administer and use such property and funds for the purposes specified.

(F) The department shall prescribe target levels for critical performance indicators for the purpose of assessing public preschool programs. On-site reviews and follow-up visits shall be based on progress in meeting the prescribed target levels.

The department may audit a school district's preschool financial and program records. School districts that have financial practices not in accordance with standard accounting principles, that operate preschool programs that fail to substantially meet the Head Start performance standards, or that exhibit below-average performance shall be subject to an on-site review.

The department shall require corrective plans of action for programs not achieving target levels or financial and program standards. Action plans shall include activities to be conducted by the grantee and timelines for activities to be completed and timelines for additional data submission to the department demonstrating that targets have been met. The appropriate school board official shall sign the corrective plans of action.

Public preschool programs not meeting performance targets in accordance with the plan of action and prescribed timelines may have their continuation funding reduced, be disqualified for expansion consideration until targets are met, or have all state funds withdrawn and a new program established.

(G) The department shall require public preschool programs to document child progress, using a common instrument prescribed by the department, and report results annually. The department shall determine the dates for documenting and reporting.

The State Board of Education shall adopt rules addressing the use of screening and assessment data, including, but not limited to, all of the following:

(1) Protection of the identity of individual children through assignment of a unique but not personally identifiable code;

(2) Parents' rights;

(3) Use of the data by school personnel as it relates to kindergarten entrance.

(H) Each school district shall develop a sliding fee scale based on the family incomes in the district and shall charge families who earn more than the federal poverty level for preschool.

(I) It is the intent of the General Assembly that appropriations for appropriation items 200-406, Head Start, and 200-408, Public Preschool, be available for transfer between Head Start and Public Preschool programs so that unallocated funds may be used between the two programs.

SECTION 4.04.

Professional Development

Of the foregoing appropriation item 200-410, Professional Development, \$5,997,829 in each fiscal year 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.

Of the foregoing appropriation item 200-410, Professional Development, \$1,321,292 in each fiscal year 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, \$9,659,713 in each fiscal year 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 in all school districts and chartered nonpublic schools. 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 districts with pass rates of less than 75 per cent on the fourth grade reading proficiency test shall allocate no less than 40 per cent of these funds for professional development for teachers in elementary literacy skills.

Of the foregoing appropriation item 200-410, Professional Development, \$115,000 in each fiscal year shall be used to fund public institutions or agencies that provide educational services and employ or contract the services of licensed educators for establishing local professional development committees pursuant to division (C)(5) of section 3319.22 of the Revised Code.

Of the foregoing appropriation item 200-410, Professional Development, \$2,325,000 in fiscal year 2000 and \$3,600,000 in fiscal year 2001 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.

These moneys shall be used to pay for the first 600 applications in fiscal year 2000 and the first 800 applications in fiscal year 2001 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 programs, including university programs, that enhance applicant learning and professional development during the National Board Certification process.

Of the foregoing appropriation item 200-410, Professional

Development, up to \$1,875,000 in each fiscal year shall be allocated for entry year programs. Each fiscal year, up to \$1,250,000 shall be used for mentors and assessor training, and up to \$1,475,000 for peer review. The Department of Education shall select eligible beginning teachers to participate in a year-long entry year program that provides 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.

Of the foregoing appropriation item 200-410, Professional Development, up to \$650,000 in each fiscal year shall be used to continue Ohio leadership academies to develop and train superintendents, principals, other administrators, and school 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, up to \$850,000 in each fiscal year shall be used to support a two-year Principal's Leadership Academy that will serve principals and their staff teams. An advisory panel comprised of national business and education experts shall advise the Ohio Department of Education on content and delivery of curriculum and instruction.

Of the foregoing appropriation item 200-410, Professional Development, up to \$975,000 in each fiscal year shall be used to establish an entry year program for principals. Grants shall be issued to pilot sites that shall develop prototypes of the program in a variety of contexts. These sites shall also pilot the School Leaders Licensure Assessment, which was developed by the Educational Testing Service at a cost of \$450 per assessment.

Of the foregoing appropriation item 200-410, Professional Development, up to \$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. No funding shall be released prior to the Department of Education receiving a satisfactory report of the activities conducted by these professional development academies during the previous year.

SECTION 4.05.

Family and Children First

(A) Of the foregoing appropriation item 200-411, Family and Children First, the Department of Education shall transfer up to \$3,677,188 in each fiscal year 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 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. 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.

(B) Of the funds appropriated in this item, up to \$1,775,000 in each fiscal year 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 \$20,000. 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 redirected by the Family and Children First Cabinet Council to other priorities and activities. 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 \$5,190,000 in each fiscal year 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 (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 to maintain three school readiness resource centers that are 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 operate the school readiness resource centers based upon 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.

SECTION 4.06.

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.

Technical Systems Development

The foregoing appropriation item 200-420, Technical Systems Development, shall be used to support several information system development projects that are designed to improve the performance and customer service of the Ohio Department of Education. Implementation of these systems shall allow the department to provide greater levels of assistance and more timely information to school districts, administrators, and legislators.

Up to \$2,500,000 in fiscal year 2000 shall be used for development and testing of the school administration software of EMIS. Up to \$250,000 in fiscal year 2000 shall be used for the construction plans of the EMIS redesign.

In fiscal year 2000, up to \$300,000 may be used for the department's maintenance contract for database management software; up to \$100,000 shall be used for Phase I of the department's data warehouse software purchase and maintenance fees; and up to \$300,000 shall be used for Phase II of the data warehouse project.

In fiscal year 2001, up to \$1,800,000 shall be used for EMIS conversion, including district support and technical assistance; up to \$350,000 may be used for the department's annual maintenance contract for database management software; and up to \$200,000 shall be used to support the data warehouse project.

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 and to administer, monitor, and implement the fiscal watch and fiscal emergency provisions under Chapter 3316. of the Revised Code.

Policy Analysis

The foregoing appropriation item 200-424, Policy Analysis, 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 Educational Computer Network

The foregoing appropriation item 200-426, Ohio Educational 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.

Of the foregoing appropriation item 200-426, Ohio Educational Computer Network, up to \$10,460,000 in fiscal year 2000 and \$11,510,000 in fiscal year 2001 shall be used to 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, to assure the effective operation of local automated administrative and instructional systems.

In order to broaden the scope of the use of technology for education, the department may use up to \$250,000 in each fiscal year to coordinate the activities of the computer network with other agencies funded by the department or the state. 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 \$10,260,000 in fiscal year 2000 and \$19,000,000 in fiscal year 2001 shall be used by the Department of Education to support connections of all public school buildings to the Ohio Education 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 Education 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 fiscal year 2000, the Department of Education shall use up to \$1,939,772 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 Education Computer Network up to \$1,994,086 in fiscal year 2001 shall be used for the Union Catalog and InfoOhio Network.

The Department of Education shall use up to \$2,430,000 in fiscal year 2000 and up to \$4,500,000 in fiscal year 2001 to assist designated data acquisition sites with operational costs associated with the increased use of the Ohio Education Computer Network by chartered nonpublic schools. The Department of Education shall develop a formula and guidelines for distribution of these funds to designated data acquisition sites.

SECTION 4.07.

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 \$8,850,000 in fiscal year 2000 shall be used to provide grants of \$25,000 to 354 schools and up to \$6,225,000 in fiscal year 2001 shall be used to provide grants of \$25,000 to 249 schools.

The Superintendent of Public Instruction shall assess individual school district responses to the performance audits conducted by the Auditor of State as required by Am. Sub. H.B. No. 215 of the 122nd General Assembly. These assessments shall be compiled into a report to the Speaker of the House of Representatives, the President of the 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, \$5,000,000 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.

Of the foregoing appropriation item 200-431, School Improvement Models, \$250,000 in each fiscal year shall be used for the development and operation of a Safe Schools Center. The Department of Education shall oversee the creation of a center to serve as a coordinating entity to assist school district personnel, parents, juvenile justice representatives, and law enforcement in identifying effective strategies and services for improving school safety and reducing threats to the security of students and school personnel.

Of the foregoing appropriation item 200-431, School Improvement Models, up to \$1,800,000 in each fiscal year shall be used for a safe-school help line program for students, parents, and the community to report threats to the safety of students or school personnel. The Department of Education shall distribute funds, in accordance with criteria established by it, to school districts whose superintendents indicate the program will be a meaningful aid to school security.

Of the foregoing appropriation item 200-431, School Improvement Models, \$5,850,000 in fiscal year 2000 and \$5,300,000 in fiscal year 2001 shall be used to provide technical assistance to school districts that are declared to be in a state of academic watch or academic emergency under section 3302.03 of the Revised Code to develop their continuous improvement plans as required in section 3302.04 of the Revised Code.

Of the foregoing appropriation item 200-431, School Improvement Models, \$5,150,000 in fiscal year 2000 and \$8,200,000 in fiscal year 2001 shall be used for professional development in literacy for classroom teachers, administrators, and literacy specialists.

School Conflict Management

Of the foregoing appropriation item 200-432, School Conflict Management, 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 and Conflict Management in the development and dissemination of the school conflict management program. The assistance provided by the Department of Education shall include the assignment of a full-time employee of the department to the Commission on Dispute Resolution and Conflict Management to provide technical and administrative support to maximize the quality of dispute resolution and conflict management programs and services provided to school districts.

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 shall be used to implement pilot projects

for the integration of American Sign Language deaf language into the kindergarten 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.

OhioReads Admin/Volunteer Support

The foregoing appropriation item 200-445, OhioReads Admin/Volunteer Support, may be allocated by the OhioReads Council for volunteer coordinators in public school buildings, to educational service centers for costs associated with volunteer coordination, for background checks for volunteers, to evaluate the OhioReads Program, and for operating expenses associated with administering the program.

SECTION 4.08.

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, to implement the common student information management software developed by the Department of Education, and to implement, develop, and improve the Education Management Information System (EMIS).

Up to \$1,000,000 in each fiscal year shall be used by the Department of Education to assist designated data acquisition sites or school districts with deployment of the common student information management software, and 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 \$2,865,553 in fiscal year 2000 and \$2,951,519 in fiscal year 2001 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 \$6,359,593 in fiscal year 2000 and \$6,550,325 in fiscal year 2001 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 education management information system, and facilitate local district, school, and classroom management activities.

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. The Department of Education shall reimburse school districts and community schools, created in accordance with Chapter 3314. of the Revised Code 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 shall also provide such services to students who are residents of the district pursuant to section 3313.64 of the Revised Code, but who are enrolled in chartered, nonpublic schools. The 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 school premises. No school district shall provide summer instructional or intervention services to nonpublic school students as authorized by this section unless such services are available to students attending the public schools within the district. No school district shall provide services for use in religious courses, devotional exercises, religious training, or any other religious activity. Chartered, nonpublic schools shall pay for any unreimbursed costs incurred by the school districts for providing summer costs incurred by the school districts for providing summer instruction or intervention services to students enrolled in chartered, nonpublic schools. School districts may provide these services to students directly or contract with post-secondary or nonprofit community-based institutions in providing instruction. The appropriation shall also 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.

Community Schools

Of the foregoing appropriation item 200-455, Community Schools, up to \$100,000 in each fiscal year may be used by the Lucas County Educational Service Center to pay for additional services provided to community schools, subject to the reporting by the service center of actual expenses incurred to the Department of Education. In each fiscal year, up to \$400,000 may be used by the Office of School Options in the Department of Education for additional services and responsibilities under section 3314.11 of the Revised Code.

The remaining appropriation may be used by the Department of Education and the Lucas County Educational Service Center to make grants of up to \$50,000 to each proposing group with a preliminary agreement obtained under division (C)(2) of section 3314.02 of the Revised Code in order to defray planning and initial start-up costs. In the first year of operation of a community school, the Department of Education and the Lucas County Educational Service Center may make a grant of no more than \$100,000 to the governing authority of the school to partially defray additional start-up costs. The amount of the grant shall be based on a thorough examination of the needs of the community school. The Department of Education and the Lucas County Educational Service Center shall not utilize moneys received under this section for any other purpose other than those specified under this section. The department shall allocate an amount to the Lucas County Educational Service Center for grants to schools in the Lucas County area under this paragraph.

A community school awarded start-up grants from appropriation item 200-613, Public Charter Schools (Fund 3T4), shall not be eligible for grants under this section.

SECTION 4.09.

School Finance Equity

The foregoing appropriation item 200-500, School Finance Equity, shall be distributed to school districts based on the formula specified in section 3317.0213 of the Revised Code.

SECTION 4.10.

Base Cost Funding

Of the foregoing appropriation item 200-501, Base Cost Funding, up to \$3,000,000 in fiscal year 2000 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; 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; an amount shall be available in each year of the biennium to fund up to 225 full-time equivalent approved GRADS teacher grants pursuant to division (R) of section 3317.024 of the Revised Code; an amount shall be available in each year of the biennium to make payments to school districts pursuant to division (A)(2) of section 3317.022 of the Revised Code; up to \$15,000,000 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 except that the Controlling Board may increase the \$15,000,000 amount if presented with such a request from the Department of Education. Of the foregoing appropriation item 200-501, Base Cost Funding, up to \$14,000,000 shall be used in each fiscal year to provide additional state aid to school districts for students in category three special education ADM pursuant to division (C)(4) of section 3317.022 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 section 3317.024 of the Revised Code; up to \$50,000,000 in fiscal year 2000 and up to \$52,000,000 in fiscal year 2001 shall be reserved to fund the state reimbursement of educational service centers pursuant to section 3317.11 of the Revised Code.

Of the foregoing appropriation item 200-501, 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 the public schools of city, local, exempted village, and joint vocational school districts, including base cost funding, special education weight funding, special education speech service enhancement funding, vocational education weight funding, vocational education associated service funding, guarantee funding, and teacher training and experience funding pursuant to sections 3317.022, 3317.023, 3317.0212, and 3317.16 of the Revised Code.

SECTION 4.11.

Pupil Transportation

Of the foregoing appropriation item 200-502, Pupil Transportation, up to \$755,000 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; an amount shall be available in each year of the biennium to be used for special education transportation reimbursements. The reimbursement rate in each year shall be based on the rate defined in division (D) of section 3317.022 of the Revised Code; notwithstanding division (I) of section 3317.024 of the Revised Code, up to \$800,000 in fiscal year 2000 shall be used by the Department of Education to reimburse commercial driver education schools that provide driver education to students who were issued driver education vouchers prior to June 8, 1999 and to provide the \$50 per pupil subsidy to school districts for those students who completed school districts' driver education programs prior to June 30, 1999; 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.

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.

SECTION 4.12.

Adult Literacy Education

The foregoing appropriation item 200-509, Adult Literacy Education, shall be used to support adult basic and literacy education instructional programs, and the State Literacy Resource Center Program.

Of the foregoing appropriation item 200-509, Adult Literacy Education, up to \$520,000 in fiscal year 2000 and \$532,500 in fiscal year 2001 shall be

used for the support and operation of the State Literacy Resource Center.

The remainder shall be used to continue to satisfy the state match and maintenance of effort requirements 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.

Summer Intervention

Of the foregoing appropriation item 200-513, Summer Intervention, up to \$15,500,000 in each fiscal year shall be used to assist districts providing the intervention services specified in section 3313.608 of the Revised Code. These moneys shall be used to provide equalized reimbursement payments using the state aid ratio to school districts providing summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code. The Department of Education shall establish guidelines for the use and distribution of these moneys.

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.

The Governor's Workforce Development Board shall examine the sites statewide participating in the Orientation to Nontraditional Occupations for Women Program and consider making recommendations for funding the

program under the proposed Department of Job and Family Services. In the event that the Department of Job and Family Services is not created through the merger of the Department of Human Services and Bureau of Employment Services in fiscal year 2001, the Workforce Development Board shall make any recommendations for funding the program to the individual agencies.

Disadvantaged Pupil Impact Aid

The foregoing appropriation item 200-520, Disadvantaged Pupil Impact Aid, shall be distributed to school districts according to the provisions of section 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.

The Department of Education shall pay all-day, everyday kindergarten funding to all school districts in fiscal year 2000 and fiscal year 2001 that qualified for and provided the service in a preceding fiscal year pursuant to section 3317.029 of the Revised Code, regardless of changes to such districts' DPIA indexes in fiscal year 2000 and fiscal year 2001.

The Department of Education shall pay to community schools an amount for all-day kindergarten if the school district in which the student is entitled to attend school is eligible but does not receive a payment for all-day kindergarten, pursuant to division (B) of section 3314.13 of the Revised Code, and the student is reported by the community school as enrolled in all-day kindergarten at the community school.

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, up to \$500,000 shall be used each year by the Department of Education to provide start-up grants to rural school districts and to school districts with less than 1,500 ADM 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 section 3317.029 of the Revised Code calculated under division (F)(2) of that section, up to \$11,217,000 in fiscal year 2000 and up to \$13,866,000 in fiscal year 2001 shall be used to operate 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, \$900,000 in fiscal year 2000 and \$1,154,915 in fiscal year 2001 shall be used to support dropout recovery programs administered by the Department of Education, Jobs for Ohio's Graduates program.

There is hereby created the Alternative Education Advisory Council which shall consist of one representative from each of the following agencies: The Ohio Department of Education, the Department of Youth Services, the Ohio Department of Alcohol and Drug Addiction Services, the Department of Mental Health, the Office of the Governor or at the Governor's discretion the Office of the Lieutenant Governor, and the Office of the Attorney General. The Alternative Education Advisory Council shall cease to exist on June 30, 2001.

Of the foregoing appropriation item 200-520, Disadvantaged Pupil Impact Aid, \$10,000,000 in each fiscal year shall be used for competitive matching grants to the 21 urban school districts as defined in division (O) of section 3317.02 of the Revised Code as it existed prior to July 1, 1998, and \$10,000,000 in each fiscal year shall be used for competitive matching grants to rural and suburban school districts for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services' facility.

The Alternative Education Advisory Council shall develop criteria for the awarding of grants for alternative educational programs. The criteria the council develops shall give priority to projects that: demonstrate collaboration among schools, juvenile courts, law enforcement agencies, local government, and other appropriate private and public organizations; include strategies to ensure enforcement of the state's attendance laws; are research-based; and ensure that data necessary for evaluation of the project is collected. Grants shall be awarded only to programs where the grant

would not serve as the program's primary source of funding. The grants shall be administered by the Ohio Department of Education.

The Ohio Department of Education may waive compliance with any minimum education standard established under section 3301.07 of the Revised Code for any alternative school that receives a grant under this section if the Alternative Education Advisory Council recommends the waiver on the grounds that the waiver will enable the program to more effectively educate students enrolled in the alternative school.

SECTION 4.13.

Gifted Pupil Program

The foregoing appropriation item 200-521, Gifted Pupil Program, shall be used for gifted education units not to exceed 975 in fiscal year 2000 and 1,000 in fiscal 2001 pursuant to division (P) of section 3317.024 and division (F) of section 3317.025 of the Revised Code.

Of the foregoing appropriation item 200-521, Gifted Pupil Program, up to \$5,000,000 in each fiscal year of the biennium may be used as an additional supplement for identifying gifted students pursuant to Chapter 3324. of the Revised Code.

Of the foregoing appropriation item 200-521, Gifted Pupil Program, the Department of Education may expend up to \$1,000,000 each year for the Summer Honors Institute for gifted freshmen and sophomore high school students. Up to \$600,000 in each fiscal year shall be used for research and demonstration projects. Of this amount, \$70,000 in each year shall be used for the Ohio Summer School for the Gifted (Martin Essex Program).

SECTION 4.14.

Educational Excellence and Competency

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$35,000 in each fiscal year shall be reserved for the Ohio Science Olympiad and up to \$25,000 in each fiscal year shall be reserved for the International Science and Engineering Fair. Up to \$250,000 in each fiscal year shall be reserved for a Math and Science Initiative to enhance math and science education for elementary students in a county-wide collaborative.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$100,000 may be used in fiscal year 2001 by the Girl Scouts of Central Ohio.

Of the foregoing appropriation item 200-524, Educational Excellence

and Competency, up to \$100,000 in each fiscal year shall be used for the EQUIP Program. Up to \$50,000 in each fiscal year shall be used for the Cincinnati Central Clinic. Up to \$150,000 in fiscal year 2000 and \$125,000 in fiscal year 2001 shall be distributed to the Franklin County Educational Council to operate the Magellan Program. Up to \$50,000 in each fiscal year shall be used for the Findlay-Hancock Summer Academic Camp.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$90,000 in fiscal year 2000 and \$80,000 in fiscal year 2001 shall be used for the Cleveland Language Project; up to \$20,000 in each fiscal year shall be used for the Cincinnati Language Project; up to \$20,000 in fiscal year 2000 and \$30,000 in fiscal year 2001 shall be used for the Columbus Language Project; and up to \$20,000 in each fiscal year shall be used for the Dayton Language Project;

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$125,000 in each year of the biennium may be used to support the Aid for College Opportunities Program.

The Department of Education shall distribute \$150,000 in fiscal year 2000 and \$100,000 in fiscal year 2001 to the Christopher Project. The department shall distribute \$80,000 in fiscal year 2000 and \$40,000 in fiscal year 2001 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 each fiscal year of the biennium, \$100,000 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.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$48,333 in fiscal year 2000 and \$36,667 in fiscal year 2001 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 geography training to public school teachers.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$100,000 in fiscal year 2000 and \$150,000 in fiscal year 2001 may be used by the IAMS "High Schools that Work Initiative."

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$46,000 in fiscal year 2000 may be used for the Stambaugh Auditorium Youngstown Schools 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, \$700,000 in each fiscal year shall be allocated through the Department of Education to the Ohio Council on Economic Education to provide services for programs developed in section 3317.60 of the Revised Code for students in kindergarten through twelfth grades, for services to the Ohio Consumer and Economic Education Coordinator network, and statewide initiatives. Funds shall be used for staff development, curriculum assistance, citizenship proficiency test assistance, consumer and economic resources/information, partnerships/collaborations as needed to develop student economic literacy understanding, and workforce development initiatives.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$50,000 in each fiscal year shall be used to create a Lake, Ashtabula, and Geauga County Educational Service Supercenter, a cooperative agreement to coordinate and consolidate services.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$200,000 in each fiscal year shall be provided to the Stark County Schools Teacher Technical Training Center.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$150,000 in fiscal year 2000 shall be used to support the Cleveland State University/Strongsville School Technology link. Of this amount, \$47,360 shall be distributed to the Strongsville City School District and \$102,640 shall be distributed to Cleveland State University.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$250,000 in each fiscal year shall be used for the Virtual Manufacturing pilot project.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$50,000 in fiscal year 2000 shall be used for the Summit Education Initiative.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$50,000 in each fiscal year shall be used for the Tree of Knowledge Educational Assessment program.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$25,000 in each fiscal year shall be used to support the

purchase of the "I Know I Can" book and supporting materials for second grade students in school districts in which at least fifty per cent of elementary school students receive free or reduced lunch.

The remainder of the appropriation shall be used by the Department of Education to fund programs each year as follows:

	FY 2000	FY 2001
Earn and Learn	\$ 686,667	\$ 343,333
Trumbull County "Make Learning Fun"		
LEAF	\$ 75,000	\$ 75,000
Coventry	\$ 65,000	\$ 65,000
Columbus Youth Corp	\$ 16,667	\$ 8,333
Neighborhood House Preschool	\$ 150,000	\$ 150,000
Montgomery County Summer Math program	\$ 50,000	\$ 50,000
Columbus City District's "I Know I Can"	\$ 143,333	\$ 71,667
Dayton-Montgomery County Scholarship Program	\$ 645,000	\$ 645,000
Cleveland Scholarship	\$ 645,000	\$ 645,000
Cleveland School for the Arts	\$ 500,000	\$ 500,000
Cleveland Initiative for Education	\$ 500,000	\$ 0
Cincinnati Scholarship Foundation	\$ 240,000	\$ 120,000
Improved Solutions for Urban Systems (ISUS)	\$ 645,000	\$ 645,000
Lorain County Access	\$ 100,000	\$ 100,000
Amer-I-Can	\$ 150,000	\$ 150,000
West Jefferson Learns	\$ 850,000	\$ 850,000
Madison Plains Learns	\$ 100,000	\$ 0
Project Succeed	\$ 0	\$ 100,000
Toledo Even Start	\$1,000,000	\$1,000,000
Toledo Tech Academy	\$ 150,000	\$ 0
Toledo Save Other Students	\$ 300,000	\$ 300,000
Toledo International Language Center	\$ 25,000	\$ 25,000
Greater Toledo School-To-Work Consortium	\$ 133,333	\$ 100,000
Muskingum Valley Services Center	\$ 100,000	\$ 100,000
Piqua School SWAT Program	\$ 100,000	\$ 100,000

O.U. Leadership \$ 75,000 \$ 75,000

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 2000 and \$83,000 in fiscal year 2001 shall be used for the Shaker Heights Educational Mobility program.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$100,000 in fiscal year 2000 and \$150,000 in fiscal year 2001 shall be used for grants to Ohio school districts for the JASON Project, a specially designed interactive science and mathematics curriculum for middle school students. Grants may provide up to 75 per cent of a school district's total cost of participation and may be used to purchase curriculum materials, supplemental videos, and professional development materials. Grants may also include miscellaneous costs such as technology equipment and service fees.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$133,333 in fiscal year 2000 and \$66,667 in fiscal year 2001 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.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$100,000 in each fiscal year shall be used for the Parenting Healthy Children Initiative of the Manuel D. and Rhoda Mayerson Foundation.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$100,000 in each fiscal year shall be used by the Department of Education to provide awards to teachers, school buildings, or school districts that promote parental involvement in outstanding ways. The practices, methods, and lessons learned from the award winners shall be shared with all school districts by the Department of Education.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$100,000 in fiscal year 2000 shall be used for the Fireland School District for a project to serve multi-handicapped students in the district, which is also open to other students in Lorain County.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, up to \$200,000 in each fiscal year shall be used for the Tuscarawas County Innovative Remediation Program to provide grants to school districts within Tuscarawas County.

Of the foregoing appropriation item 200-524, Educational Excellence

and Competency, up to \$5,000 in each fiscal year shall be used for the Buckeye Ranch Animal Therapy Program.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$1,000,000 in each fiscal year shall be used for the Waterford Reading 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 a fiscal year until its report for the prior fiscal year has been submitted.

Of the foregoing appropriation item 200-524, Educational Excellence and Competency, \$40,000 in each fiscal year shall be used for the Health Education Center of The Greater Cincinnati Scholarship Fund to provide scholarships to students in Hamilton, Butler, Clermont, and Warren Counties to attend health education programming provided by the center. Eligibility for scholarships shall be restricted to students currently attending school districts receiving funding under Title I of the Elementary and Secondary Education Act of 1965.

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, in fiscal year 2000 or in fiscal year 2001 any unobligated balances may be used to cover the legal fees associated with desegregation cases brought against the state.

By the first day of May of each year, the Department of Education shall 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 section:

(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, Dayton City Schools shall receive at least \$9,000,000 in each of fiscal year 2000 and fiscal year 2001.

SECTION 4.15.

Special Education Enhancements

Of the foregoing appropriation item 200-540, Special Education Enhancements, up to \$44,000,000 in fiscal year 2000 and up to \$48,400,000 in fiscal year 2001 shall be used to fund special education and related services at MR/DD boards for eligible students under section 3317.20 of the Revised Code. Up to \$2,500,000 of these amounts shall be used in each fiscal year to fund up to 57 special education classroom and related services units at institutions.

Of the foregoing appropriation item 200-540, Special Education Enhancements, up to \$3,081,000 in fiscal year 2000 and \$3,167,268 in fiscal year 2001 shall be used for home instruction for handicapped children; up to \$1,500,000 in each fiscal year shall be used for parent mentoring programs; and up to \$2,567,000 in fiscal year 2000 and \$2,639,390 in fiscal year 2001 may be used for school psychology interns.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$2,550,800 in fiscal year 2000 and \$3,704,000 in fiscal year 2001 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, \$72,934,548 in fiscal year 2000 and \$78,623,506 in fiscal year 2001 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 3301-31-05 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.

The Department of Education shall require school districts, educational service centers, and county MR/DD boards serving preschool children with disabilities to document child progress using a common instrument prescribed by the department and report results annually. The reporting dates and methodology shall be determined by the department.

The department shall adopt rules addressing the use of screening and assessment data including, but not limited to:

- (1) Protection of the identity of individual children through assignment of a unique, but not personally identifiable, code;
- (2) Parents' rights; and
- (3) Use of the child data by school personnel as it relates to kindergarten entrance.

Of the foregoing appropriation item 200-540, Special Education Enhancements, up to \$800,000 in each fiscal year shall be allocated to provide grants to research-based reading mentoring programs for students with disabilities in kindergarten through fourth grade. Priority shall be given to mentoring programs that have been recognized by the Education Commission of the States as promising educational practices for accelerating student achievement, are easily replicated, have strong evaluative components, and goals aligned to the Ohio Proficiency Test. Programs may be implemented at times deemed most appropriate. Certified staff shall administer these programs and testing of participants shall be required prior to, during, and after participation in these programs. The results of such tests shall be reported to the Governor, Superintendent of Public Instruction, and General Assembly.

Of the foregoing appropriation item 200-540, Special Education Enhancements, up to \$93,000 in fiscal year 2000 and up to \$86,000 in fiscal year 2001 shall be used to conduct a collaborative pilot program to provide educational services and develop best educational practices for autistic children. The pilot program shall include, but not be limited to, the involvement of the Wood County Board of Mental Retardation and Developmental Disabilities, Wood County Educational Services Center, Children's Resource Center of Wood County, and the Family and Children First Council of Wood County.

Of the foregoing appropriation item 200-540, Special Education

Enhancements, up to \$16,000 in fiscal year 2000 may be used by the Broadmore School to fund the Autistic Children Rehabilitation Program.

Of the foregoing appropriation item 200-540, Special Education Enhancements, up to \$300,000 in each fiscal year shall be expended to conduct a demonstration project involving language and literacy intervention teams supporting student acquisition of language and literacy skills. The demonstration project shall demonstrate improvement of language and literacy skills of at-risk learners under the instruction of certified speech language pathologists and educators. Baseline data shall be collected and comparison data for fiscal year 2000 and fiscal year 2001 shall be collected and reported to the Governor, OhioReads Council, Department of Education, and the General Assembly.

SECTION 4.16.

Vocational Education Enhancements

Of the foregoing appropriation item 200-545, Vocational Education Enhancements, up to \$2,500,000 in fiscal year 2000 and \$2,616,000 in fiscal year 2001 shall be used to fund up to 51 vocational education units at institutions. Up to \$9,975,000 in fiscal year 2000 and up to \$10,972,500 in fiscal year 2001 shall be used to fund the Jobs for Ohio Graduates (JOG) program, up to \$2,315,200 in fiscal year 2000 and up to \$2,431,012 in fiscal year 2001 may be used to support tech prep consortia.

Of the foregoing appropriation item 200-545, Vocational Education Enhancements, up to \$4,270,030 in fiscal year 2000 and up to \$4,483,531 in fiscal year 2001 shall be used by the Department of Education to fund competitive grants to tech prep consortia that expand the number of students enrolled in tech prep programs. Such grant funds shall be used to directly support expanded tech prep programs provided to students enrolled in school districts, including joint vocational school districts.

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.

Of the foregoing appropriation item 200-545, Vocational Education Enhancements, \$6,144,277 in fiscal year 2000 and \$6,451,490 in fiscal year 2001 shall be used to enable students to develop career plans, to identify

tial 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 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, \$5,188,703 in fiscal year 2000 and \$5,707,573 in fiscal year 2001 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 30, 40, or 50 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 \$400,000 in fiscal year 2000 may be used to pay for transitional funding to low-wealth joint vocational school districts. This transitional funding is for fiscal year 2000 only. For fiscal year 2000, joint vocational school districts with adjusted recognized valuation per pupil equal to or less than \$3,000,000 are guaranteed to receive at least a 2.8 per cent increase in state aid received under section 3317.16 of the Revised Code less divisions (E) and (F) and under division (R) of section 3317.024 of the Revised Code over the amount the district received in fiscal year 1999

under the version of section 3317.16 of the Revised Code in effect for that year plus the amount the district received under section 3317.162 of the Revised Code in effect for that year and minus the amounts received that year for driver education and adult education. No district that receives transitional funding under this paragraph shall receive more than \$150,000 in fiscal year 2000.

SECTION 4.17.

Charge-Off Supplement

The foregoing appropriation item 200-546, Charge-Off Supplement, shall be used by the Department of Education to make payments pursuant to section 3317.0216 of the Revised Code.

Power Equalization

The foregoing appropriation item 200-547, Power Equalization, shall be used by the Department of Education to make payments pursuant to section 3317.0215 of the Revised Code.

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 section 3317.024 of the Revised Code. The reimbursement rate shall be based on the rate defined in division (D) of section 3317.022 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.

SECTION 4.18.

OhioReads Grants

Of the foregoing appropriation item 200-566, OhioReads Grants, \$20,000,000 each year shall be disbursed by the OhioReads Office in the Department of Education at the direction of the OhioReads Council, to provide classroom grants to public schools in city, local, and exempted village school districts; community schools; and educational service centers serving kindergarten through fourth grade students.

Of the foregoing appropriation item 200-566, OhioReads Grants, \$5,000,000 each year shall be disbursed by the OhioReads Office in the Department of Education at the direction of the OhioReads Council, to provide community matching grants to community organizations and associations, libraries, and others for tutoring, tutor recruitment and training, and parental involvement.

Grants awarded by the OhioReads Council are intended to improve reading outcomes, especially on the fourth grade reading proficiency test.

School Improvement Incentive Grants

Of the foregoing appropriation item 200-570, School Improvement Incentive Grants, \$2,000,000 in each fiscal year shall be used to provide grants of \$25,000 per building for improvements in reading performance based on selection criteria developed by the OhioReads Council.

Of the foregoing appropriation items 200-570, School Improvement Incentive Grants, \$6,500,000 in each fiscal year shall be used to provide grants of \$25,000 each to elementary schools and \$50,000 each to middle schools, junior high schools, and high schools that demonstrate significant improvement on proficiency tests, attendance rates, and graduation rates

based on standards developed by the Department of Education.

Of the foregoing appropriation item 200-570, School Improvement Incentive Grants, \$500,000 in each fiscal year shall be used to provide grants of \$50,000 each to educational service centers and joint vocational school districts for exemplary programs or that demonstrate significant improvement on proficiency tests, attendance rates, and graduation rates based on standards developed by the Department of Education.

Of the foregoing appropriation item 200-570, School Improvement Incentive Grants, \$1,000,000 in each fiscal year shall be used to provide grants of \$25,000 each to schools selected for superior performance by BEST, Building Excellent Schools for Today and the 21st Century.

Teacher Incentive Grants

The foregoing appropriation item 200-572, Teacher Incentive Grants, shall be used by the Department of Education to pay one-time stipends to qualified teachers of reading, mathematics, and science. To be eligible, teacher applicants must hold a valid teaching certificate; be employed by a city, local, exempted village, or joint vocational school district; and be certified by the district as necessary to meet an existing need for teachers with a reading, mathematics, or science credential.

Individuals with an elementary school teaching certificate that successfully complete a program for a reading endorsement, and who successfully complete the examination prescribed by the State Board of Education, shall be paid a stipend of \$1,000. Individuals with a high school teaching certificate that successfully complete a program required to add mathematics or science to that certificate, and who successfully complete the mathematics or science examination prescribed by the State Board of Education, shall be paid a stipend of \$1,500. The variance in stipend amounts reflects the variance in requirements to secure the different credentials.

Character Education

Of the foregoing appropriation item 200-573, Character Education, up to \$50,000 in each fiscal year shall be used to develop, produce, or otherwise obtain a distance learning program, a video presentation, or other method of offering instruction in character education to multiple school districts. The program, presentation, or other method of instruction shall be made available to all school districts.

The remainder of appropriation item 200-573, Character Education, shall be used by the Department of Education to provide matching grants of up to \$50,000 each to school districts to develop pilot character education programs.

Substance Abuse Prevention

Of the foregoing appropriation item 200-574, Substance Abuse Prevention, up to \$2,000,000 in fiscal year 2000 and up to \$2,120,000 in fiscal year 2001 shall be used for the Safe and Drug Free Schools Coordinators Program. Of the foregoing appropriation item 200-574, Substance Abuse Prevention, up to \$300,000 in each fiscal year of the biennium shall be used for the Substance Abuse Prevention Student Assistance Program. The Department of Education and the Department of Alcohol and Drug Addiction Services shall jointly develop and approve a plan for the expenditure of these funds including, but not limited to, the development of position descriptions and training specifications for safe and drug free schools coordinators. Safe and drug free schools coordinators shall possess or be in the process of obtaining credentials issued by the Ohio Credentialing Board for Chemical Dependency Professionals or other credentials recognized by that board.

12th Grade Proficiency Stipend

The foregoing appropriation item 200-575, 12th Grade Proficiency Stipend, shall be used to fund a \$500 scholarship to each student who meets the requirements of section 3365.15 of the Revised Code.

Within thirty days of the effective date of this section, the Director of Budget and Management shall transfer the appropriation for this program to the Ohio Board of Regents for its administration.

River Valley School Environmental Issues

The foregoing appropriation item 200-580, River Valley School Environmental Issues, shall be used to assist with costs arising from environmental assessment and clean-up of potential environmental contamination of school facilities of the River Valley Local School District.

Auxiliary Services Mobile Repair

Notwithstanding section 3317.064 of the Revised Code, if the unobligated cash balance is sufficient, the Treasurer of State shall transfer \$1,500,000 in fiscal year 2000 within thirty days of the effective date of this section and \$1,500,000 in fiscal year 2001 by August 1, 2000, from the Auxiliary Services Personnel Unemployment Compensation Fund to the Department of Education's Auxiliary Services Mobile Repair Fund (Fund 598).

Within 30 days after the effective date of this section, the Superintendent of Public Instruction shall certify to the Director of Budget and Management the amount of cash to be transferred from the Miscellaneous Revenue Fund, Fund 452, to the Educational Grants Fund, Fund 620.

Coordinated School Health and AIDS Education

The Department of Education shall not commit or spend any moneys from appropriation item 200-625, Coordinated School Health, or appropriation item 200-668, AIDS Education, for activities in preparation for or during the 1999-2000 school year or for the 2000-2001 school year until the General Assembly has approved program plans for these purposes through the adoption of a concurrent resolution. Before the House of Representatives or the Senate votes on a concurrent resolution approving program plans, its standing committee having principal jurisdiction over primary and secondary education legislation shall conduct at least one public hearing on the program plans. Tobacco use prevention programs and dental health programs are exempt from these requirements.

SECTION 4.19.

Lottery Profits Education Fund

Appropriation item fund 017 200-612, Base Cost Funding, shall be used in conjunction with GRF appropriation item 200-501, Base Cost Funding, to provide payments to school districts pursuant to Chapter 3317. of the Revised Code.

Of the foregoing appropriation item fund 017 200-612, Base Cost Funding, \$25,000,000 in each fiscal year 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.

The Department of Education, with the approval of the Director of Budget and Management, shall determine the monthly distribution schedules of the GRF appropriation item 200-501 and fund 017 appropriation item 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 via intrastate transfer voucher the amount appropriated under the Lottery Profits Education Fund for appropriation item 200-682, Lease Rental Payment Reimbursement, to the General Revenue Fund on a schedule determined by the director. These funds shall support the GRF appropriation item 230-428, Lease Rental Payments, of the School Facilities Commission.

Lottery Profits Transfers*

On the 15th day of May 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.

Transfers from the Unclaimed Prizes Fund

By January 15 of fiscal year 2000 and by January 15 of fiscal year 2001, 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 in the determination made concerning excess profits titled "Lottery Profits" under the Department of Education in this act.

Child Nutrition Services

The foregoing appropriation item 200-651, Child Nutrition Services, shall be used by the Department of Education to support 19 pilot programs to provide nutritional benefits to older children enrolled in educational or enrichment activities. Such appropriated amounts may not be used as matching funds. The Director of Human Services and the Superintendent of Public Instruction shall develop reporting guidelines on the use of these moneys. The Department of Education shall assure that children receiving these benefits meet TANF eligibility criteria. Any fiscal year 2000 moneys from this transfer remaining unspent on June 30, 2000, shall be transferred by the Director of Budget and Management no later than August 1, 2000, to appropriation item 600-411, TANF Federal Block Grant, in the Department of Job and Family Services.

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.

SECTION 4.20.

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.

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 4.21.

Distribution Formulas*

The Department of Education shall report the following to the Director of Budget and Management, the Legislative Office of Education Oversight, and the Legislative Budget Officer of the Legislative Service Commission:

(A) Changes in formulas for distributing state appropriations, including administratively defined formula factors;

(B) Discretionary changes in formulas for distributing federal appropriations;

(C) Federally mandated changes in formulas for distributing federal appropriations.

Any such changes shall be reported two weeks prior to the effective date of the change.

SECTION 4.22.

Educational Service Centers Funding

Notwithstanding division (B) of section 3317.11 of the Revised Code, no funds shall be provided to an educational service center in either fiscal year for any pupils of a city or exempted village school district unless an agreement to provide services under section 3313.843 of the Revised Code was entered into by January 1, 1997, except that funds shall be provided to an educational service center for any pupils of a city school district if the agreement to provide services was entered into within one year of the date upon which such district changed from a local school district to a city school district. If insufficient funds are appropriated in fiscal year 2000 for the purposes of division (B) of section 3317.11 of the Revised Code, the department shall first distribute to each educational service center \$34 per pupil in its service center ADM, as defined in that section. The remaining funds in the fiscal year shall be distributed to each educational service center at a rate of \$34 per pupil in its client ADM, as defined in that section, that is attributable to each city and exempted village school district that had entered

into an agreement with an educational service center for that fiscal year under section 3313.843 of the Revised Code by January 1, 1997, in order of the dates on which such agreements were entered into, beginning with the earliest such date; except that any service center that received funds for the pupils of a city or exempted village school district in fiscal year 1999 shall receive funds for the pupils of such district in fiscal year 2000 if such district has entered into an agreement with that educational service center for that fiscal year. If insufficient funds are appropriated in fiscal year 2001 for the purposes of division (B) of section 3317.11 of the Revised Code, the department shall first distribute to each educational service center \$35 per pupil in its service center ADM. The remaining funds in the fiscal year shall be distributed to each educational service center at a rate of \$35 per pupil in its client ADM attributable to each city and exempted village school district that had entered into an agreement with an educational service center for that fiscal year under section 3313.843 of the Revised Code by January 1, 1997, in order of the dates on which such agreements were entered into, beginning with the earliest such date; except that any educational service center that received funds for the pupils in the ADM of a city or exempted village school district in both fiscal years 1999 and 2000 shall receive funds for the pupils of such district in fiscal year 2001 if such district has entered into an agreement with that educational service center for that fiscal year.

SECTION 4.23.

Distribution-School District Subsidy Payments

The provisions of this section shall not take effect unless the Director of Budget and Management adopts an order putting them into effect and certifies a copy of the order to the Superintendent of Public Instruction and the Controlling Board.

Notwithstanding any other provision of the Revised Code, the monthly distribution of payments made to school districts and educational service centers pursuant to section 3317.01 of the Revised Code for the first six months of each fiscal year shall equal, as nearly as possible, six and two-thirds per cent of the estimate of the amounts payable for each fiscal year. The monthly distribution of payments for the last six months of each fiscal year shall equal, as nearly as possible, ten per cent of the final calculation of the amounts payable to each school district for that fiscal year.

The treasurer of each school district or educational service center may accrue, in addition to the payments defined in this section, to the accounts of the calendar years that end during each fiscal year, the difference between the sum of the first six months' payments in each fiscal year and the amounts

the district would have received had the payments been made in, as nearly as possible in each fiscal year, twelve equal monthly payments.

Notwithstanding the limitations on the amount of borrowing and time of payment provided for in section 133.10 of the Revised Code but subject to the provisions of sections 133.26 and 133.30 of the Revised Code, a board of education of a school district may at any time between July 1, 1999, and December 31, 1999, or at any time between July 1, 2000, and December 31, 2000, borrow money to pay any necessary and actual expenses of the school district during the last six months of calendar years 1999 and 2000 and in anticipation of the receipt of any portion of the payments to be received by that district in the first six months of calendar years 2000 and 2001 representing the respective amounts accrued pursuant to the preceding paragraph, and issue notes to evidence that borrowing to mature no later than the thirtieth day of June of the calendar year following the calendar year in which such amount was borrowed. The principal amount borrowed in the last six months of calendar years 1999 or 2000 under this paragraph may not exceed the entire amount accrued or to be accrued by the district treasurer in those calendar years pursuant to the preceding paragraph. The proceeds of the notes shall be used only for the purposes for which the anticipated receipts are lawfully appropriated by the board of education. No board of education shall be required to use the authority granted by this paragraph. The receipts so anticipated, and additional amounts from distributions to the districts in the first six months of calendar years 2000 and 2001 pursuant to Chapter 3317. of the Revised Code needed to pay the interest on the notes, shall be deemed appropriated by the board of education to the extent necessary for the payment of the principal of and interest on the notes at maturity, and the amounts necessary to make those monthly distributions are hereby appropriated from the General Revenue Fund. For the purpose of better ensuring the prompt payment of principal of and interest on the notes when due, the resolution of the board of education authorizing the notes may direct that the amount of the receipts anticipated, together with those additional amounts needed to pay the interest on the borrowed amounts, shall be deposited and segregated, in trust or otherwise, to the extent, at the time or times, and in the manner provided in that resolution. The borrowing authorized by this section shall not constitute debt for purposes of section 133.04 of the Revised Code. School districts shall be reimbursed by the state for all necessary and actual costs to districts arising from this provision, including, without limitation, the interest paid on the notes while the notes are outstanding. The Department of Education shall adopt rules that are not inconsistent with this section for school district

eligibility and application for reimbursement of such costs. Payments of these costs shall be made out of any anticipated balances in appropriation items distributed under Chapter 3317. of the Revised Code. The department shall submit all requests for reimbursement under these provisions to the Controlling Board for approval.

During the last six months of each calendar year, instead of deducting the amount the Superintendent of Public Instruction would otherwise deduct from a school district's or educational service center's state aid payments in accordance with the certifications made for such year pursuant to sections 3307.56 and 3309.51 of the Revised Code, the superintendent shall deduct an amount equal to forty per cent of the amount so certified. The secretaries of the retirement systems shall compute the certifications for the ensuing year under such sections as if the entire amounts certified as due in the calendar year ending the current fiscal year, but not deducted pursuant to this paragraph, had been deducted and paid in that calendar year. During the first six months of the ensuing calendar year, in addition to deducting the amounts the Superintendent of Public Instruction is required to deduct under such sections during such period, the superintendent shall deduct from a district's or educational service center's state aid payments an additional amount equal to the amount that was certified as due from the district for the calendar year that ends during the fiscal year, but that was not deducted because of this paragraph. The superintendent's certifications to the Director of Budget and Management during the first six months of the calendar year shall reflect such additional deduction.

SECTION 4.24.

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 divisions (A) and (C) of section 3317.022 and sections 3317.023, 3317.025 to 3317.029, 3317.0212, and 3317.0213 of the Revised Code and the amount computed for a joint vocational school district under section 3317.16 of the Revised Code.

(2) "Nonbasic aid" means the amount computed for a school district for fiscal year 2000 or fiscal year 2001 under Chapter 3317. of the Revised Code and this act, 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) If in either fiscal year of the biennium 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 education payments, or if lottery profits transfers are insufficient to meet the amounts appropriated from the Lottery Profits Education Fund for base cost funding, and if other funds are not sufficient to offset the shortfall, the superintendent shall reduce nonbasic aid payments so that the total amount expended in the fiscal year will not exceed 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 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 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 1999 the lesser of: the unobligated balance in the fund, or the amount needed to preclude a reallocation pursuant to 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 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 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.

SECTION 4.25.

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 \$75,000,000. 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 2000 and 2001, 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, 1998, or 1999 shall be deposited into the credit of the Lottery Profits Education Reserve Fund.

(B)(1) On or before July 15, 1999, 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 1999 exceed \$688,873,028. The amount so certified shall be distributed in fiscal year 2000 pursuant to divisions (C) and (D) of this section.

(2) On or before July 15, 2000, 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 2000 exceed \$661,000,000. The amount so determined shall be distributed in fiscal year 2001 pursuant to divisions (E) and (F) 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 June 15, 2000, 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 of this act titled "Reallocation of Funds" 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 of this act titled "Reallocation of Funds." Any moneys so released are hereby appropriated.

(D) In fiscal year 2000, if the Department of Education does not determine that a reallocation of funds is necessary by the fifteenth day of June, 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.

An amount equal to five per cent of the estimated lottery profits of

\$688,873,028 in fiscal year 1999 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 2000. Any amounts exceeding \$75,000,000 shall be distributed pursuant to division (G) of this section.

(E) Not later than June 15, 2001, 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 of this act titled "Reallocation of Funds" 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 of this act titled "Reallocation of Funds." Any moneys so released are hereby appropriated.

(F) In fiscal year 2001, if the Department of Education does not determine that a reallocation of funds is necessary by the fifteenth day of June, as provided in division (E) 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) 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.

An amount equal to five per cent of the estimated lottery profits transfers of \$661,000,000 in fiscal year 2000 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 2001. Any amounts exceeding \$75,000,000 shall be distributed pursuant to division (G) of this section.

(G) In the appropriate fiscal year, any remaining amounts after the operations required by division (D) or (F) of this section, respectively, shall be transferred to the Public School Building Fund (Fund 021) and such amount is hereby appropriated to appropriation item CAP-622, Public School Buildings, in the School Facilities Commission.

4.26.* For the school year commencing July 1, 1999, or the school year commencing July 1, 2000, 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 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;

(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 as possible.

4.27.*

Teacher and Nonteacher Salary Schedules

(A) As used under this heading:

(1) "Teachers' salary schedule" means the salary schedule adopted pursuant to section 3317.14 of the Revised Code, except that it does not include any separate salary level for teachers with twelve or more years of service or for any separate level of training and experience except those levels separately set forth in the salary schedule in section 3317.13 of the Revised Code.

(2) "Nonteaching salary schedule" means the salary schedule adopted pursuant to section 3317.12 of the Revised Code.

(B) If the salary for any number of years of service at any level of training and experience in a board of education's teachers' salary schedule that was in effect on June 30, 1994, was less than the amount required for that number of years of service at that level in order to be in compliance with the minimum salary requirements imposed by this act for the 1994-1995 school year, that board shall increase the salaries for each position classification and level of service in the nonteaching salary schedule for the 1994-1995 school year as follows:

(1) Add the salaries at each level of training and experience in the teachers' salary schedule that was in effect on June 30, 1994.

(2) At each level of training and experience, increase the salary in the June 30, 1994, teachers' salary schedule if an increase is required for the 1994-1995 school year in order to bring that schedule into compliance with this act, but do not increase the salary to more than the minimum amount required to be in compliance.

(3) Recompute division (B)(1) under this heading, substituting the

increased salaries included in division (B)(2) under this heading.

(4) Divide the sum obtained in division (B)(3) under this heading by the sum obtained in division (B)(1) under this heading.

(5) Multiply the salary for each position classification and level of service included in the nonteaching salary schedule by the quotient obtained in division (B)(4) under this heading.

No school district affected by this division shall pay any nonteaching school employee for the 1994-1995 school year at a rate that is less than that to which the employee would be entitled if the employee were paid under the adjusted nonteaching salary schedule computed under division (B)(5) of this heading.

4.28.* Notwithstanding any provision of division (F) of section 3311.06 of the Revised Code limiting interdistrict payments under annexation agreements to amounts certified under former section 3317.029 of the Revised Code, a party to an annexation agreement entered into prior to the effective date of this section which contains an agreement to pay, in respect of its territory which is annexed territory, an amount which exceeds or exceeded the amount certified under former section 3317.029 of the Revised Code may pay such agreed amount, if the agreement expressly states the intention of the parties not to be bound by such limitation if so permitted by law.

SECTION 4.29.

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 2000 or 2001 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 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. 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.

(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 2000 and 2001 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 2000 and 2001 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 2000 and 2001, 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.

SECTION 4.30.

School District Participation in National Assessment of Education Progress

The General Assembly intends for the Superintendent of Public Instruction to provide for school district participation in the administration of the National Assessment of Education Progress in fiscal years 2000 and 2001 in accordance with section 3301.27 of the Revised Code.

SECTION 4.31. Notwithstanding Chapter 3318. of the Revised Code, for purposes of complying with the local share and repayment tax requirements of section 3318.05 of the Revised Code, any school district given conditional approval for classroom facilities assistance under section 3318.04 of the Revised Code as of January 1, 1993, that approved a replacement permanent improvement levy at the November 5, 1996, election shall be permitted to use the proceeds of such levy, and any notes issued or to be issued in anticipation thereof, as available funds, within the meaning specified under section 3318.03 of the Revised Code, to pay the local share of the cost of the approved classroom facilities project. Notwithstanding the local share as previously determined for purposes of the conditional approval of the project, the local share shall be equal to the amount of proceeds to be obtained by the district under such replacement permanent improvement levy. Such school districts shall not be required to obtain approval of either of the propositions described in divisions (A) or (B) of section 3318.051 of the Revised Code. The agreement required under section 3318.08 of the Revised Code for the construction and sale of the project shall include provisions for the transfer of the proceeds of the replacement permanent improvement levy, and any notes issued in anticipation thereof, to the school district's project construction account, and for the levy of the replacement permanent improvement levy.

SECTION 4.32.

Study of EDFLEX ACT

Staff members from the Legislative Service Commission, the Legislative Budget Office of the Legislative Service Commission, and the Legislative Office of Education Oversight shall jointly study the Department of Education's current pilot implementation of the federal "EDFLEX" concept and the new opportunities and options now available under the federal EDFLEX Act. The study shall also examine and recommend courses of action on how duties, responsibilities, and funding could best be redivided between the state and school districts under the law and what federal regulations or other requirements might be lessened or abolished. In making recommendations, the authors shall utilize information and recommendations from the department's reorganization review. The report to the leaders of the Ohio House of Representatives and the Ohio Senate and the education committee chairs and ranking minority members of the two chambers shall be completed one year after the federal regulations on the

federal EDFLEX Act are promulgated, but no later than November 15, 2000.

SECTION 4.33.

Statewide Study of Professional Development Delivery

The Legislative Office of Education Oversight shall conduct a statewide assessment of professional development in the state. The assessment shall include, but not be limited to, the following:

- (A) An examination of how professional development funds are spent;
- (B) A study of the types of professional development programs funded with state moneys;
- (C) A study of the role of local professional development committees, established under section 3319.22 of the Revised Code, in determining the expenditure of professional development moneys;
- (D) A study of whether Ohio school districts are using the professional development strategies most likely to be effective in improving student achievement.

The study shall encompass all facets of professional development, including the role of higher education in assisting with inservice training for veteran educators.

The study shall be completed and presented to the General Assembly and the Governor not later than November 15, 2000.

SECTION 4.34. The Superintendent of Public Instruction shall contract with an independent research entity to develop a methodology and research design for an evaluation of the pilot project approved pursuant to section 3313.975 of the Revised Code. The independent research entity shall consult with the Legislative Office of Education Oversight in the development of the methodology and research for the evaluation. The evaluation shall consist of two parts. The first part shall be a formative evaluation examining the implementation of the program, which shall be completed by December 31, 1997. The second part shall be a comprehensive evaluation of the results of the program, which shall be completed by September 1, 1999. The comprehensive evaluation shall include at a minimum a study of the impact of scholarships on student attendance, conduct, commitment to education, and standardized test scores; parental involvement; the school district's ability to provide services to district students; and the availability of alternative educational opportunities. The evaluation shall also study the economic impact of scholarships on the school district.

SECTION 4.35. Notwithstanding division (C)(1) of new section 3313.975 of the Revised Code, in addition to students in kindergarten through third grade, initial scholarships may be awarded to fourth, fifth, and sixth grade students in fiscal year 2000 and to fourth, fifth, sixth, and seventh grade students in fiscal year 2001.

SECTION 5. HEF HIGHER EDUCATIONAL FACILITY COMMISSION

Agency Fund Group

461	372-601	Operating Expenses	\$	12,000	\$	12,000
TOTAL AGY Agency Fund Group			\$	12,000	\$	12,000
TOTAL ALL BUDGET FUND GROUPS			\$	12,000	\$	12,000

SECTION 6. LOT STATE LOTTERY COMMISSION

State Lottery Fund Group

044	950-100	Personal Services	\$	22,754,332	\$	23,095,613
044	950-200	Maintenance	\$	24,644,625	\$	25,296,625
044	950-300	Equipment	\$	3,841,880	\$	3,274,320
044	950-402	Game and Advertising Contracts	\$	63,542,098	\$	64,378,735
044	950-601	Prizes, Bonuses, and Commissions	\$	173,555,000	\$	172,025,000
871	950-602	Annuity Prizes	\$	180,660,880	\$	190,243,265
872	950-603	Unclaimed Prize Awards	\$	14,500,000	\$	10,700,000
TOTAL SLF State Lottery Fund Group			\$	483,498,815	\$	489,013,558
TOTAL ALL BUDGET FUND GROUPS			\$	483,498,815	\$	489,013,558

Operating Expenses

The foregoing appropriation items include all amounts necessary for the purchase and printing of tickets, consultant services, and advertising. The Controlling Board may, at the request of the State Lottery Commission, authorize additional appropriations for operating expenses of the State Lottery Commission from the State Lottery Fund up to a maximum of 15 per cent of anticipated total revenue accruing from the sale of lottery tickets. Amounts authorized by the Controlling Board are hereby appropriated.

Prizes, Bonuses, and Commissions

Any amounts, in addition to the amounts appropriated in appropriation item 950-601, Prizes, Bonuses, and Commissions, which are determined by the Director of the State Lottery Commission to be necessary to fund prizes, bonuses, and commissions are hereby appropriated.

Annuity Prizes

With the approval of the Office of Budget and Management, the State Lottery Commission shall transfer cash from the State Lottery Fund Group (Fund 044) to the Deferred Prizes Trust Fund (Fund 871), in an amount sufficient to fund deferred prizes. The Treasurer of State shall, from time to time, credit the Deferred Prizes Trust Fund (Fund 871) the pro rata share of interest earned by the Treasurer of State on invested balances.

Any amounts, in addition to the amounts appropriated in appropriation item 950-602, Annuity Prizes, which are determined by the Director of the State Lottery Commission to be necessary to fund deferred prizes and interest earnings are hereby appropriated.

Public Sector Gaming Study

If the Director of the State Lottery Commission deems it in the best interest of the Ohio Lottery, the director is authorized to contribute up to \$10,000 to help fund research projects concerning public-sector gaming.

Lottery Profit Review Commission

There is hereby created the Lottery Profit Review Commission. The commission shall contain nine voting members: the Director of Budget and Management or the director's designee; the Executive Director of the Ohio Lottery Commission or the Executive Director's designee; a member appointed by the Governor; three members of the Senate appointed by the President of the Senate; and three members of the House of Representatives appointed by the Speaker of the House of Representatives. Not more than two members of each house shall be members of the same political party. The commission shall perform a comprehensive review of sales and profits including, but not limited to, the long-term fiscal commitment to education from the Ohio Lottery Commission and shall issue a report to the Governor and the General Assembly not later than March 1, 2000. Upon issuance of its report, the commission shall cease to exist.

SECTION 7. BOR BOARD OF REGENTS

General Revenue Fund

GRF 235-321	Operating Expenses	\$	3,106,261	\$	3,201,422
GRF 235-401	Rental Payments to the Ohio Public Facilities Commission	\$	365,552,000	\$	377,490,000
GRF 235-402	Sea Grants	\$	299,940	\$	299,940
GRF 235-403	Math/Science Teaching Improvement	\$	2,200,000	\$	1,700,000
GRF 235-404	College Readiness Initiatives	\$	2,650,000	\$	2,564,000
GRF 235-406	Articulation and Transfer	\$	1,000,000	\$	1,000,000
GRF 235-408	Midwest Higher Education Compact	\$	75,000	\$	75,000
GRF 235-409	Information System	\$	1,389,819	\$	1,389,819
GRF 235-414	State Grants and Scholarship	\$	1,360,630	\$	1,401,449

	Administration			
GRF 235-415	Jobs Challenge	\$	8,743,864	\$ 10,979,694
GRF 235-417	Technology	\$	4,000,000	\$ 4,000,000
GRF 235-418	Access Challenge	\$	35,313,691	\$ 65,268,000
GRF 235-420	Success Challenge	\$	20,068,104	\$ 48,741,000
GRF 235-451	Eminent Scholars	\$	0	\$ 5,200,000
GRF 235-454	Research Challenge	\$	19,436,382	\$ 21,568,440
GRF 235-455	Productivity Improvement Challenge	\$	1,655,884	\$ 1,695,625
GRF 235-474	AHEC Program Support	\$	2,094,566	\$ 2,094,565
GRF 235-477	Access Improvement Projects	\$	1,084,842	\$ 1,110,879
GRF 235-501	Instructional Subsidy	\$	1,601,259,165	\$ 1,648,846,940
GRF 235-502	Student Support Services	\$	1,033,059	\$ 1,057,853
GRF 235-503	Ohio Instructional Grants	\$	87,800,000	\$ 98,031,000
GRF 235-504	War Orphans' Scholarships	\$	4,152,934	\$ 4,517,037
GRF 235-507	OhioLINK	\$	6,947,761	\$ 7,668,731
GRF 235-508	Air Force Institute of Technology	\$	3,500,000	\$ 3,500,000
GRF 235-509	Displaced Homemakers	\$	244,996	\$ 244,996
GRF 235-510	Ohio Supercomputer Center	\$	4,834,416	\$ 4,932,218
GRF 235-511	Cooperative Extension Service	\$	26,643,306	\$ 27,708,525
GRF 235-513	OU Voinovich Center	\$	375,000	\$ 375,000
GRF 235-514	Central State Supplement	\$	10,244,956	\$ 10,744,956
GRF 235-515	CWRU School of Medicine	\$	4,181,578	\$ 4,281,936
GRF 235-518	Capitol Scholarship Programs	\$	250,000	\$ 250,000
GRF 235-519	Family Practice	\$	6,229,607	\$ 6,541,087
GRF 235-520	Shawnee State Supplement	\$	2,969,965	\$ 2,824,000
GRF 235-521	OSU Glenn Institute	\$	375,000	\$ 375,000
GRF 235-523	Center for Labor Research	\$	95,000	\$ 95,000
GRF 235-524	Police and Fire Protection	\$	244,996	\$ 244,996
GRF 235-525	Geriatric Medicine	\$	1,062,139	\$ 1,087,630
GRF 235-526	Primary Care Residencies	\$	3,016,605	\$ 3,167,435
GRF 235-527	Ohio Aerospace Institute	\$	2,374,973	\$ 2,431,973
GRF 235-530	Academic Scholarships	\$	8,000,000	\$ 8,000,000
GRF 235-531	Student Choice Grants	\$	43,025,389	\$ 49,150,000
GRF 235-534	Student Workforce Development Grants	\$	0	\$ 2,250,000
GRF 235-535	Agricultural Research and Development Center	\$	36,673,910	\$ 38,730,884
GRF 235-536	Ohio State University Clinical Teaching	\$	15,621,369	\$ 15,996,281
GRF 235-537	University of Cincinnati Clinical Teaching	\$	12,848,363	\$ 13,156,724
GRF 235-538	Medical College of Ohio at Toledo Clinical Teaching	\$	10,014,602	\$ 10,254,953
GRF 235-539	Wright State University Clinical Teaching	\$	4,865,290	\$ 4,982,057
GRF 235-540	Ohio University Clinical Teaching	\$	4,703,423	\$ 4,816,305
GRF 235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$	4,837,466	\$ 4,953,565
GRF 235-543	OCPM Clinical Subsidy	\$	500,000	\$ 500,000

Am. Sub. H. B. No. 282

312

GRF 235-547	School of International Business	\$	1,743,637	\$	1,743,637
GRF 235-549	Part-time Student Instructional Grants	\$	12,308,500	\$	12,677,750
GRF 235-552	Capital Component	\$	11,143,055	\$	11,143,055
GRF 235-553	Dayton Area Graduate Studies Institute	\$	3,765,832	\$	3,856,212
GRF 235-554	Priorities in Graduate Education	\$	3,464,704	\$	3,553,437
GRF 235-555	Library Depositories	\$	2,400,000	\$	2,000,000
GRF 235-556	Ohio Academic Resource Network	\$	3,227,819	\$	3,512,182
GRF 235-558	Long-term Care Research	\$	318,371	\$	318,371
GRF 235-561	BGSU Canadian Studies Center	\$	167,642	\$	167,642
GRF 235-572	Ohio State University Clinic Support	\$	1,943,328	\$	2,061,138
GRF 235-583	Urban University Programs	\$	8,192,284	\$	6,636,285
GRF 235-585	Ohio University Innovation Center	\$	49,745	\$	49,745
GRF 235-587	Rural University Projects	\$	1,298,070	\$	1,403,624
GRF 235-588	Ohio Resource Center for Mathematics, Science, and Reading	\$	500,000	\$	1,000,000
GRF 235-595	International Center for Water Resources Development	\$	189,381	\$	189,381
GRF 235-596	Hazardous Materials Program	\$	244,996	\$	244,996
GRF 235-599	National Guard Tuition Grant Program	\$	9,539,575	\$	13,842,740
TOTAL GRF General Revenue Fund		\$	2,439,453,190	\$	2,595,897,110
General Services Fund Group					
456 235-603	Publications	\$	35,000	\$	35,000
TOTAL GSF General Services Fund Group		\$	35,000	\$	35,000
Federal Special Revenue Fund Group					
3H2 235-608	Human Services Project	\$	974,506	\$	761,000
3N6 235-605	State Student Incentive Grants	\$	2,000,000	\$	2,000,000
3T0 235-610	NHSC Ohio Loan Repayment	\$	100,000	\$	100,000
312 235-609	Tech Prep	\$	192,224	\$	211,450
312 235-631	Federal Grants	\$	2,645,077	\$	2,645,077
TOTAL FED Federal Special Revenue Fund Group		\$	5,911,807	\$	5,717,527
State Special Revenue Fund Group					
4E8 235-602	HEFC Administration	\$	12,000	\$	12,000
4P4 235-604	Physician Loan Repayment	\$	396,255	\$	396,255
649 235-607	Ohio State University Highway/Transportation Research	\$	500,000	\$	500,000
682 235-606	Nursing Loan Program	\$	603,406	\$	618,241
TOTAL SSR State Special Revenue Fund Group		\$	1,511,661	\$	1,526,496
TOTAL ALL BUDGET FUND GROUPS		\$	2,446,911,658	\$	2,603,176,133

SECTION 7.01.

Instructional Subsidy Formula

As soon as practicable during each fiscal year of the 1999-2001 biennium in accordance with instructions of the Ohio Board of Regents, each state-assisted institution of higher education shall report its actual enrollment to the Ohio Board of Regents.

The Ohio Board of Regents shall establish procedures required by the system of formulas set out below and for the assignment of individual institutions to categories described in the formulas. The system of formulas establishes the manner in which aggregate expenditure requirements shall be determined for each of the three components of institutional operations. In addition to other adjustments and calculations described below, the subsidy entitlement of an institution shall be determined by subtracting from the institution's aggregate expenditure requirements income to be derived from the local contributions assumed in calculating the subsidy entitlements. The local contributions for purposes of determining subsidy support shall not limit the authority of the individual boards of trustees to establish fee levels.

The General Studies and Technical models shall be adjusted by the Board of Regents so that the share of state subsidy earned by those models is not altered by changes in the overall local share. A lower-division fee differential shall be used to maintain the relationship that would have occurred between these models and the Baccalaureate models had an assumed share of thirty-seven per cent been funded.

In defining the number of full-time equivalent students for state subsidy purposes, the Ohio Board of Regents shall exclude all undergraduate students who are not residents of Ohio, except those charged in-state fees in accordance with reciprocity agreements made pursuant to section 3333.17 of the Revised Code.

(A) Aggregate Expenditure Per Full-Time Equivalent Student(1) Instruction and Support Services

<u>Model</u>	<u>FY 2000</u>	<u>FY 2001</u>
General Studies I	\$ 3,680	\$ 3,762
General Studies II	\$ 4,060	\$ 4,305
General Studies III	\$ 5,141	\$ 5,259
Technical I	\$ 4,702	\$ 5,012
Technical III	\$ 8,088	\$ 8,477
Baccalaureate I	\$ 6,301	\$ 6,611
Baccalaureate II	\$ 7,287	\$ 7,582
Baccalaureate III	\$ 10,417	\$ 10,574

Masters and Professional I	\$ 11,788	\$ 12,300
Masters and Professional II	\$ 17,020	\$ 17,558
Masters and Professional III	\$ 22,976	\$ 23,214
Doctoral I	\$ 19,495	\$ 19,647
Doctoral II	\$ 25,066	\$ 25,840
Medical I	\$ 27,250	\$ 27,709
Medical II	\$ 38,309	\$ 39,323

(2) Student Services

For this purpose full-time equivalent counts shall be weighted to reflect differences among institutions in the numbers of students enrolled on a part-time basis.

	<u>FY 2000</u>	<u>FY 2001</u>
All Expenditure Models	\$ 556	\$ 594

(B) Plant Operation and Maintenance (POM)(1) Determination of the Square-Foot Based POM Subsidy

Space undergoing renovation shall be funded at the rate allowed for storage space.

In the calculation of square footage for each campus, square footage shall be weighted to reflect differences in space utilization.

The space inventories for each campus shall be those determined in the fiscal year 1997 instructional subsidy, adjusted for changes attributable to the construction or renovation of facilities for which state appropriations were made or local commitments were made prior to January 1, 1995.

Only fifty per cent of the space permanently taken out of operation in fiscal year 2000 or fiscal year 2001 that is not otherwise replaced by a campus shall be deleted from the fiscal year 1997 inventory.

The square-foot based plant operation and maintenance subsidy for each campus shall be determined as follows:

(a) For each standard room type category shown below, the subsidy-eligible net assignable square feet (NASF) for each campus shall be multiplied by the following rates, and the amounts summed for each campus to determine the total gross square-foot based POM expenditure requirement:

	<u>FY 2000</u>	<u>FY 2001</u>
Classrooms	\$5.18	\$5.33
Laboratories	\$6.45	\$6.64
Offices	\$5.18	\$5.33
Audio Visual Data Processing	\$6.45	\$6.64
Storage	\$2.30	\$2.36
Circulation	\$6.53	\$6.72

Other \$5.18 \$5.33

(b) The total gross square-foot POM expenditure requirement shall be allocated to models in proportion to full-time equivalent (FTE) enrollments as reported in enrollment data for all models except Doctoral I and Doctoral II.

(c) The amounts allocated to models in division (B)(1)(b) above shall be multiplied by the ratio of subsidy-eligible FTE students to total FTE students reported in each model, and the amounts summed for all models. To this total amount shall be added an amount to support roads and grounds expenditures to produce the total square-foot based POM subsidy.

(2) Determination of the Activity-Based POM Subsidy

(a) The number of subsidy-eligible FTE students in each model shall be multiplied by the following rates for each campus for each fiscal year.

	<u>FY 2000</u>	<u>FY 2001</u>
General Studies I	\$ 488	\$ 488
General Studies II	\$ 563	\$ 584
General Studies III	\$1,237	\$1,217
Technical I	\$ 555	\$ 553
Technical II	\$1,128	\$1,175
Baccalaureate I	\$ 641	\$ 655
Baccalaureate II	\$1,067	\$1,109
Baccalaureate III	\$1,578	\$1,598
Masters & Professional I	\$ 995	\$1,022
Masters & Professional II	\$1,742	\$1,895
Masters & Professional III	\$2,620	\$2,614
Doctoral I	\$1,433	\$1,382
Doctoral II	\$2,502	\$2,613
Medical I	\$2,389	\$2,485
Medical II	\$3,458	\$3,362

(b) The sum of the products for each campus determined in division (B)(2)(a) for all models except Doctoral I and Doctoral II for each fiscal year shall be weighted by a factor to reflect sponsored research activity and job-training related public services expenditures to determine the total activity-based POM subsidy.

(C) Calculation of Core Subsidy Entitlements and Adjustments

(1) Calculation of Core Subsidy Entitlements

The calculation of the core subsidy entitlement shall consist of the following components:

(a) For each campus and for each fiscal year, the core subsidy entitlement shall be determined by multiplying the amounts listed above in

divisions (A)(1) and (2) and (B)(2) less assumed local contributions, by (i) average subsidy-eligible full-time equivalents for the two-year period ending in the prior year for all models except Doctoral I and Doctoral II; and (ii) average subsidy-eligible full-time equivalents for the five-year period ending in the prior year for all models except Doctoral I and Doctoral II.

(b) In calculating the core subsidy entitlements for Medical II models only, the board shall use the following count of full-time equivalent students in place of the two-year average and five-year average of subsidy-eligible students.

(i) For those medical schools whose current year enrollment is below the base enrollment, the Medical II full-time equivalent enrollment shall equal: 65 per cent of the base enrollment plus 35 per cent of the current year enrollment, where the base enrollment is:

The Ohio State University	1010
University of Cincinnati	833
Medical College of Ohio at Toledo	650
Wright State University	433
Ohio University	433
Northeastern Ohio Universities College of Medicine	433

(ii) For those medical schools whose current year enrollment is equal to or greater than the base enrollment, the Medical II full-time equivalent enrollment shall equal the current enrollment.

(c) For all FTE-based subsidy calculations involving all-terms FTE data, FTE-based allowances shall be converted from annualized to annual rates to ensure equity and consistency of subsidy determination.

(d) The Board of Regents shall compute the sum of the two calculations listed in division (C)(1)(a) above and use the greater sum as the core subsidy entitlement.

The POM subsidy for each campus shall equal the greater of the square-foot-based subsidy or the activity-based POM subsidy component of the core subsidy entitlement, except that the total activity-based POM subsidy shall not exceed 161 per cent of the square-foot based POM subsidy in fiscal year 2000 and shall not exceed 177 per cent of the square-foot-based subsidy in fiscal year 2001.

(e) In fiscal year 2000, no more than 10.94 per cent of the total instructional subsidy shall be reserved to implement the recommendations of the Graduate Funding Commission. In fiscal year 2001, no more than 10.75 per cent of the total instructional subsidy shall be reserved for this same purpose. It is the intent of the General Assembly that the doctoral reserve be

reduced 0.25 percentage points each year thereafter until no more than 10.0 per cent of the total instructional subsidy is reserved to implement the recommendations of the Graduate Funding Commission. In fiscal year 2001, the Board of Regents shall reallocate 2 per cent of the reserve among the state-assisted universities on the basis of a quality review as specified in the recommendations of the Graduate Funding Commission.

The amount so reserved shall be allocated to universities in proportion to their share of the total number of Doctoral I equivalent FTEs as calculated on an institutional basis using the greater of the two-year or five-year FTEs for the period fiscal year 1994 through fiscal year 1998 with annualized FTEs for fiscal years 1994 through 1997 and all-term FTEs for fiscal year 1998 as adjusted to reflect the effects of doctoral review. For the purposes of this calculation, Doctoral I equivalent FTEs shall equal the sum of Doctoral FTEs plus 1.5 times the sum of Doctoral II FTEs. No university shall receive less for doctoral subsidy in fiscal year 2000 than it received for doctoral subsidy in fiscal year 1999.

(2) Annual Guaranteed Funding Increase

For the purposes of this section, for each year and for each campus "Challenge subsidies" shall equal the sum of the following allocations:

- (a) Access Challenge, less amounts attributed to tuition restraint;
- (b) Research Challenge;
- (c) Priorities in Graduate Education;
- (d) Success Challenge;
- (e) Jobs Challenge, less amounts earmarked for "strategically related industries."

In addition to and after the other adjustments noted above, in fiscal year 2000 each campus shall have its subsidy adjusted to the extent necessary to provide an amount from the instructional subsidy and Challenge subsidies that is not less than 103 per cent of the sum of the instructional subsidy and the Challenge subsidies received by the campus in fiscal year 1999. In fiscal year 2001 each campus shall have its subsidy adjusted to the extent necessary to provide an amount from the instructional subsidy and Challenge subsidies that is not less than 101 per cent of the sum of the instructional subsidy and the Challenge subsidies received by the campus in fiscal year 2000.

(3) Capital Component Deduction

After all other adjustments have been made, instructional subsidy earnings shall be reduced for each campus by the amount, if any, by which debt service charged in Am. H.B. No. 748 of the 121st General Assembly and Am. Sub. H.B. No. 850 of the 122nd General Assembly for that campus

exceeds that campus' capital component earnings.

(D) Reductions in Earnings

If total systemwide instructional subsidy earnings in any fiscal year exceed total appropriations available for such purposes, the Board of Regents shall proportionately reduce the instructional subsidy earnings for all campuses by a uniform percentage so that the systemwide sum equals available appropriations.

(E) Exceptional Circumstances

Adjustments may be made to instructional subsidy payments and other subsidies distributed by the Ohio Board of Regents to state-assisted colleges and universities for exceptional circumstances. No adjustments for exceptional circumstances may be made without the recommendation of the chancellor and the approval of the Controlling Board.

Distribution of Instructional Subsidy

The instructional subsidy payments to the institutions shall be in substantially equal monthly amounts during the fiscal year, unless otherwise determined by the Director of Budget and Management pursuant to the provisions of section 126.09 of the Revised Code. Payments during the first six months of the fiscal year shall be based upon the instructional subsidy appropriation estimates made for the various institutions of higher education according to the Ohio Board of Regents enrollment estimates. Payments during the last six months of the fiscal year shall be distributed after approval of the Controlling Board upon the request of the Ohio Board of Regents.

Law School Subsidy

The instructional subsidy to state supported universities for students enrolled in law schools in fiscal year 2000 and fiscal year 2001 shall be calculated by using the number of subsidy eligible full-time equivalent law school students funded by state subsidy in fiscal year 1995 or the actual number of subsidy eligible full-time equivalent law school students at the institution in the fiscal year, whichever is less.

SECTION 7.02.

Mission-Based Core Funding for Higher Education

Jobs Challenge

Funds appropriated to appropriation item 235-415, Jobs Challenge, shall be distributed to state-assisted community and technical colleges, regional campuses of state-assisted universities, and other organizationally distinct and identifiable member campuses of the EnterpriseOhio Network in support of noncredit job-related training. In fiscal years 2000 and 2001,

\$3,543,864 and \$4,000,000, respectively, shall be distributed to campuses in proportion to each campus' share of noncredit job-related training revenues received by all campuses for the previous fiscal year. It is the intent of the General Assembly that this workforce development incentive component of the Jobs Challenge Program reward campus noncredit job-related training efforts in the same manner that the Research Challenge Program rewards campuses for their ability to obtain sponsored research revenues.

In fiscal years 2000 and 2001, \$2,700,000 and \$2,781,000, respectively, shall be distributed equally to these same EnterpriseOhio Network campuses to fulfill a performance contract with the Ohio Board of Regents demonstrating their capability to provide accessible and affordable training services to Ohio companies, and particularly to improve the business performance of smaller firms.

In fiscal years 2000 and 2001, \$2,500,000 and \$4,198,694, respectively, shall be allocated to attract, develop, and retain companies strategically important to the state's economy through training and assessment services provided by EnterpriseOhio Network campuses. These funds shall be used in conjunction with funds appropriated to the Department of Development in H.B. No. 283 of the 123rd General Assembly for the purpose of attracting, developing, and retaining companies strategically important to the state's economy. Strategically related industries and companies shall be selected by the Ohio Board of Regents and the Ohio Department of Development.

Access Challenge

In each fiscal year, the foregoing appropriation item 235-418, Access Challenge, shall be distributed to Ohio's state-assisted access colleges and universities in proportion to each campus' share of full-time equivalent enrollments at the General Studies level as determined in the subsidy calculation process in the previous fiscal year. For the purposes of this allocation, "access campuses" includes state-assisted community colleges, state community colleges, technical colleges, Shawnee State University, Central State University, Cleveland State University, the regional campuses of state-assisted universities, and, where they are organizationally distinct and identifiable, the community-technical colleges located at the University of Cincinnati, Youngstown State University, and the University of Akron.

For the purposes of this calculation, Cleveland State University's share of full-time equivalent subsidy-eligible General Studies students shall equal its total full-time equivalent subsidy-eligible General Studies students multiplied by the ratio of the sum of full-time equivalent subsidy-eligible General Studies students enrolled in the community-technical colleges at the

University of Toledo, the University of Cincinnati, Youngstown State University, and the University of Akron divided by the sum of full-time equivalent subsidy-eligible General Studies students enrolled at those same four universities. However, Cleveland State University shall not receive less in each year of the 1999-2001 biennium than the amount received in fiscal year 1999.

(A) Of the total appropriation item 235-418, Access Challenge, \$2,500,000 in fiscal year 2000 and \$17,943,665 in fiscal year 2001 shall be used solely to restrain the growth of or reduce in-state undergraduate tuition and fees.

(B) Of the remaining appropriation of \$32,813,691 in fiscal year 2000 and \$47,324,335 in fiscal year 2001, 50 per cent of all new subsidies received by each campus in each fiscal year shall be used in combination with campus shares of the amounts determined in division (A) above to restrain the growth of or reduce in-state undergraduate tuition and fees. For the purposes of this distribution, "new subsidies" in fiscal year 2000 shall equal a campus's share of the \$32,813,691 allocation for fiscal year 2000 minus the campus-share of the \$20,000,000 allocation distributed for this purpose by the Board of Regents from appropriations in Am. Sub. H.B. No. 215 of the 122nd General Assembly. In fiscal year 2001, "new subsidies" shall equal a campus-share of the \$47,324,335 allocation for fiscal year 2001 minus the campus-share of the \$32,813,691 allocation for fiscal year 2000. In both fiscal years, negative differences between the current and previous year shall default to zero.

(C) In each fiscal year, the statewide average fee restraint or reduction percentage shall be applied uniformly to all campuses receiving Access Challenge appropriations according to a methodology to be determined by the Board of Regents. For Central State University and Shawnee State University, the methodology shall consider the combined effects of Access Challenge appropriations and each institution's special supplement when determining each institution's tuition restraint requirements in each year of the biennium. No such determination shall be made without the approval of the Office of Budget and Management. The approach determined by the Board of Regents shall restrain tuition increases to zero per cent in fiscal year 2000 and achieve tuition reductions of five per cent in fiscal year 2001. The fee restraint provisions shall not apply to campuses that do not receive an increase in Access Challenge allocations from one fiscal year to the next. For regional campuses, the fee restraint provisions shall apply to lower division undergraduate students. The tuition restraint or reduction percentage shall not apply or be applied in the case of a particular access

campus if and to the extent such would impair compliance with institutional covenants related to payment of debt charges on its bonds or notes issued prior to July 1, 1999, or on bonds or notes for which a pledge of fees or new agreement for adjustment of fees was approved prior to that date by the Ohio Board of Regents as referred to in section 7.06 of this Act.

Success Challenge

The foregoing appropriation item 235-420, Success Challenge, shall be used by the Ohio Board of Regents to promote degree completion by students enrolled at a main campus of a state-assisted university.

In each fiscal year, two-thirds of the appropriations shall be distributed to state-assisted university main campuses in proportion to each campus' share of the total statewide bachelor's degrees granted by university main campuses to "at-risk" students. In fiscal year 2000 and fiscal year 2001, an "at-risk" student shall be defined to mean any undergraduate student who had received an Ohio Instructional Grant during the past ten years. An eligible institution shall not receive its share of this distribution until it has submitted a plan that addresses how the subsidy will be used to better serve at-risk students and increase their likelihood of successful completion of a bachelor's degree program. The Board of Regents shall disseminate to all state-supported institutions of higher education all such plans submitted by institutions that received Success Challenge funds.

In each fiscal year, one-third of the appropriations shall be distributed to university main campuses in proportion to each campus' share of the total bachelor's degrees granted by university main campuses to undergraduate students who completed their bachelor's degrees in a "timely manner" in the previous fiscal year. For the purposes of this section, "timely manner" means the normal time it would take for a full-time degree-seeking undergraduate student to complete the student's degree. Generally, for such students pursuing a bachelor's degree, "timely manner" means four years. Exceptions to this general rule shall be permitted for students enrolled in programs specifically designed to be completed in a longer time period. The Board of Regents shall collect base-line data beginning with the 1998-99 academic year to assess the timely completion statistics by university main campuses.

Eminent Scholars Program

The foregoing appropriation item 235-451, Eminent Scholars, shall be used by the Ohio Board of Regents to establish an Ohio Eminent Scholars Program, the purpose of which is to invest educational resources to address problems that are of vital statewide significance while fostering the growth in eminence of Ohio's academic programs. Endowment grants of \$750,000

to state colleges and universities and nonprofit Ohio institutions of higher education holding certificates of authorization issued under section 1713.02 of the Revised Code to match endowment gifts from nonstate sources may be made in accordance with a plan established by the Ohio Board of Regents. Matching gifts in science and technology programs shall be \$750,000, and in all other program areas, \$500,000. The grants shall have as their purpose attracting and sustaining in Ohio scholar-leaders of national or international prominence who will assist the state in one of the following three areas: (1) improving the state's economic development; (2) strengthening the state's system of K-12 education; or (3) improving public health and safety. Such scholar-leaders shall, among their duties, share broadly the benefits and knowledge unique to their field of scholarship to the betterment of Ohio and its people.

Research Challenge

The foregoing appropriation item 235-454, Research Challenge, shall be used to enhance the basic research capabilities of public colleges and universities and accredited Ohio institutions of higher education holding certificates of authorization issued pursuant to section 1713.02 of the Revised Code, in order to strengthen the academic research for pursuing Ohio's economic redevelopment goals. The Ohio Board of Regents, in consultation with the colleges and universities, shall administer the Research Challenge Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to such eligible institutions and for focusing research efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Ohio Board of Regents plans for the institutional allocation of state dollars received through this program. Such institutional plans shall provide the rationale for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, and for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support. It is the intent of the General Assembly that increases in funding for appropriation item 235-454, Research Challenge, in the 1999-2001 biennium, over the 1993-1995 biennium levels, be used by campuses as unrestricted funding for research, in the same way that Instructional Subsidy allocations are used.

The Ohio Board of Regents shall submit a biennial report of progress to the General Assembly.

Priorities in Graduate Education

The foregoing appropriation item 235-554, Priorities in Graduate Education, shall be used by the Ohio Board of Regents to support improvements in graduate programs in computer science at state-assisted universities. In each fiscal year, up to \$200,000 may be used to support collaborative efforts in graduate education in this program area.

SECTION 7.03.

Higher Education

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Board of Trustees

Funds appropriated for instructional subsidies at colleges and universities may be used to provide such branch or other off-campus undergraduate courses of study and such master's degree courses of study as may be approved by the Ohio Board of Regents.

In providing instructional and other services to students, boards of trustees of state-assisted institutions of higher education shall supplement state subsidies by income from charges to students. Each board shall establish the fees to be charged to all students, including an instructional fee for educational and associated operational support of the institution and a general fee for noninstructional services, including locally financed student services facilities used for the benefit of enrolled students. The instructional fee and the general fee shall encompass all charges for services assessed uniformly to all enrolled students. Each board may also establish special purpose fees, service charges, and fines as required; such special purpose fees and service charges shall be for services or benefits furnished individual students or specific categories of students and shall not be applied uniformly to all enrolled students. A tuition surcharge shall be paid by all students who are not residents of Ohio.

Boards of trustees of individual state-assisted universities shall limit combined university main campus in-state undergraduate instructional and general fee increases for an academic year over the amounts charged in the prior academic year to no more than six per cent. The boards of trustees of individual state-assisted universities shall not authorize combined university main campus in-state undergraduate instructional and general fee increases of more than four per cent in a single vote. Boards of trustees of individual state-assisted university branch campuses, community colleges, and technical colleges shall limit combined in-state undergraduate instructional and general fee increases for an academic year over the amounts charged in the prior academic year to no more than three per cent. These fee increase limitations apply even if an institutional board of trustees has, prior to the

effective date of this section, voted to assess a higher fee for the 1999-2000 academic year. These limitations shall not apply to increases required to comply with institutional covenants related to their obligations or to meet unfunded legal mandates or legally binding obligations incurred or commitments made prior to the effective date of this act with respect to which the institution had identified such fee increases as the source of funds. Any increase required by such covenants and any such mandates, obligations, or commitments shall be reported by the Board of Regents to the Controlling Board. These limitations may also be modified by the Ohio Board of Regents, with the approval of the Controlling Board, to respond to exceptional circumstances as identified by the Ohio Board of Regents.

The board of trustees of a state-assisted institution of higher education shall not authorize a waiver or nonpayment of instructional fees nor general fees for any particular student or any class of students other than waivers specifically authorized by law or approved by the chancellor. This prohibition is not intended to limit the authority of boards of trustees to provide for payments to students for services rendered the institution, nor to prohibit the budgeting of income for staff benefits or for student assistance in the form of payment of such instructional and general fees.

Each state-assisted institution of higher education in its statement of charges to students shall separately identify the instructional fee, the general fee, the tuition charge, and the tuition surcharge. Fee charges to students for instruction shall not be considered to be a price of service but shall be considered to be an integral part of the state government financing program in support of higher educational opportunity for students.

In providing the appropriations in support of instructional services at state-assisted institutions of higher education and the appropriations for other instruction it is the intent of the General Assembly that faculty members shall devote a proper and judicious part of their work week to the actual instruction of students. Total class credit hours of production per quarter per full-time faculty member is expected to meet the standards set forth in the budget data submitted by the Ohio Board of Regents.

No state-assisted college or university shall contract additional debt to finance additional student housing or permit the construction of additional student housing on land owned or leased by such institution without the approval of the Board of Regents. In granting or denying approval, the board shall consider demographic projections and established service districts, as well as the current strength of enrollment patterns throughout the state and in the public and private institutions that have historically drawn students from the same markets as the institution requesting

additional housing. The board shall also consider statewide dormitory occupancy patterns and any debt burden that would be incurred by the institution. The board shall monitor demographic trends and shall recommend that the General Assembly modify this section when there is no longer a significant risk of future enrollment decline.

The board shall have no authority to prohibit the construction of privately financed housing constructed on land that is not owned or leased by the institution, even if the institution has entered or intends to enter into some type of contractual agreement with the developers or owners of such housing.

The authority of government vested by law in the boards of trustees of state-assisted institutions of higher education shall in fact be exercised by those boards. Boards of trustees may consult extensively with appropriate student and faculty groups. Administrative decisions about the utilization of available resources, about organizational structure, about disciplinary procedure, about the operation and staffing of all auxiliary facilities, and about administrative personnel shall be the exclusive prerogative of boards of trustees. Any delegation of authority by a board of trustees in other areas of responsibility shall be accompanied by appropriate standards of guidance concerning expected objectives in the exercise of such delegated authority and shall be accompanied by periodic review of the exercise of this delegated authority to the end that the public interest, in contrast to any institutional or special interest, shall be served.

SECTION 7.04.

Medical School Subsidies

The foregoing appropriation item 235-515, CWRU School of Medicine, shall be disbursed to Case Western Reserve University through the Ohio Board of Regents in accordance with agreements entered into as provided for by section 3333.10 of the Revised Code, provided that the state support per full-time medical student shall not exceed that provided to full-time medical students at state universities.

The foregoing appropriation items 235-536, Ohio State University Clinical Teaching; 235-537, University of Cincinnati Clinical Teaching; 235-538, Medical College of Ohio at Toledo Clinical Teaching; 235-539, Wright State University Clinical Teaching; 235-540, Ohio University Clinical Teaching; and 235-541, Northeastern Ohio Universities College of Medicine Clinical Teaching, shall be distributed through the Ohio Board of Regents.

The foregoing appropriation item 235-572, OSU Clinic Support, shall

be distributed through the Ohio Board of Regents to The Ohio State University for support of dental and veterinary medicine clinics.

The Ohio Board of Regents shall develop plans consistent with existing criteria and guidelines as may be required for the distribution of appropriation items 235-519, Family Practice, 235-525, Geriatric Medicine, and 235-526, Primary Care Residencies.

Of the foregoing appropriation item 235-539, Wright State University Clinical Teaching, \$160,000 in each fiscal year shall be for the use of Wright State University's Ellis Institute for Clinical Teaching Studies to operate the clinical facility to serve the Greater Dayton area.

Performance Standards for Medical Education

The Ohio Board of Regents, in consultation with the state-assisted medical colleges, shall develop performance standards for medical education. Special emphasis in the standards shall be placed on attempting to ensure that at least 50 per cent of the aggregate number of students enrolled in state-assisted medical colleges continue to enter residency as primary care physicians. Primary care physicians are defined as general family practice physicians, general internal medicine practitioners, and general pediatric care physicians. The Board of Regents shall be responsible for monitoring medical school performance in relation to their plans for reaching the 50 per cent systemwide standard for primary care physicians.

The foregoing appropriation item 235-526, Primary Care Residencies, shall be distributed in each fiscal year of the biennium based on whether the institution has submitted and gained approval for a plan. If the institution does not have an approved plan then it shall receive five per cent less funding per student than it would have received from its annual allocation. The remaining funding shall be distributed among those institutions that meet or exceed their targets.

Area Health Education Centers

The foregoing appropriation item 235-474, AHEC Program Support, shall be used by the Ohio Board of Regents to support the medical school regional AHECs' educational programs for the continued support of medical and other health professions education and for support of the Area Health Education Center program.

Of the foregoing appropriation item 235-474, AHEC Program Support, \$200,000 in each fiscal year shall be disbursed to the Ohio University College of Osteopathic Medicine for the establishment of a mobile health care unit to serve the southeastern area of the state. Of the foregoing appropriation item 235-474, AHEC Program Support, \$150,000 in each fiscal year shall be used to support the Ohio Valley Community Health

Information Network (OVCHIN) pilot project.

SECTION 7.05.

Midwest Higher Education Compact

The foregoing appropriation item 235-408, Midwest Higher Education Compact, shall be distributed by the Ohio Board of Regents pursuant to section 3333.40 of the Revised Code.

College Readiness Initiatives

Appropriation item 235-404, College Readiness Initiatives, shall be used by the Board of Regents in support of programs designed to improve the ability of high school students to enroll and succeed in higher education. These programs shall include, but not be limited to, the following: the continued administration of the Early English Composition Assessment portion of the postsecondary readiness testing program, the implementation of the State Higher Education Remediation Advisory Commission report, and the creation of a statewide outreach effort to promote the availability, need, and affordability of a college education.

Mathematics and Science Teaching Improvement

Appropriation item 235-403, Math/Science Teaching Improvement, shall be used by the Board of Regents in support of programs designed to raise the quality of mathematics and science teaching in primary and secondary education. Of these amounts, \$200,000 in each fiscal year shall be reserved for the Early Math Placement Test, and \$2,000,000 in fiscal year 2000 and \$1,500,000 in fiscal year 2001 shall be reserved for Project Discovery.

Technology

Appropriation item 235-417, Technology, shall be used by the Board of Regents to support the continued implementation of the Ohio Learning Network, a statewide electronic collaborative effort designed to promote degree completion of students, workforce training of employees, and professional development through the use of advanced telecommunications and distance education initiatives.

Displaced Homemakers

Of the foregoing appropriation item 235-509, Displaced Homemakers, the Ohio Board of Regents shall continue funding pilot projects authorized in Am. Sub. H.B. No. 291 of the 115th General Assembly for the following centers: Cuyahoga Community College, University of Toledo, Southern State Community College, and Stark Technical College. The amount of \$30,000 in each fiscal year shall be used for the Baldwin-Wallace Single Parents Reaching Out for Unassisted Tomorrows program.

Ohio Aerospace Institute

The foregoing appropriation item 235-527, Ohio Aerospace Institute, shall be distributed by the Ohio Board of Regents pursuant to section 3333.042 of the Revised Code.

Productivity Improvement Challenge

The foregoing appropriation item 235-455, Productivity Improvement Challenge, shall be allocated by the Ohio Board of Regents to continue increasing the capabilities of Business and Industry Training Centers at Ohio's two-year college and university regional campuses to meet the varied training needs of Ohio enterprises. Funds shall be available for capacity building projects and activities developed through the Enterprise Ohio Network of Business and Industry Training Centers. The Regents Advisory Committee for Workforce Development, in its advisory role, shall assist in the development of plans and activities.

Of the foregoing appropriation item 235-455, Productivity Improvement Challenge, \$208,000 in each fiscal year shall be used by the Dayton Business/Sinclair College Jobs Profiling Program.

Access Improvement Projects

The foregoing appropriation item 235-477, Access Improvement Projects, shall be used by the Ohio Board of Regents to develop innovative statewide strategies to increase student access and retention for specialized populations, and to provide for pilot projects that will contribute to improving access to higher education by specialized populations. The funds may be used for projects that improve access for nonpublic secondary students.

Of the foregoing appropriation item 235-477, Access Improvement Projects, \$740,000 in each fiscal year shall be distributed to the Appalachian Center for Higher Education at Shawnee State University. The Board of Directors of the center shall be comprised of the presidents of Shawnee State University, Ohio University, Belmont Technical College, Hocking Technical College, Jefferson Technical College, Muskingum Area Technical College, Rio Grande Community College, Southern State Community College, Washington State Community College, the dean of either the Salem or East Liverpool regional campuses of Kent State University, as designated by the President of Kent State University, and a representative of the Board of Regents designated by the chancellor.

Ohio Supercomputer Center

The foregoing appropriation item 235-510, Ohio Supercomputer Center, shall be used by the Ohio Board of Regents to support the operation of the center, located at The Ohio State University, as a statewide resource

available to Ohio research universities both public and private. It is also intended that the center be made accessible to private industry as appropriate. Policies of the center shall be established by a governance committee, representative of Ohio's research universities and private industry, to be appointed by the Chancellor of the Ohio Board of Regents and established for this purpose.

Ohio Academic Resources Network (OARNet)

The foregoing appropriation item 235-556, Ohio Academic Resource Network, shall be used to support the operations of the Ohio Academic Resources Network, which shall include support for Ohio's state-assisted colleges and universities in maintaining and enhancing network connections.

SECTION 7.06.

Pledge of Fees

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Any new pledge of fees, or new agreement for adjustment of fees, made in the 1999-2001 biennium to secure bonds or notes of a state-assisted institution of higher education for a project for which bonds or notes were not outstanding on the effective date of this section shall be effective only after approval by the Ohio Board of Regents, unless approved in a previous biennium.

Rental Payments to the Ohio Public Facilities Commission

The appropriations to the Ohio Board of Regents from the General Revenue Fund for the purposes of division (A) of section 3333.13 of the Revised Code include the amounts necessary to meet all payments at the times required to be made during the period from July 1, 1999, to June 30, 2001, by the Ohio Board of Regents to the Ohio Public Facilities Commission pursuant to leases and agreements made under section 154.21 of the Revised Code, as certified under division (C) of section 3333.13 of the Revised Code, but limited to the aggregate amount of \$743,042,000 provided in appropriation item 235-401, Rental Payments to the Ohio Public Facilities Commission. Nothing in this section shall be deemed to contravene the obligation of the state to pay, without necessity for further appropriation, from the source pledged thereto, the bond service charges on obligations issued pursuant to section 154.21 of the Revised Code.

SECTION 7.07.

Ohio Instructional Grants

Notwithstanding section 3333.12 of the Revised Code, in lieu of the

bles in that section, instructional grants for all full-time students shall be made for fiscal year 2000 using the tables under this heading.

The tables under this heading prescribe the maximum grant amounts covering two semesters, three quarters, or a comparable portion of one academic year. The grant amount for a full-time student enrolled in an eligible institution for a semester or quarter in addition to the portion of the academic year covered by a grant determined under these tables shall be a percentage of the maximum prescribed in the applicable table. The maximum grant for a fourth quarter shall be one-third of the maximum amount prescribed under the table. The maximum grant for a third semester shall be one-half of the maximum amount prescribed under the table.

For a full-time student who is a dependent and enrolled in a nonprofit educational institution that is not a state-assisted institution and that has a certificate of authorization issued pursuant to Chapter 1713. of the Revised Code, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

OHIO INSTRUCTIONAL GRANTS

Private Institution Table of Grants

Maximum Grant \$4,644

Gross Income	Number of Dependents				
	1	2	3	4	5 or more
Under \$12,001	\$4,644	\$4,644	\$4,644	\$4,644	\$4,644
\$12,001 - \$13,000	4,182	4,644	4,644	4,644	4,644
\$13,001 - \$14,000	3,708	4,182	4,644	4,644	4,644
\$14,001 - \$15,000	3,246	3,708	4,182	4,644	4,644
\$15,001 - \$16,000	2,790	3,246	3,708	4,182	4,644
\$16,001 - \$17,000	2,328	2,790	3,246	3,708	4,182
\$17,001 - \$20,000	1,854	2,328	2,790	3,246	3,708
\$20,001 - \$23,000	1,368	1,854	2,328	2,790	3,246
\$23,001 - \$26,000	1,146	1,368	1,854	2,328	2,790
\$26,001 - \$29,000	924	1,146	1,368	1,854	2,328
\$29,001 - \$30,000	840	924	1,146	1,368	1,854
\$30,001 - \$31,000	756	840	924	1,146	1,368
\$31,001 - \$32,000	378	756	840	924	1,146
\$32,001 - \$33,000	-0-	378	756	840	924
\$33,001 - \$34,000	-0-	-0-	378	756	840
\$34,001 - \$35,000	-0-	-0-	-0-	378	756
\$35,001 - \$36,000	-0-	-0-	-0-	-0-	378

Over \$36,000 -0- -0- -0- -0- -0-

For a full-time student who is financially independent and enrolled in a nonprofit educational institution that is not a state-assisted institution and that has a certificate of authorization issued pursuant to Chapter 1713. of the Revised Code, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Gross Income	Private Institution Table of Grants					
	Maximum Grant \$4,644					
	Number of Dependents					
	0	1	2	3	4	5 or more
Under \$3,901	\$4,644	\$4,644	\$4,644	\$4,644	\$4,644	\$4,644
\$3,901 - \$4,500	4,182	4,644	4,644	4,644	4,644	4,644
\$4,501 - \$5,000	3,708	4,182	4,644	4,644	4,644	4,644
\$5,001 - \$5,500	3,246	3,708	4,182	4,644	4,644	4,644
\$5,501 - \$6,000	2,790	3,246	3,708	4,182	4,644	4,644
\$6,001 - \$6,500	2,328	2,790	3,246	3,708	4,182	4,644
\$6,501 - \$7,500	1,854	2,328	2,790	3,246	3,708	4,182
\$7,501 - \$8,500	1,368	1,854	2,328	2,790	3,246	3,708
\$8,501 - \$9,500	1,146	1,368	1,854	2,328	2,790	3,246
\$9,501 - \$11,000	924	1,146	1,368	1,854	2,328	2,790
\$11,001 - \$12,500	840	924	1,146	1,368	1,854	2,328
\$12,501 - \$14,000	756	840	924	1,146	1,368	1,854
\$14,001 - \$15,500	378	756	840	924	1,146	1,368
\$15,501 - \$18,500	-0-	378	756	840	924	1,146
\$18,501 - \$21,500	-0-	-0-	378	756	840	924
\$21,501 - \$24,500	-0-	-0-	-0-	378	756	840
\$24,501 - \$29,200	-0-	-0-	-0-	-0-	378	756
\$29,201 - \$33,900	-0-	-0-	-0-	-0-	-0-	378
Over \$33,900	-0-	-0-	-0-	-0-	-0-	-0-

For a full-time student who is a dependent and enrolled in an

educational institution that holds a certificate of registration from the State Board of Proprietary School Registration, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Proprietary Institution Table of Grants					
Maximum Grant \$3,936					
Gross Income	Number of Dependents				
	1	2	3	4	5 or more
Under \$12,001	\$3,936	\$3,936	\$3,936	\$3,936	\$3,936
\$12,001 - \$13,000	3,552	3,936	3,936	3,936	3,936
\$13,001 - \$14,000	3,132	3,552	3,936	3,936	3,936
\$14,001 - \$15,000	2,742	3,132	3,552	3,936	3,936
\$15,001 - \$16,000	2,376	2,742	3,132	3,552	3,936
\$16,001 - \$17,000	1,950	2,376	2,742	3,132	3,552
\$17,001 - \$20,000	1,578	1,950	2,376	2,742	3,132
\$20,001 - \$23,000	1,206	1,578	1,950	2,376	2,742
\$23,001 - \$26,000	966	1,206	1,578	1,950	2,376
\$26,001 - \$29,000	774	966	1,206	1,578	1,950
\$29,001 - \$30,000	726	774	966	1,206	1,578
\$30,001 - \$31,000	642	726	774	966	1,206
\$31,001 - \$32,000	324	642	726	774	966
\$32,001 - \$33,000	-0-	324	642	726	774
\$33,001 - \$34,000	-0-	-0-	324	642	726
\$34,001 - \$35,000	-0-	-0-	-0-	324	642
\$35,001 - \$36,000	-0-	-0-	-0-	-0-	324
Over \$36,000	-0-	-0-	-0-	-0-	-0-

For a full-time student who is financially independent and enrolled in an educational institution that holds a certificate of registration from the State Board of Proprietary School Registration, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Proprietary Institution Table of Grants						
Maximum Grant \$3,936						
Gross Income	Number of Dependents					5 or more
	0	1	2	3	4	
Under \$3,901	\$3,936	\$3,936	\$3,936	\$3,936	\$3,936	\$3,936
\$3,901 - \$4,500	3,552	3,936	3,936	3,936	3,936	3,936
\$4,501 - \$5,000	3,132	3,552	3,936	3,936	3,936	3,936

\$5,001 - \$5,500	2,742	3,132	3,552	3,936	3,936	3,936
\$5,501 - \$6,000	2,376	2,742	3,132	3,552	3,936	3,936
\$6,001 - \$6,500	1,950	2,376	2,742	3,132	3,552	3,936
\$6,501 - \$7,500	1,578	1,950	2,376	2,742	3,132	3,552
\$7,501 - \$8,500	1,206	1,578	1,950	2,376	2,742	3,132
\$8,501 - \$9,500	966	1,206	1,578	1,950	2,376	2,742
\$9,501 - \$11,000	774	966	1,206	1,578	1,950	2,376
\$11,001 - \$12,500	726	774	966	1,206	1,578	1,950
\$12,501 - \$14,000	642	726	774	966	1,206	1,578
\$14,001 - \$15,500	324	642	726	774	966	1,206
\$15,501 - \$18,500	-0-	324	642	726	774	966
\$18,501 - \$21,500	-0-	-0-	324	642	726	774
\$21,501 - \$24,500	-0-	-0-	-0-	324	642	726
\$24,501 - \$29,200	-0-	-0-	-0-	-0-	324	642
\$29,201 - \$33,900	-0-	-0-	-0-	-0-	-0-	324
Over \$33,900	-0-	-0-	-0-	-0-	-0-	-0-

For a full-time student who is a dependent and enrolled in a state-assisted educational institution, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Public Institution Table of Grants

Maximum Grant \$1,866

Gross Income	Number of Dependents				
	1	2	3	4	5 or more
Under \$12,001	\$1,866	\$1,866	\$1,866	\$1,866	\$1,866
\$12,001 - \$13,000	1,680	1,866	1,866	1,866	1,866
\$13,001 - \$14,000	1,482	1,680	1,866	1,866	1,866
\$14,001 - \$15,000	1,314	1,482	1,680	1,866	1,866
\$15,001 - \$16,000	1,128	1,314	1,482	1,680	1,866
\$16,001 - \$17,000	924	1,128	1,314	1,482	1,680
\$17,001 - \$20,000	738	924	1,128	1,314	1,482

\$20,001 - \$23,000	558	738	924	1,128	1,314
\$23,001 - \$26,000	450	558	738	924	1,128
\$26,001 - \$29,000	360	450	558	738	924
\$29,001 - \$30,000	336	360	450	558	738
\$30,001 - \$31,000	306	336	360	450	558
\$31,001 - \$32,000	156	306	336	360	450
\$32,001 - \$33,000	-0-	156	306	336	360
\$33,001 - \$34,000	-0-	-0-	156	306	336
\$34,001 - \$35,000	-0-	-0-	-0-	156	306
\$35,001 - \$36,000	-0-	-0-	-0-	-0-	156
Over \$36,000	-0-	-0-	-0-	-0-	-0-

For a full-time student who is financially independent and enrolled in a state-assisted educational institution, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Gross Income	Public Institution Table of Grants					
	Maximum Grant \$1,866					
	Number of Dependents					
	0	1	2	3	4	5 or more
Under \$3,901	\$1,866	\$1,866	\$1,866	\$1,866	\$1,866	\$1,866
\$3,901 - \$4,500	1,680	1,866	1,866	1,866	1,866	1,866
\$4,501 - \$5,000	1,482	1,680	1,866	1,866	1,866	1,866
\$5,001 - \$5,500	1,314	1,482	1,680	1,866	1,866	1,866
\$5,501 - \$6,000	1,128	1,314	1,482	1,680	1,866	1,866
\$6,001 - \$6,500	924	1,128	1,314	1,482	1,680	1,866
\$6,501 - \$7,500	738	924	1,128	1,314	1,482	1,680
\$7,501 - \$8,500	558	738	924	1,128	1,314	1,482
\$8,501 - \$9,500	450	558	738	924	1,128	1,314
\$9,501 - \$11,000	360	450	558	738	924	1,128
\$11,001 - \$12,500	336	360	450	558	738	924
\$12,501 - \$14,000	306	336	360	450	558	738
\$14,001 - \$15,500	156	306	336	360	450	558
\$15,501 - \$18,500	-0-	156	306	336	360	450
\$18,501 - \$21,500	-0-	-0-	156	306	336	360

\$21,501 -	-0-	-0-	-0-	156	306	336
\$24,500						
\$24,501 -	-0-	-0-	-0-	-0-	156	306
\$29,200						
\$29,201 -	-0-	-0-	-0-	-0-	-0-	156
\$33,900						
Over \$33,900	-0-	-0-	-0-	-0-	-0-	-0-

The foregoing appropriation item, 235-503, Ohio Instructional Grants, shall be used to make the payments authorized by division (C) of section 3333.26 of the Revised Code to the institutions described in that division. In addition, this appropriation shall be used to reimburse the institutions described in division (B) of section 3333.26 of the Revised Code for the cost of the waivers required by that division.

War Orphans' Scholarships

The foregoing appropriation item 235-504, War Orphans' Scholarships, shall be used to reimburse state-assisted institutions of higher education for waivers of instructional fees and general fees provided by them, and to provide grants to institutions that have received a certificate of authorization from the Ohio Board of Regents under Chapter 1713. of the Revised Code, in accordance with the provisions of section 5910.04 of the Revised Code, and to fund additional scholarship benefits provided by section 5910.032 of the Revised Code.

Part-time Student Instructional Grants

The foregoing appropriation item 235-549, Part-time Student Instructional Grants, shall be used to support a grant program for part-time undergraduate students who are Ohio residents and who are enrolled in degree granting programs.

Eligibility for participation in the program shall include degree granting educational institutions that hold a certificate of registration from the State Board of Proprietary School Registration, and nonprofit institutions that have a certificate of authorization issued pursuant to Chapter 1713. of the Revised Code, as well as state-assisted colleges and universities. Grants shall be given to students on the basis of need, as determined by the college, which will, in making these determinations, give special consideration to single-parent heads-of-household and displaced homemakers who enroll in an educational degree program that prepares the individual for a career. In determining need, the college also shall consider the availability of educational assistance from a student's employer. It is the intent of the General Assembly that these grants not supplant such assistance.

SECTION 7.08.

Capitol Scholarship Programs

The foregoing appropriation item 235-518, Capitol Scholarship Programs, shall be used to provide one hundred twenty-five scholarships in each fiscal year in the amount of \$2,000 each for students enrolled in Ohio's public and private institutions of higher education to participate in the Washington Center Internship Program. The scholarships shall be matched by the Washington Center's scholarship funds.

Student Choice Grants

The foregoing appropriation item 235-531, Student Choice Grants, shall be used to support the Student Choice Grant Program created by section 3333.27 of the Revised Code.

Student Workforce Development Grants

The foregoing appropriation item 235-534, Student Workforce Development Grants, shall be used to support the Student Workforce Development Grant program. Of the appropriated funds available, the Board of Regents shall distribute grants of up to \$200 to each eligible student in an academic year.

Academic Scholarships

Notwithstanding the provision in section 3333.22 of the Revised Code requiring the annual amount of a scholarship for a scholar to be \$2,000, in lieu of that amount the annual scholarship amount awarded to any scholar who received a scholarship for the 1994-1995 academic year shall be \$1,000 for any academic year for which the scholar is eligible for a scholarship under section 3333.22 of the Revised Code.

Physician Loan Repayment

The foregoing appropriation item 235-604, Physician Loan Repayment, shall be used in accordance with sections 3702.71 to 3702.81 of the Revised Code.

Nursing Loan Program

The foregoing appropriation item 235-606, Nursing Loan Program, shall be used to administer the nurse education assistance program. Up to \$148,000 in fiscal year 2000 and \$152,000 in fiscal year 2001 may be used for operating expenses associated with the program. Any additional funds needed for the administration of the program are subject to Controlling Board approval.

SECTION 7.09.

Cooperative Extension Service

Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$210,000 in each fiscal year shall be used for additional staffing for county agents for expanded 4-H activities. Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$210,000 in each fiscal year shall be used by the Cooperative Extension Service, through the Enterprise Center for Economic Development in cooperation with other agencies, for a public-private effort to create and operate a small business economic development program to enhance the development of alternatives to the growing of tobacco, and implement through applied research and demonstration, the production and marketing of other high value crops and value-added products. Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$65,000 in each fiscal year shall be used for farm labor mediation and education programs. Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$215,000 in each fiscal year shall be used to support the Ohio State University Marion Enterprise Center.

Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$680,000 in fiscal year 2000 and \$910,500 in fiscal year 2001 shall be used to support the Ohio Watersheds Initiative.

Agricultural Research and Development Center

Of the foregoing appropriation item 235-535, Agricultural Research and Development Center, \$950,000 in each fiscal year shall be distributed to the Piketon Agricultural Research and Extension Center.

Of the foregoing appropriation item 235-535, Agricultural Research and Development Center, \$250,000 in each fiscal year shall be distributed to the Raspberry/Strawberry-Ellagic Acid Research program at the Ohio State University Medical College in cooperation with the Ohio State University College of Agriculture.

Of the foregoing appropriation item 235-535, Agricultural Research and Development Center, \$50,000 in each fiscal year shall be used to support the Ohio Berry Administrator.

Of the foregoing appropriation item 235-535, Agricultural Research and Development Center, \$100,000 in each fiscal year shall be used for the development of agricultural crops and products not currently in widespread production in Ohio, in order to increase the income and viability of family farmers.

Cooperative Extension Service and Agricultural Research and Development Center

The foregoing appropriation items 235-511, Cooperative Extension

Service, and 235-535, Agricultural Research and Development Center, shall be disbursed through the Ohio Board of Regents to The Ohio State University in monthly payments, unless otherwise determined by the Director of Budget and Management pursuant to the provisions of section 126.09 of the Revised Code. Of the foregoing appropriation item 235-535, Agricultural Research and Development Center, \$540,000 in each fiscal year shall be used to purchase equipment.

The Ohio Agricultural Research and Development Center shall not be required to remit payment to The Ohio State University during the 1999-2001 biennium for cost reallocation assessments. The cost reallocation assessments include, but are not limited to, any assessment on state appropriations to the center.

SECTION 7.10.

Sea Grants

The foregoing appropriation item 235-402, Sea Grants, shall be disbursed to The Ohio State University. The funds from this appropriation item shall be used to conduct research on fish in Lake Erie.

Information System

The foregoing appropriation item 235-409, Information System, shall be used by the Board of Regents to revise the higher education data system known as the Uniform Information System.

Student Services

The foregoing appropriation item 235-502, Student Support Services, shall be distributed by the Board of Regents to Ohio's state-assisted colleges and universities that incur disproportionate costs in the provision of support services to disabled students.

Central State Supplement

Of the foregoing appropriation item 235-514, Central State Supplement, \$100,000 in fiscal year 2000 shall be used in a collaboration between the Board of Regents and the Institute for Urban Education for planning purposes; \$400,000 in fiscal year 2000 shall be distributed to the Institute for Urban Education; and \$1,000,000 in fiscal year 2001 shall be distributed to the Institute for Urban Education.

Shawnee State Supplement

The foregoing appropriation item 235-520, Shawnee State Supplement, shall be used by Shawnee State University as detailed by both of the following:

(A) To allow Shawnee State University to keep its undergraduate fees below the statewide average, consistent with its mission of service to an

economically depressed Appalachian region;

(B) To allow Shawnee State University to employ new faculty to develop and teach in new degree programs that meet the needs of Appalachians.

Police and Fire Protection

The foregoing appropriation item 235-524, Police and Fire Protection, shall be used for police and fire services in the municipalities of Kent, Athens, Oxford, Fairborn, Bowling Green, Portsmouth, Xenia Township (Greene County), and Rootstown Township, which may be used to assist these local governments in providing police and fire protection for the central campus of the state-affiliated university located therein. Each participating municipality and township shall receive at least five thousand dollars per year. Funds shall be distributed by the Ohio Board of Regents.

School of International Business

Of the foregoing appropriation item 235-547, School of International Business, \$1,243,637 in each fiscal year shall be used for the continued development and support of the School of International Business of the state universities of northeast Ohio. The money shall go to the University of Akron. These funds shall be used by the university to establish a School of International Business located at the University of Akron. It may confer with the Kent State University, Youngstown State University, and Cleveland State University as to the curriculum and other matters regarding the school.

Of the foregoing appropriation item 235-547, School of International Business, \$250,000 in each fiscal year shall be used to support the University of Toledo International Business Institute.

Of the foregoing appropriation item 235-547, School of International Business, \$250,000 in each fiscal year shall be used to support the Ohio State University MUCIA program.

Capital Component

The foregoing appropriation item 235-552, Capital Component, shall be used by the Ohio Board of Regents to implement the capital funding policy for state-assisted colleges and universities established in Am. H.B. No. 748 of the 121st General Assembly. Appropriations from this item shall be distributed to all campuses for which the estimated campus debt service attributable to new qualifying capital projects is less than the campus' formula-determined capital component allocation. Campus allocations shall be determined by subtracting the estimated campus debt service attributable to new qualifying capital projects from campus formula-determined capital component allocation. Moneys distributed from this appropriation item shall be restricted to capital-related purposes.

Dayton Area Graduate Studies Institute

The foregoing appropriation item 235-553, Dayton Area Graduate Studies Institute, shall be used by the Ohio Board of Regents to support the Dayton Area Graduate Studies Institute, an engineering graduate consortium of three universities in the Dayton area - Wright State University, The University of Dayton, and the Air Force Institute of Technology - with the participation of the University of Cincinnati and The Ohio State University.

Long-Term Care Research

The foregoing appropriation item 235-558, Long-term Care Research, shall be disbursed to Miami University for long-term care research.

BGSU Canadian Studies Center

The foregoing appropriation item 235-561, BGSU Canadian Studies Center, shall be used by the Canadian Studies Center at Bowling Green State University to study opportunities for Ohio and Ohio businesses to benefit from the Free Trade Agreement between the United States and Canada.

Urban University Programs

Of the foregoing appropriation item 235-583, Urban University Programs, universities receiving funds which are used to support an ongoing university unit must certify periodically in a manner approved by the Ohio Board of Regents that program funds are being matched on a one-to-one basis with equivalent resources. Overhead support may not be used to meet this requirement. Where Urban University Program funds are being used to support an ongoing university unit, matching funds must come from continuing rather than one-time sources. At each participating state-assisted institution of higher education, matching funds must be within the substantial control of the individual designated by the institution's president as the Urban University Program representative.

Of the foregoing appropriation item 235-583, Urban University Programs, \$380,000 in each fiscal year shall be used to support a public communication outreach program (WCPN). The primary purpose of the program shall be to develop a relationship between Cleveland State University and nonprofit communications entities.

Of the foregoing appropriation item 235-583, Urban University Programs, \$180,000 in each fiscal year shall be used to support the Center for the Interdisciplinary Study of Education and the Urban Child at Cleveland State University. These funds shall be distributed according to rules adopted by the Ohio Board of Regents and shall be used by the center for interdisciplinary activities targeted toward increasing the chance of lifetime success of the urban child, including interventions beginning with

the prenatal period. The primary purpose of the center is to study issues in urban education and to systematically map directions for new approaches and new solutions by bringing together a cadre of researchers, scholars, and professionals representing the social, behavioral, education, and health disciplines.

Of the foregoing appropriation item 235-583, Urban University Programs, \$260,000 in each fiscal year shall be used to support the Kent State University Learning and Technology Project. This project is a kindergarten through university collaboration between schools surrounding Kent's eight campuses in northeast Ohio, and corporate partners who will assist in development and delivery.

The Kent State University Project shall provide a faculty member who has a full-time role in the development of collaborative activities and teacher instructional programming between Kent and the K-12th grade schools that surround its eight campuses; appropriate student support staff to facilitate these programs and joint activities; and hardware and software to schools that will make possible the delivery of instruction to pre-service and in-service teachers, and their students, in their own classrooms or school buildings. This shall involve the delivery of low-bandwidth streaming video and web-based technologies in a distributed instructional model.

Of the foregoing appropriation item 235-583, Urban University Programs, \$100,000 in each fiscal year shall be used to support the Ameritech Classroom/Center for Research at Kent State University.

Of the foregoing appropriation item 235-583, Urban University Programs, \$1,278,373 in fiscal year 2000 and \$1,000,000 in fiscal year 2001 shall be used to support the Polymer Distance Learning Project at the University of Akron. Of these amounts, \$1,000,000 shall be used in fiscal year 2000 for the Polymer Distance Learning Project and \$278,373 shall be used in fiscal year 2000 for the university's primary and secondary school distance learning project; \$1,000,000 shall be used in fiscal year 2001 for the Polymer Distance Learning Project.

Of the foregoing appropriation item 235-583, Urban University Programs, \$500,000 in fiscal year 2000 shall be used to support general arts programming at the University of Akron.

Of the foregoing appropriation item 235-583, Urban University Programs, \$50,000 in each fiscal year shall be distributed to the Kent State University/Cleveland Design Center program.

Of the foregoing appropriation item 235-583, Urban University Programs, \$250,000 in each fiscal year shall be used to support the Bliss Institute of Applied Politics at the University of Akron.

Of the foregoing appropriation item 235-583, Urban University Programs, \$250,000 in fiscal year 2000 shall be used to support the Cleveland State University Applied Digital Technology Center/WVIZ.

Of the foregoing appropriation item 235-583, Urban University Programs, \$15,000 in each fiscal year shall be used for the Advancing-Up Program at the University of Akron.

Of the foregoing appropriation item 235-583, Urban University Programs, \$650,000 in fiscal year 2000 shall be used for the Cleveland State University Technology Link.

Of the remainder of the appropriation, 50 per cent of the total in each fiscal year shall be distributed by the Ohio Board of Regents to Cleveland State University in support of the Urban Center of the College of Urban Affairs. The balance of the appropriation shall be distributed to the Northeast Ohio Interinstitutional Research Program, the Urban Linkages Program, and the Urban Research Technical Assistance Grant Program.

International Center for Water Resources Development

The foregoing appropriation item 235-595, International Center for Water Resources Development, shall be used to support the International Center for Water Resources Development at Central State University. This center shall develop methods to improve the management of water resources for Ohio and for emerging nations.

Rural University Projects

Of the foregoing appropriation item 235-587, Rural University Projects, Bowling Green State University shall receive \$211,330 in fiscal year 2000 and \$216,400 in fiscal year 2001. Miami University shall receive \$323,365 in fiscal year 2000 and \$331,125 in fiscal year 2001. Ohio University shall receive \$738,375 in fiscal year 2000 and \$756,099 in fiscal year 2001. These funds shall be used to support the Institute for Local Government Administration and Rural Development at Ohio University, the Center for Public Management and Regional Affairs at Miami University, and the public administration program at Bowling Green State University.

Of the foregoing appropriation item 235-587, Rural University Projects, \$25,000 in each fiscal year shall be used to support the Washington State Community College day care center.

Of the foregoing appropriation item 235-587, Rural University Projects, \$75,000 in fiscal year 2001 shall be used to support the COAD/ILGARD/GOA Appalachian Leadership Initiative.

A small portion of the funds provided to Ohio University shall be used to establish a satellite office of the Institute for Local Government Administration and Rural Development at Shawnee State University. A

small portion of the funds provided to Ohio University shall also be used for the Institute for Local Government Administration and Rural Development State and Rural Policy Partnership with the Governor's Office of Appalachia and the Appalachian delegation of the General Assembly.

Ohio Resource Center for Math, Science, and Reading

The foregoing appropriation item 235-588, Ohio Resource Center for Math, Science, and Reading, shall be used to support a resource center for mathematics, science, and reading to be located at a state-assisted university for the purpose of identifying best educational practices in primary and secondary schools and establishing methods for communicating them to colleges of education and school districts.

Prior to December 31, 1999, the Governor, the Superintendent of Public Instruction, and the Chancellor of the Ohio Board of Regents shall conduct a search for the best location for the establishment of the Ohio Resource Center for Mathematics, Science, and Reading. The location selected shall be on the campus of one of the state universities named in section 3345.011 of the Revised Code. The university selected shall be chosen on a competitive basis from among those universities that apply to the Board of Regents.

Hazardous Materials Program

The foregoing appropriation item 235-596, Hazardous Materials Program, shall be disbursed to Cleveland State University for the operation of a program to certify firefighters for the handling of hazardous materials. Training shall be available to all Ohio firefighters.

National Guard Tuition Grant Program

The Board of Regents shall disburse funds from appropriation item 235-599, National Guard Tuition Grant Program, at the direction of the Adjutant General.

Ohio Higher Educational Facility Commission Support

The foregoing appropriation item 235-602, HEFC Administration, shall be used by the Board of Regents for operating expenses related to the Board of Regents' support of the activities of the Ohio Higher Educational Facility Commission. Upon the request of the chancellor, the Director of Budget and Management shall transfer up to \$12,000 cash from Fund 461 to Fund 4E8 in each fiscal year of the biennium.

SECTION 7.11.

Repayment of Research Facility Investment Fund Moneys

Notwithstanding any provision of law to the contrary, all repayments of Research Facility Investment Fund loans shall be made to the Bond Service

Trust Fund. All Research Facility Investment Fund loan repayments made prior to the effective date of this section shall be transferred by the Director of Budget and Management to the Bond Service Trust Fund within sixty days of the effective date of this section.

Campuses are required to make timely repayments of Research Facility Investment Fund loans, according to the schedule established by the Board of Regents. In the case of late payments, the Board of Regents is authorized to deduct from an institution's periodic subsidy distribution an amount equal to the amount of the overdue payment for that institution, transfer such amount to the Bond Service Trust Fund, and credit the appropriate institution for the repayment.

Veterans' Preference

The Board of Regents shall work with the Governor's Office of Veterans' Affairs to develop specific veterans' preference guidelines for higher education institutions. These guidelines shall ensure that the institutions' hiring practices are in accordance with the intent of Ohio's veterans' preference laws.

SECTION 7.12.

Central State University

(A) Notwithstanding sections 3345.72, 3345.74, 3345.75, and 3345.76 of the Revised Code and 126:3-1-01 of the Ohio Administrative Code, Central State University shall adhere to the following fiscal standards:

(1) Maintenance of a balanced budget and filing of quarterly reports on an annualized budget with the Board of Regents, comparing the budget to actual spending and revenues with projected expenditures and revenues for the remainder of the year. Such reports shall include narrative explanations as appropriate and be filed within 30 days of the end of the quarter.

(2) Timely and accurate assessment of the current and projected cash flow of university funds, by fund type;

(3) Timely reconciliation of all university cash and general ledger accounts, by fund;

(4) Submission to the Auditor of State financial statements consistent with audit requirements prescribed by the Auditor of State within four months after the end of the fiscal year;

(5) Completion of an audit within six months after the end of the fiscal year.

The Director of Budget and Management shall provide clarification to the university on these fiscal standards as deemed necessary. The director may also take such actions as are necessary to ensure that the university

adheres to these standards and other fiscal standards consistent with generally accepted accounting principles and the requirements of external entities providing funding to the university. Such actions may include the appointment of a financial consultant to assist Central State University in the continuous process of design and implementation of responsible systems of financial management and accounting.

(B) The director's fiscal oversight shall continue until such time as the university meets the same criteria as those created in 126:3-1-01(F) of the Ohio Administrative Code for the termination of a fiscal watch. At that time Central State University shall be relieved of the requirements of this section and subject to the requirements of sections 3345.72, 3345.74, 3345.75, and 3345.76 of the Revised Code.

Any encumbered funds remaining from appropriation item 042-407, Central State Deficit, as appropriated in Am. Sub. S.B. 6 of the 122nd General Assembly shall be released during the 1999-2001 biennium for nonrecurring expenses contingent upon the approval of the Director of Budget and Management.

SECTION 7.13.

Technical College District Refinancing of Leases for Housing and Dining Facilities

Notwithstanding section 3357.112 of the Revised Code, a technical college district established under Chapter 3357. of the Revised Code that is the lessee of housing and dining facilities under a lease entered into prior to September 17, 1996, may enter into an amendment to that lease and may acquire, by purchase, lease-purchase, lease with option to purchase, or otherwise, those housing and dining facilities that are the subject of that lease. To pay all or part of the costs of acquiring those housing and dining facilities, and to refund obligations previously issued for such purpose, a technical college district may issue obligations in the manner provided by and subject to the applicable provisions of section 3345.12 of the Revised Code and Sections 99.03 and 99.06 of Am. Sub. H.B. 215 of the 122nd General Assembly.

SECTION 7.14.

Non-Profit Research Capital Support

Notwithstanding Section 30.06 of H.B. 850 of the 122nd General Assembly, of the appropriation item CAP-063, Non-Profit Research Capital Support, \$6,300,000 shall be assigned to Cleveland State University to be

used to award a grant to a capital project at the Cleveland Clinic Foundation to advance biomedical research.

Notwithstanding Section 30.06 of H.B. 850 of the 122nd General Assembly, of the appropriation item CAP-063, Non-Profit Research Capital Support, \$1,700,000 shall be assigned to the Wallace-Kettering Neuroscience Institute.

SECTION 8. OSB OHIO STATE SCHOOL FOR THE BLIND

General Revenue Fund

GRF 226-100	Personal Services	\$	5,540,996	\$	5,631,645
GRF 226-200	Maintenance	\$	676,533	\$	714,732
GRF 226-300	Equipment	\$	69,534	\$	101,203
TOTAL GRF General Revenue Fund		\$	6,287,063	\$	6,447,580

General Services Fund Group

4H8 226-602	Education Reform Grants	\$	29,900	\$	29,900
TOTAL GSF General Services Fund Group		\$	29,900	\$	29,900

State Special Revenue Fund Group

4M5 226-601	Work Study & Technology Investments	\$	40,083	\$	40,924
TOTAL SSR State Special Revenue Fund Group		\$	40,083	\$	40,924

Federal Special Revenue Fund Group

3P5 226-643	Medicaid Professional Services Reimbursement	\$	125,000	\$	125,000
310 226-626	Coordinating Unit	\$	1,173,036	\$	1,195,850
TOTAL FED Federal Special Revenue Fund Group		\$	1,298,036	\$	1,320,850
TOTAL ALL BUDGET FUND GROUPS		\$	7,655,082	\$	7,839,254

Maintenance

Of the foregoing appropriation item 226-200, Maintenance, up to \$21,962 in fiscal year 2001 shall be used to purchase Braille and large-print textbooks in the areas of reading, mathematics, and spelling for grades kindergarten through six.

Equipment

Of the foregoing appropriation item 226-300, Equipment, \$30,000 in fiscal year 2001 shall be used to purchase a van equipped with a hydraulic lift for wheelchairs.

SECTION 9. OSD OHIO STATE SCHOOL FOR THE DEAF

General Revenue Fund

GRF 221-100	Personal Services	\$	6,996,372	\$	7,500,996
GRF 221-200	Maintenance	\$	944,938	\$	998,596
GRF 221-300	Equipment	\$	180,715	\$	190,975

Am. Sub. H. B. No. 282

347

TOTAL GRF General Revenue Fund	\$	8,122,025	\$	8,690,567
General Services Fund Group				
4M1 221-602 Education Reform Grants	\$	64,867	\$	65,210
TOTAL GSF General Services Fund Group	\$	64,867	\$	65,210
State Special Revenue Fund Group				
4M0 221-601 Educational Program Expenses	\$	16,890	\$	17,363
TOTAL SSR State Special Revenue Fund Group	\$	16,890	\$	17,363
Federal Special Revenue Fund Group				
3R0 221-684 Medicaid Professional Services Reimbursement	\$	80,000	\$	82,240
311 221-625 Coordinating Unit	\$	848,780	\$	871,271
TOTAL FED Federal Special Revenue Fund Group	\$	928,780	\$	953,511
TOTAL ALL BUDGET FUND GROUPS	\$	9,132,562	\$	9,726,651

Maintenance

Of the foregoing appropriation item 221-200, Maintenance, \$30,979 in fiscal year 2001 shall be used to renovate classrooms.

Equipment

Of the foregoing appropriation item 221-300, Equipment, \$5,923 in fiscal year 2001 shall be used to purchase security equipment, including steel doors, computerized locks, and television surveillance equipment.

SECTION 10. SFC SCHOOL FACILITIES COMMISSION

General Revenue Fund

GRF 230-428 Lease Rental Payments	\$	55,400,000	\$	70,300,000
TOTAL GRF General Revenue Fund	\$	55,400,000	\$	70,300,000

State Special Revenue Fund Group

5E3 230-644 Operating Expenses	\$	2,609,726	\$	2,738,277
TOTAL SSR State Special Revenue Fund Group	\$	2,609,726	\$	2,738,277
TOTAL ALL BUDGET FUND GROUPS	\$	58,009,726	\$	73,038,277

Lease Rental Payments

The foregoing appropriation item 230-428, Lease Rental Payments, shall be used by the School Facilities Commission to pay bond service charges on obligations issued pursuant to Chapter 3318. of the Revised Code.

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.

Within ten days after the effective date of this section, or as soon as

possible thereafter, the Executive Director of the Ohio School Facilities Commission shall certify to the Director of Budget and Management the amount of cash to be transferred from the School Building Assistance Fund (Fund 032) or the Public School Building Fund (Fund 021) to the Ohio School Facilities Commission Fund (Fund 5E3).

By July 10, 2000, the Executive Director of the Ohio School Facilities Commission shall certify to the Director of Budget and Management the amount of cash to be transferred from the School Building Assistance Fund (Fund 032) or the Public School Building Fund (Fund 021) to the Ohio School Facilities Commission Fund (Fund 5E3).

Prior Year Encumbrances

At the request of the Director of the Ohio School Facilities Commission, the Director of Budget and Management may cancel encumbrances from fiscal years 1998 and 1999 in CAP-770, School Building Program Assistance, and reestablish such encumbrances or parts of encumbrances to CAP-622, Public School Buildings, for fiscal years 2000 and 2001. Appropriations to CAP-622 shall not be increased as a result of reestablishing such encumbrances. An amount equal to the canceled encumbrances in CAP-770 shall be appropriated to CAP-775.

Disability Access Projects

The unencumbered and unallotted balances as of June 30, 1999, in appropriation item 230-649, Disability Access Project, are hereby reappropriated. The unencumbered and unallotted balances of the appropriation at the end of fiscal year 2000 are hereby reappropriated in fiscal year 2001 to fund capital projects pursuant to this section.

(A) As used in this section:

(1) "Percentile" means the percentile in which a school district is ranked according to the fiscal year 1998 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, but excluding 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) "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 of 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 or which the grant is being awarded equal to the percentile in which the district is ranked.

(C) The School Facilities Commission is hereby authorized to transfer a portion of appropriation item CAP-622, Public School Buildings, contained in Am. Sub. H.B. No. 283 of the 123rd General Assembly, to CAP-777, Disability Access Projects, to provide funds to make payments resulting from the approval of applications for disability access granted received prior to January 1, 1999. The amounts transferred are hereby appropriated.

SECTION 10.01.

Short-Term Loans

The School Facilities Commission may make loans to school districts for a period of up to three years for emergency repair or replacement of school facilities as a result of faulty design or construction and for which the school district is engaged in a dispute with the contractor or other responsible parties. The interest rate of any loan issued under this section shall be determined by the School Facilities Commission and any interest gained under any settlement regarding faulty design or construction in excess of the interest paid under the loan shall be received by the commission. No moneys provided in the form of short term loans may be used to support the legal fees of the school district. Debt incurred under this section shall not be included in the calculation of the net indebtedness of the school district under section 133.06 of the Revised Code.

SECTION 10.02.

Extreme Environmental Contamination of School Facilities

Notwithstanding the provisions of Section 26 of Am. Sub. H.B. 850 of the 122nd General Assembly regarding eligibility for the Exceptional Needs Pilot Program, the School Facilities Commission may provide assistance under the Exceptional Needs Pilot Program to any school district and not exclusively a school district in the lowest 50 per cent of adjusted valuation per pupil on the fiscal year 1999 ranking of school districts established pursuant to section 3317.02 of the Revised Code, for the purpose of the relocation or replacement of school facilities required as a result of extreme

environmental contamination.

The School Facilities Commission shall contract with an independent environmental consultant to conduct a study and to report to the Commission as to the seriousness of the environmental contamination, whether the contamination violates applicable state and federal standards, and whether the facilities are no longer suitable for use as school facilities. The Commission shall then make a determination regarding funding for the relocation or replacement of the school facilities. If the federal government or other public or private entity provides funds for restitution of costs incurred by the state or school district in the relocation or replacement of the school facilities, the state and the school district shall divide such funds on the basis of the relative share of total project cost contributed by each.

SECTION 10.03.

Big Eight School Districts

Of the appropriation item CAP-622, Public School Buildings contained in House Bill 283 of the 123rd General Assembly, up to \$20,000,000 shall be used by the School Facilities Commission to provide funds to the big eight school districts as defined in section 3314.02 of the Revised Code to be used for major renovations and repairs of school facilities. Big eight school districts which levy at least 2.5 voted mills for permanent improvements shall also be eligible to expend funds for additions to existing facilities. Any big eight school district that expends these funds for an addition to an existing facility shall receive no assistance from the School Facilities Commission for the purpose of replacing that facility for a period of at least twenty years. These moneys shall be allocated to the big eight school districts on a per-pupil basis, based on fiscal year 1999 average daily membership as defined in section 3317.03 of the Revised Code. In the event a school district is no longer eligible to receive these funds as a result of becoming eligible to receive conditional approval for participation in the Classroom Facilities Assistance Program, the School Facilities Commission shall reallocate the funds to the remaining eligible districts on a per-pupil basis. To be eligible to receive these funds, each school district shall:

(1) Provide a 100 per cent match from funds that are approved by the School Facilities Commission;

(2) Develop and submit a capital renovations plan for the use of state and local funds subject to approval by the School Facilities Commission.

(3) Not be eligible to receive conditional approval of the School Facilities Commission for participation in the Classroom Facilities Assistance Program pursuant to section 3318.04 of the Revised Code.

SECTION 11. NET OHIO SCHOOLNET COMMISSION

General Revenue Fund

GRF 228-404	Operating Expenses	\$	5,703,175	\$	5,483,910
GRF 228-406	Technical & Instructional Professional Development	\$	12,408,453	\$	12,706,256
GRF 228-539	Education Technology	\$	6,707,421	\$	6,733,475
GRF 228-559	RISE - Interactive Parenting Program	\$	1,200,000	\$	1,200,000
Total GRF General Revenue Fund		\$	26,019,049	\$	26,123,641

General Services Fund Group

5D4 228-640	Conference/Special Purpose Expenses	\$	500,000	\$	500,000
5G0 228-650	Interactive Distance Learning	\$	4,600,000	\$	10,000,000
TOTAL GSF General Services Fund Group		\$	5,100,000	\$	10,500,000

State Special Revenue Fund Group

4W9 228-630	Ohio SchoolNet Telecommunity Fund	\$	3,389,447	\$	52,813
4X1 228-634	Distance Learning	\$	3,174,718	\$	3,263,413
4Y4 228-698	SchoolNet Plus	\$	85,400,000	\$	0
TOTAL SSR State Special Revenue Fund Group		\$	91,964,165	\$	3,316,226

Federal Special Revenue Fund Group

3S3 228-655	Technology Literacy Challenge	\$	16,650,418	\$	16,650,418
TOTAL FED Federal Special Revenue Fund Group		\$	16,650,418	\$	16,650,418
TOTAL ALL BUDGET FUND GROUPS		\$	139,733,632	\$	56,590,285

Interactive Video Distance Learning Program

The foregoing appropriation item 222-650, Interactive Distance Learning shall be used to extend the Interactive Video Distance Learning Program in accordance with the statewide educational technology strategic plan. The commission shall adopt procedures for the administration and implementation of the Interactive Video Distance Learning Program, which shall include application procedures, specifications for distance learning technology, and terms and conditions for participation in the program. The commission shall not approve any application for participation unless it determines that the applicant can effectively and efficiently integrate the proposed distance learning technology into schools or the selected schools or classrooms for the phase of the program. The commission shall consider the Interactive Video Distance Learning Pilot established in Am. Sub. H.B. 215 of the 122nd General Assembly, and the Ohio SchoolNet Telecommunity program in Am. Sub. H. B. 627 of the 121st General Assembly, in developing application procedures and criteria for the

Interactive Video Distance Learning Program. The commission shall give preference to lower wealth districts or consortia of such districts that do not have existing video teleconferencing technology.

SchoolNet Plus Program

(A) The foregoing appropriation item 228-698, SchoolNet Plus, shall be used as follows:

(1) Up to \$28,600,000 to purchase network telecommunications equipment for each public school building in this state to provide classroom and building access to existing and potential statewide voice, video, and data telecommunication services. As used in this section, "public school building" means a school building of any city, local, exempted village, or joint vocational school district or any community school established under Chapter 3314. of the Revised Code. The Ohio SchoolNet Commission, in consultation with the Department of Education, Department of Administrative Services, and Ohio Education Computer Network, shall define the standards and equipment configurations necessary to maximize the efficient use of the existing and potential statewide voice, video, and data telecommunication services.

(2) Up to \$53,300,000 to establish and equip at least one interactive computer workstation for each five children enrolled in the fifth grade based on the number of children each qualifying school district has enrolled in the fifth grade as reported in October 1999 pursuant to division (A) of section 3317.03 of the Revised Code.

To the extent the Ohio SchoolNet Commission can reduce the purchase cost of an interactive computer workstation through efficient purchasing methods, the commission may utilize any cost savings to begin a subsequent round of funding to provide interactive computer workstations to qualifying school districts. The commission may select qualifying school districts to receive the proceeds of any savings based on district readiness to utilize interactive computer workstations. The commission may determine readiness on either a district-wide or individual classroom or grade-level basis or by such other criteria deemed appropriate by the commission.

(3) Up to \$1,000,000 to pay for the cost of an independent review of all the agencies in this state that deliver education technology, as called for in Recommendation One of the Report of the Ohio School Technology Implementation Task Force;

(4) Up to \$1,500,000 to pay for the cost of a statewide educational technology strategic planning process as called for in Recommendation Two of the Report of the Ohio Schools Technology Implementation Task Force;

(5) Up to \$1,000,000 in fiscal year 2000 shall be provided by the Ohio

SchoolNet Commission to the INFOhio Network of library resources to support the provision of electronic resources to all public schools with preference given to elementary schools. Consideration shall be given to coordinating the allocation of these moneys with the efforts of OhioLINK and the Ohio Public Information Network.

(B)(1) Not later than November 30, 1999, the Executive Director of the Ohio SchoolNet Commission shall allocate to school districts pursuant to division (B)(2) of this section the amount authorized under division (A)(2) of this section. A school district's allocation shall remain available until the district is ready to use it, and the school district may use its allocation in phases. A school district may use a portion of its allocation for training and staff development related to the project if approved by the Ohio SchoolNet Commission under division (C) of this section.

(2) The commission shall allocate total subsidy amounts to qualifying school districts as follows:

(a) In the case of qualifying school districts with taxable value per pupil equal to or less than the statewide median district taxable value per pupil or qualifying school districts with a formula ADM of less than 150, the per pupil subsidy shall be \$500.

(b) In the case of qualifying school districts with taxable value per pupil greater than the statewide median district taxable value per pupil, but less than \$200,000 per pupil, the per pupil subsidy shall be \$500 minus the amount yielded by the following formula:

\$500 multiplied by [(district's taxable value per pupil minus statewide median district taxable value per pupil) divided by (200,000 minus statewide median district taxable value per pupil)]

(3) As used in division (B)(2) of this section:

(a) "District's taxable value per pupil" and "state taxable value per pupil" have the same meanings as in section 3317.0215 of the Revised Code.

(b) "Total subsidy" means per pupil subsidy as determined under division (B)(2)(a) or (b) of this section multiplied by the number of fifth grade students reported by the qualifying school district under division (A) of section 3317.03 of the Revised Code.

(c) "Formula ADM" has the same meaning as in section 3317.02 of the Revised Code.

(C) The Ohio SchoolNet Commission shall adopt procedures for the administration and implementation of the SchoolNet Plus Program. The procedures shall include application procedures, specifications for education technology, and terms and conditions for participation in the program. The

commission shall not approve any application for participation in the program unless it has determined that the applicant can effectively and efficiently integrate the requested education technology into schools or the selected schools or classrooms for the phase of the program.

(D) Educational technology made available to school districts under division (B) of this section shall be used as an integrated part of the curriculum in fifth grade classrooms. However, if the commission determines that a school district already has at least one interactive computer workstation for each five children enrolled in the fifth grade, and the district meets other minimum requirements that may be established by the commission concerning staff training and other education technology for such grades, the commission may permit the school district to use educational technology made available to it through the SchoolNet Plus Program for children in grades six through twelve. Any funds not allocated by the commission in division (B) of this section shall be allocated as a first priority to community schools as established under Chapter 3314. of the Revised Code. The commission shall develop community schools application procedures, specifications for education technology, and terms and conditions for participation in the program. The commission shall not approve any application for participation in the program unless it has determined that the applicant can effectively and efficiently integrate the requested education technology into schools or the selected schools or classrooms for the phase of the program.

(E) As used in this section:

(1) "Qualifying school district" means any city, local, or exempted village school district.

(2) "Educational technology" includes, but is not limited to, project-related computer hardware, equipment, training, and services; equipment used for two-way audio or video; software; and textbooks.

(F) Within thirty days of the effective date of this section, the Director of Budget and Management shall transfer any unencumbered and unallotted balance in appropriation item 228-698, SchoolNet Plus, for fiscal year 1999 to appropriation item 228-698, SchoolNet Plus, for fiscal year 2000. The amount so transferred is hereby appropriated. The foregoing transfer item shall be used to establish and equip at least one interactive computer workstation for each five children as directed in division (A)(2) of this section. Any moneys appropriated under this division shall be distributed in accordance with division (B)(2) of this section. All appropriations that are unencumbered and unallotted in appropriation item 228-698, SchoolNet Plus, as of June 30, 2000, are hereby appropriated for the same purpose in

fiscal year 2001 upon the request of the Executive Director of the Ohio SchoolNet Commission and the approval of the Director of Budget and Management.

SECTION 11.01.

Technical and Instructional Professional Development

The foregoing appropriation item 228-406, Technical and Instructional Professional Development, shall be used by the Ohio SchoolNet Commission, to make grants to qualifying schools, including the State School for the Blind and the Ohio School for the Deaf for the provision of hardware, software, telecommunications services, and staff development to support educational uses of technology in the classroom.

The Ohio SchoolNet Commission shall consider the professional development needs associated with the OhioReads Program when making funding allocations and program decisions.

The Ohio Educational Telecommunications Network Commission, with the advice of the Ohio SchoolNet Commission, shall make grants totaling up to \$1,400,000 in each year of the biennium for research development and production of interactive instructional programming series and teleconferences to support SchoolNet. Up to \$50,000 of this amount shall be used in each year of the biennium to provide for the administration of these activities by the Ohio Educational Telecommunications Network Commission. The programming shall be targeted to the needs of the poorest 200 school districts as determined by the district's adjusted valuation per pupil as defined in section 3317.0213 of the Revised Code.

Of the foregoing appropriation item 228-406, Technical and Instructional Professional Development, \$3,300,000 in each fiscal year shall be distributed by the Ohio SchoolNet Commission to low-wealth districts or consortia including low-wealth school districts, as determined by the district's adjusted valuation per pupil as defined in section 3317.0213 of the Revised Code, or the State School for the Blind or the Ohio School for the Deaf.

The remaining appropriation allocated under this section shall be used by the Ohio SchoolNet Commission for professional development for teachers and administrators for the use of educational technology. The commission shall make grants to provide technical assistance and professional development on the use of educational technology to school districts.

Eligible recipients of grants include regional training centers, county offices of education, data collection sites, instructional technology centers,

institutions of higher education, public television stations, special education resource centers, area media centers, or other nonprofit educational organizations. Services provided through these grants may include use of private entities subcontracting through the grant recipient.

Grants shall be made to entities on a contractual basis with the Ohio SchoolNet Commission. Contracts shall include provisions that demonstrate how services will benefit technology use in the schools, and in particular will support SchoolNet efforts to support technology in the schools. Contracts shall specify the scope of assistance being offered and the potential number of professionals who will be served. Contracting entities may be awarded more than one grant at a time.

Grants shall be awarded in a manner consistent with the goals of SchoolNet. Special emphasis in the award of grants shall be placed on collaborative efforts among service providers.

Application for grants from this appropriation shall be consistent with a school district's technology plan that shall meet the minimum specifications for school district technology plans as prescribed by the Ohio SchoolNet Commission. Funds allocated through these grants may be combined with funds received through other state or federal grants for technology as long as the school district's technology plan specifies the use of these funds. The commission may combine the application for these grants with the SchoolNet application process authorized in Am. Sub. H.B. 790 of the 120th General Assembly.

Education Technology

The foregoing appropriation item 228-539, Education Technology, shall be used to provide funding to suppliers of information services to school districts for the provision of hardware, software, and staff development in support of educational uses of technology in the classroom as prescribed by the State Plan for Technology pursuant to section 3301.07 of the Revised Code, and to support assistive technology for children and youth with disabilities.

Up to \$5,776,929 in each fiscal year shall be used by the Ohio SchoolNet Commission to contract with instructional television and \$930,492 in fiscal year 2000, and \$956,546 in fiscal year 2001 shall be used by the commission to contract with education media centers to provide Ohio schools with instructional resources and services.

Resources may include, but not be limited to, the following: pre-recorded video materials (including videotape, laser discs, and CD-ROM discs); computer software for student use and/or student access to electronic communication, databases, spreadsheet, and word processing

capability; live student courses or courses delivered electronically; automated media systems; and instructional and professional development materials for teachers. The commission shall cooperate with such agencies in the acquisition, development, and delivery of such educational resources to ensure high-quality and educational soundness at the lowest possible cost. Delivery of such resources may utilize a variety of technologies, with preference given to a high-speed integrated information network that can transport video, voice, data, and graphics simultaneously.

Services shall include presentations and technical assistance that will help students and teachers integrate educational materials that support curriculum objectives, match specific learning styles, and are appropriate for individual interests and ability levels.

Such instructional resources and services shall be made available for purchase by chartered nonpublic schools or by public school districts for the benefit of pupils attending chartered nonpublic schools.

SECTION 11.02.

Interactive Parenting Program

The foregoing appropriation item 228-559, Interactive Parenting Program, shall be used by the Ohio SchoolNet Commission to fund a grant to RISE, Inc., as support to train preschool staff members and parents.

It is the intent of the General Assembly that the commission, in conjunction with RISE, Inc., shall develop a program which may be conducted in conjunction with state-supported technology programs including, but not limited to, SchoolNet appropriation item 228-406, and Education Technology appropriation item 228-539, designed to educate preschool staff members and providers on developmentally appropriate teaching methods and to involve parents more closely in the education and development of their children. The project shall include an interactive instructional program, which shall be distributed to program participants at up to twenty-six locations throughout the state. The interactive instructional program shall be developed to enhance the professional development, training, and performance of preschool staff members; the education and care-giving skills of the parents of preschool children; and the preparation of preschool-aged children for learning.

The project shall utilize the grant to continue a direct-service program that shall include at least three teleconferences to be distributed by Ohio-based public television utilizing satellite or microwave technology in a manner designed to promote interactive communications between the program participants located at sub-sites within the Ohio Educational

Broadcast Network or as determined by the commission. Program participants shall communicate with trainers and participants at other program sites through telecommunications and facsimile and on-line computer technology. To the maximum extent possible, the project shall utilize systems currently available in state-supported technology programs and conduct the program in a manner that promotes innovative, interactive communications between the program participants at all the sites. Parent support groups and teacher training sessions shall supplement the teleconferences and shall occur on a local basis.

RISE, Inc., may subcontract components of the project.

Individuals eligible to participate in the program shall include those children, their parents, custodians, or guardians, and preschool staff members who are eligible to participate in a preschool program as defined in division (A) of section 3301.52 and section 5104.02 of the Revised Code.

(A) In addition to the foregoing, up to \$600,000 each fiscal year may be used by RISE, Inc., to enter into a competitively bid contract with a not-for-profit entity or entities to conduct a series of training programs for adult volunteers who work with adolescent youths in after school mentoring programs, including youth-serving organizations such as Boy Scouts, Girl Scouts, Big Brothers, Big Sisters, 4-H, and public school mentor programs. The series of programs shall be designed to:

(1) Improve the quality and effectiveness of adult volunteers so that they would sustain their involvement with youths over time. Specifically, the adult volunteers would improve their ability to motivate, supervise, and communicate with young people.

(2) Improve the quality and effectiveness of adult volunteers so that the children they mentor, coach, teach, or befriend would sustain their involvement with youth-serving organizations over time;

(3) Encourage collaboration between all Ohio youth-serving organizations, including 4-H, Boy Scouts, Girls Scouts, Big Brothers, Big Sisters, and others;

(4) Provide cost-efficient, sustainable distance learning to both rural and urban sites.

(B) In order to be eligible for the contract with RISE, Inc., the program participants shall be able to demonstrate that leading national experts in adolescent development intervention programs will be utilized and that such program will make use of a variety of media to engage participants and assist them in learning the goals of the program. The program shall be designed to focus on the adult volunteers who assist in youth development. Training content shall focus on:

- (1) Development issues for youth;
- (2) Best practices to motivate, guide, and communicate with these youths;
- (3) Strategies for successful adult-to-adult interpersonal relationships that are necessary for ongoing learning and support.

The program may include: two broadcast seminars of three hours in length from a central up-link station, distributed in up to 88 counties; corporate settings and extension offices with on-site facilitated discussion and exercises; high production-value video sought in various locations; and direct interactive adult learning activities. The program shall develop program workbooks. The program shall also involve at least three small group facilitated follow-up discussion workshops and development and distribution of at least two home videos. The program shall also provide Internet access, interactive lines, bulletin board, and CD-ROM.

Upon completion of each of the school years for which the grant was made, RISE, Inc., shall issue a report to the commission and the members of the General Assembly explaining the goals and objectives determined, the activities implemented, the progress made toward the achievement of the goals and objectives, and the outcome of the project.

Distance Learning

Appropriation item 228-634, Distance Learning, shall be distributed by the Ohio SchoolNet Commission on a grant basis to eligible school districts to establish "distance learning" in the school district. Per the agreement with Ameritech, school districts are eligible for funds if they are within an Ameritech service area. Funds to administer the program shall be expended by the commission up to the amount specified in the agreement with Ameritech.

Within 30 days of the effective date of this section, the Director of Budget and Management shall transfer from fund 4XI in the State Special Revenue Fund Group any investment earnings from moneys paid to the office or to the SchoolNet Commission by any telephone company as part of a settlement agreement between the company and the Public Utilities Commission in fiscal year 1995.

Electrical Infrastructure

The unencumbered and unallotted balances of June 30, 1999, in appropriation item 228-690, SchoolNet Electrical Infrastructure, are hereby reappropriated to fund projects pursuant to this section. The foregoing appropriation item may be distributed by the Ohio SchoolNet Commission for use by school districts to renovate existing buildings with sufficient electrical service to safely operate educational technology consistent with

their SchoolNet and SchoolNet Plus technology plans. The Executive Director of the Ohio SchoolNet Commission shall review grant proposals from school districts for the use of these funds. In evaluating grant proposals, the executive director shall consider the ability and commitment of school districts to contribute local public and private resources to upgrade their electrical service and shall give consideration to consortia of school districts that have formed to optimize resources to upgrade electrical service. In no case shall grant awards exceed \$1,000,000 for a single school district. Funding recommendations for this appropriation made by the executive director are subject to the review of the Ohio SchoolNet Commission.

SECTION 12. SCR STATE BOARD OF PROPRIETARY SCHOOL REGISTRATION

General Revenue Fund

GRF 233-100	Personal Services	\$	377,366	\$	386,822
GRF 233-200	Maintenance	\$	104,158	\$	107,075
GRF 233-300	Equipment	\$	5,000	\$	5,000
TOTAL GRF General Revenue Fund		\$	486,524	\$	498,897
TOTAL ALL BUDGET FUND GROUPS		\$	486,524	\$	498,897

SECTION 13. TTA OHIO TUITION TRUST AUTHORITY

State Special Revenue Fund Group

645 095-601	Operating Expenses	\$	3,856,585	\$	4,126,546
TOTAL SSR State Special Revenue Fund Group		\$	3,856,585	\$	4,126,546
TOTAL ALL BUDGET FUND GROUPS		\$	3,856,585	\$	4,126,546

Operating Expenses

The foregoing appropriation item 095-601, Operating Expenses, shall be used to pay the operating expenses of the Ohio Tuition Trust Authority.

Of the foregoing appropriation item 095-601, Operating Expenses, up to \$30,000 over the biennium shall be used by the Auditor of State to complete a performance audit of the Tuition Trust Authority.

SECTION 14.

Property Tax Allocation - Education

The appropriation item 200-901, Property Tax Allocation - Education, made to the Department of Education, is appropriated to pay for the state's costs incurred due to the homestead exemption and the property tax rollback. In cooperation with the Department of Taxation, the Department of Education shall distribute these funds directly to the appropriate school districts of the state, notwithstanding the provisions in sections 321.24 and

323.156 of the Revised Code, which provide for payment of the homestead exemption and property tax rollback by the Tax Commissioner to the appropriate county treasurer and the subsequent redistribution of these funds to the appropriate local taxing districts by the county auditor.

The appropriation item 200-906, Tangible Tax Exemption - Education, made to the Department of Education, is appropriated to pay for the state's costs incurred due to the tangible personal property tax exemption required by division (C)(3) of section 5709.01 of the Revised Code. In cooperation with the Department of Taxation, the Department of Education shall distribute to each county treasurer the total amount certified by the county treasurer pursuant to section 319.311 of the Revised Code, for all school districts located in the county, notwithstanding the provision in section 319.311 of the Revised Code which provides for payment of the \$10,000 tangible personal property tax exemption by the Tax Commissioner to the appropriate county treasurer for all local taxing districts located in the county. Pursuant to division (G) of section 321.24 of the Revised Code, the county auditor shall distribute the amount paid by the Department of Education among the appropriate school districts.

Upon receipt of these amounts, each school district shall distribute the amount among the proper funds as if it had been paid as real or tangible personal property taxes. Payments for the costs of administration shall continue to be paid to the county treasurer and county auditor as provided for in sections 319.54, 321.26, and 323.156 of the Revised Code.

Any sums, in addition to the amounts specifically appropriated in appropriation items 200-901, Property Tax Allocation - Education, for the homestead exemption and the property tax rollback payments, and 200-906, Tangible Tax Exemption - Education, for the \$10,000 tangible personal property tax exemption payments, which are determined to be necessary for these purposes, are hereby appropriated.

SECTION 15.

Personal Service Expenses

Unless otherwise prohibited by law, each appropriation in this act from which personal service expenses are paid shall bear the employer's share of public employees' retirement, workers' compensation, disabled workers' relief, and all group insurance programs; the costs of centralized accounting, centralized payroll processing, and related personnel reports and services; the cost of the Office of Collective Bargaining; the cost of the Personnel Board of Review; the cost of the Employee Assistance Program; the cost of the Equal Opportunity Center; the costs of interagency management

infrastructure and the cost of administering the state employee merit system as required by section 124.07 of the Revised Code. Such costs shall be determined in conformity with appropriate sections of law and paid in accordance with procedures specified by the Office of Budget and Management.

SECTION 16.

Satisfaction of Judgments and Settlements Against the State

An appropriation contained in this act may be used for the purpose of satisfying judgments or settlements in connection with civil actions against the state in federal court not barred by sovereign immunity or the Eleventh Amendment to the Constitution of the United States, or for the purpose of satisfying judgments, settlements, or administrative awards ordered or approved by the Court of Claims in connection with civil actions against the state, pursuant to section 2743.15, 2743.19, or 2743.191 of the Revised Code. This authorization shall not apply to appropriations to be applied to or used for payment of guarantees by or on behalf of the state, for or relating to lease payments or debt service on bonds, notes, or similar obligations and those from the School Building Program Assistance Fund (Fund 032), and any other fund into which proceeds of obligations are deposited. Nothing contained in this section is intended to subject the state to suit in any forum in which it is not otherwise subject to suit, nor is it intended to waive or compromise any defense or right available to the state in any suit against it.

SECTION 17. (A) As used in this section:

(1) "FY 1999 state aid" means the total amount of state money received by a joint vocational school district under the version of sections 3317.16 and 3317.162 of the Revised Code in effect for that fiscal year, minus the amounts paid for driver education and adult education.

(2) "FY 2000 state aid," "FY 2001 state aid," and "FY 2002 state aid" mean the total amount of state money received by a joint vocational school district in the applicable fiscal year under divisions (B) to (D) of the version of section 3317.16 of the Revised Code in effect for the applicable fiscal year and division (R) of the version of section 3317.024 of the Revised Code in effect for the applicable fiscal year.

(3) "FY 2000 actual aid" and "FY 2001 actual aid" mean the amount of state aid described in division (A)(2) of this section that was actually paid to a joint vocational school district in the applicable fiscal year after the application of division (B) or (C) of this section.

(4) "Formula ADM" has the same meaning as in section 3317.02 of the Revised Code.

(5) "FY 1999 ADM" means the average daily membership certified by the joint vocational school district for fiscal year 1999 under division (D) of the version of section 3317.03 of the Revised Code in effect for that year.

(B) In fiscal year 2000, notwithstanding any provision of law to the contrary, no joint vocational school district shall receive FY 2000 state aid that is more than the greater of the following:

(1) 111.5% of its FY 1999 state aid;

(2) $[1.095 \times (\text{FY 1999 state aid} / \text{FY 1999 ADM})] \times \text{fiscal year 2000 formula ADM}$.

If a joint vocational school district's projected FY 2000 state aid is more than the greater of division (B)(1) or (2) of this section, the district shall receive only the greater of division (B)(1) or (2) of this section in fiscal year 2000.

(C) In fiscal year 2001, notwithstanding any provision of law to the contrary, no joint vocational school district shall receive FY 2001 state aid that is more than the greater of the following:

(1) 112% of its FY 2000 actual aid;

(2) $[1.10 \times (\text{FY 2000 actual aid} / \text{fiscal year 2000 formula ADM})] \times \text{fiscal year 2001 formula ADM}$.

If a joint vocational school district's projected FY 2001 state aid is more than the greater of division (C)(1) or (2) of this section, the district shall receive only the greater of division (C)(1) or (2) of this section in fiscal year 2001.

(D) In fiscal year 2002, notwithstanding any provision of law to the contrary, no joint vocational school district shall receive FY 2002 state aid that is more than the greater of the following:

(1) 112% of its FY 2001 state aid;

(2) $[1.10 \times (\text{FY 2001 actual aid} / \text{fiscal year 2001 formula ADM})] \times \text{fiscal year 2002 formula ADM}$.

If a joint vocational school district's projected FY 2002 state aid is more than the greater of division (D)(1) or (2) of this section, the district shall receive only the greater of division (D)(1) or (2) of this section in fiscal year 2002.

SECTION 18.

Lease Payments to OPFC, OBA, and Treasurer

Certain appropriations are in this act for the purpose of lease payments to the Ohio Public Facilities Commission, to the Ohio Building Authority,

and to the Treasurer of State for the purpose of paying principal and interest on bonds or notes issued by the Ohio Public Facilities Commission, the Ohio Building Authority, or the Treasurer of State pursuant to the Ohio Constitution and acts of the General Assembly. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

SECTION 19. That Section 45.32 of Am. Sub. H.B. 117 of the 121st General Assembly, as amended by Am. Sub. H.B. 215 and Am. Sub. H.B. 770 of the 122nd General Assembly, be amended to read as follows:

" Sec. 45.32. (A) As used in this section:

(1) A "client district" of an educational service center means a city or exempted village school district that has entered into an agreement with that service center pursuant to section 3313.843 of the Revised Code.

"Client district" also includes any city or exempted village school district that has entered into an agreement with the educational service center under section 3313.843 of the Revised Code and reimburses the educational service center under section 3317.11 of the Revised Code even though such agreement was executed after January 1, 1997, and the educational service center does not receive any state funding under division (B)(1) or (C) of section 3317.11 of the Revised Code.

(2) "ADM" means the combined ADM of the local school districts having territory in a service center and the ADM of each client district of such center.

(B) By June 1, 1997, in the case of any educational service centers that are serving only one local district pursuant to section 3311.051 of the Revised Code; and except as otherwise provided in division (C) of this section, by June 1, 1999, in the case of any service centers with ADMs of less than 8,000 that serve fewer than six local or client school districts; ~~and by June 1, 2000, in the case of any educational service centers with ADMs of less than 8,000 that serve six or more local or client school districts,~~ the superintendents of such service centers shall notify the Superintendent of Public Instruction of the name of one or more adjacent educational service centers with which such service centers will merge to form joint service centers. If the Superintendent does not receive such notification from a center serving only one local district or serving an ADM of less than 8,000 by the required date, the Superintendent shall determine one or more suitable adjacent centers for such merger and shall notify the superintendents and governing boards of all centers involved of the determination. The centers named in the notification required by this section

or determined by the Superintendent of Public Instruction pursuant to this section shall form a joint center pursuant to section 3311.053 of the Revised Code, which shall be effective on the first day of July immediately following notification by the service center, or by the Superintendent of Public Instruction, whichever applies.

(C) Any educational service center created on or before July 1, 1997, under a merger of two educational service centers pursuant to Section 45.32 of Am. Sub. H.B. 117 of the 121st General Assembly, which service centers each contained only one local school district at the time of the merger shall comply with division (B) of this section by ~~June 1, 2000~~ July 1, 2001."

SECTION 20. That existing Section 45.32 of Am. Sub. H.B. 117 of the 121st General Assembly, as amended by Am. Sub. H.B. 215 and Am. Sub. H.B. 770 of the 122nd General Assembly, is hereby repealed.

SECTION 21. That Section 50.52.2 of Am. Sub. H.B. 215 of the 122nd General Assembly be amended to read as follows:

" Sec. 50.52.2. ~~(A) As used in this section:~~

~~(1) "Lucas County area" includes the entire territory of any school district having the majority of its territory in Lucas County.~~

~~(2) "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 (P) of Subsection 5 of this section.~~

~~(B) The General Assembly finds that the establishment of independent community schools throughout the state has potential desirable effects, including providing parents a choice of academic environments for their children and providing the education community with the opportunity to establish limited experimental educational programs in a deregulated setting. However, the potential effects of a statewide system of community schools could also generate some adverse results. Therefore, the General Assembly finds it advisable to establish a pilot project in the Lucas County area which will permit the operation of community schools in a limited area of the state in order to provide for the evaluation and measurement of the effects of these schools.~~

~~No more than twenty start-up school contracts may be in effect at any time under this section. The Superintendent of the Lucas County Educational Service Center shall be responsible for ensuring that the twenty start-up schools represent diverse educational missions, are intended to serve a number of different grade levels, and will appeal to students with a~~

~~variety of interests or characteristics in order to provide for a range of educational experiments within the pilot project schools. Upon entering into a preliminary agreement pursuant to Subsection 4 of this section, the potential sponsor of a community school shall file a copy of the preliminary agreement with the Superintendent of the Lucas County Educational Service Center. Within twenty-four hours of receipt of the preliminary agreement for a start-up school, the Superintendent shall determine whether the proposed school will add to the diversity of the pilot project schools through offering a unique educational mission, serving grade levels of students or students with certain characteristics or interests not yet being served by other community schools, or offering innovative instructional methods. If the school will not add to the diversity of the pilot project schools and would be overserving students of a certain type or grade level, the Superintendent may reject the school's preliminary agreement and shall immediately notify the sponsor and the proposing group or individual. Upon entering into a community school contract, the sponsor shall file a copy of the approved contract with that Superintendent. Within twenty-four hours of the filing of the contract, the Superintendent shall notify the sponsor whether twenty start-up school contracts were already in effect at the time of the filing. If twenty such contracts were in effect, the contract filed by the sponsor shall be voided.~~

~~Within twenty-four hours of a request of any person, the Superintendent shall indicate the number of preliminary agreements for start-up schools currently outstanding and the number of contracts currently in effect.~~

~~(C) No start-up or converted community school shall begin operation under this section after June 30, 2000.~~

~~(D) Not later than September 28, 1997, the Director of the Legislative Office of Education Oversight, in consultation with the Superintendent of the Lucas County Educational Service Center, a classroom teacher appointed by the board of the Ohio Education Association, a classroom teacher appointed by the board of the Ohio Federation of Teachers, and a classroom teacher who is a member of neither of these organizations selected by that Superintendent, shall develop a study design for the evaluation of the pilot project community schools and the overall effects of the community school pilot project schools. The study design shall include the criteria that the Office will use to determine the positive and negative effects of the project schools overall, and the success or failure of individual community schools. The design shall include a description of the data that must be collected by the Superintendent and by each community school and sponsor and a timeline for the collection of the data. The director shall adapt~~

~~the study design prepared under this subsection for use in evaluating community schools established under Chapter 3314. of the Revised Code, as well as the Lucas County pilot project community schools.~~ The office shall notify each community school of the data that must be collected and the timeline for collection of the data. Data shall be collected at regular intervals, but no evaluation of the results of data collected shall be made by the Office prior to June 2001. A preliminary report, together with any recommendations to improve community schools, shall be issued to the Speaker of the House of Representatives and the President of the Senate by June 30, 2001. A final report, with recommendations as to the future of community schools in Ohio, shall be made to the Speaker and President by June 1, 2003."

SECTION 22. That existing Section 50.52.2 of Am. Sub. H.B. 215 of the 122nd General Assembly is hereby repealed.

SECTION 23. That Section 18 of Am. Sub. H.B. 650 of the 122nd General Assembly, as most recently amended by Am. Sub. H.B. 850 of the 122nd General Assembly, be amended to read as follows:

" Sec. 18. (A) As used in this section:

(1) "FY 1998 state aid" means the total amount of state money received by a school district for fiscal year 1998 as reported on the Department of Education's form "SF-12," adjusted as follows:

(a) Minus any amounts for approved preschool handicapped units;

(b) Minus any additional amount attributable to the reappraisal guarantee of division (C) of section 3317.04 of the Revised Code;

(c) Plus the amount deducted for payments to an educational service center;

(d) Plus an estimated portion of the state money distributed in fiscal year 1998 to other school districts or educational service centers for approved units, other than preschool handicapped or gifted education units, attributable to the costs of providing services in those units to students entitled to attend school in the district;

(e) Minus an estimated portion of the state money distributed to the school district in fiscal year 1998 for approved units, other than preschool handicapped units or gifted education units, attributable to the costs of providing services in those units to students entitled to attend school in another school district;

(f) Plus any additional amount paid pursuant to the vocational education

recomputation required by former Section 50.22 of Am. Sub. H.B. No. 215 of the 122nd General Assembly;

(g) Plus any additional amount paid pursuant to the special education recomputation required by former division (I) of section 3317.023 of the Revised Code;

(h) Plus any amount paid for equity aid under section 3317.0213 of the Revised Code;

(i) Plus any amount received for that year pursuant to section 3317.027 of the Revised Code;

(j) Plus any amount received for that year pursuant to a recomputation made under division (B) of section 3317.022 of the Revised Code, as that section existed in that year.

(2) "FY 1999 state aid;" means "FY 1999 state aid" as defined in the version of this section in effect for fiscal year 1999.

(3) "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 divisions (A), ~~(B)~~, (C)(1) and (5), and (D), and (E) of section 3317.022 and sections 3317.025, 3317.027, 3317.029, 3317.0212, and 3317.0213 of the Revised Code, plus any amount for which the district is eligible pursuant to division (C) of section 3317.023, divisions (G) and (P), and (R) of section 3317.024, and the supplemental unit allowance paid for gifted units under division (B) of section 3317.162 of the Revised Code, and prior to any deductions or credits required by division (B), (D), (E), (F), (G), (H), (I), (J), ~~or (K), or (L)~~ of section 3317.023 or division (J) of section 3317.029 of the Revised Code.

~~(3)(4)~~ "Adjusted FY 1999 actual aid;" means FY 1999 state aid that was actually paid to a school district after the application of division (B) of this section, plus an appropriate proportion, as determined by the department of education, of the amount received by the school district in fiscal year 1999 from the vocational education set-aside, as defined in section 3317.0212 of the Revised Code and attributable to the district's students.

~~(5)~~ "FY 2000 actual aid," and "FY 2001 actual aid;" and "FY 2002 actual aid" means mean the amount of the state aid described in division (A)~~(2)(3)~~ of this section that was actually paid to a school district in the applicable fiscal year after the application of divisions ~~(B)(C)~~ to (E) of this section.

~~(4)(6)~~ "FY 1998 ADM," "formula ADM," and "three-year average formula ADM" have the meanings prescribed in section 3317.02 of the Revised Code.

~~(5)(7)~~ "All-day kindergarten" has the meaning prescribed in section

3317.029 of the Revised Code.

(8) "School district" means a city, local, or exempted village school district.

(B) In fiscal year 1999, notwithstanding any provision of law to the contrary, no school district shall receive FY 1999 state aid that is more than the greater of the following:

(1) 110 per cent of FY 1998 state aid;

(2) $[1.06 \times (\text{FY 1998 state aid}/\text{FY 1998 ADM})] \times$ the greater of fiscal year 1999 formula ADM or three-year average formula ADM.

If a district's projected FY 1999 state aid is more than the greater of division (B)(1) or (2) of this section, such district shall receive only the greater of division (B)(1) or (2) of this section 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 more than the greater of the following:

(1) ~~110~~ 111.5 per cent of adjusted FY 1999 actual aid;

(2) $[\text{~~1.06~~ 1.095} \times (\text{adjusted FY 1999 actual aid}/\text{fiscal year 1999 formula ADM})] \times$ the greater of fiscal year 2000 formula ADM or three-year average formula ADM.

If a district's projected FY 2000 state aid is more than the greater of division (C)(1) or (2) of this section, such district shall receive only the greater of division (C)(1) or (2) of this section 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 more than the greater of the following:

(1) ~~110~~ 112 per cent of FY 2000 actual aid;

(2) $[\text{~~1.06~~ 1.10} \times (\text{FY 2000 actual aid}/\text{fiscal year 2000 formula ADM})] \times$ the greater of fiscal year 2001 formula ADM or three-year average formula ADM.

If a district's projected FY 2001 state aid is more than the greater of division (D)(1) or (2) of this section, such district shall receive only the greater of division (D)(1) or (2) of this section 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 more than the greater of the following:

(1) ~~110~~ 112 per cent of FY 2001 actual aid;

(2) $[\text{~~1.06~~ 1.10} \times (\text{FY 2001 actual aid}/\text{fiscal year 2001 formula ADM})] \times$ the greater of fiscal year 2002 formula ADM or three-year average formula ADM.

If a district's projected FY 2002 state aid is more than the greater of

ision (E)(1) or (2) of this section, such district shall receive only the greater of division (E)(1) or (2) of this section in fiscal year 2002.

(F) This division and division (G) of this section apply only to districts subject to division (F) of section 3317.029 of the Revised Code and only until July 1, 2002 As used in this division and division (G) of this section:

(1) "Capped district" means a district that pursuant to division (B), (C), (D), or (E) of this section will not receive the full amount of FY 1999, FY 2000, FY 2001, or FY 2002 state aid.

(2) "DPIA funds" means:

(a) In FY 1998, the amount calculated for the district pursuant to division (B) of section 3317.023 of the Revised Code as it existed in that fiscal year;

(b) In any fiscal year after FY 1998, the total amount calculated for the district for that fiscal year pursuant to section 3317.029 of the Revised Code.

(3) "Exempt DPIA portion" means:

(a) In the case of any district other than a capped district, an amount equal to zero;

(b) In the case of a capped district, the amount resulting from the application of the following formula:

(The district's DPIA funds for the year of the calculation
minus the district's DPIA funds for FY 1998) minus (the
district's actual aid for the year of the calculation minus the
district's FY 1998 state aid)

However, if this formula produces a negative number, the district's exempt DPIA portion is zero.

(4) "Required all-day kindergarten" for a district means the provision of all-day kindergarten to the number of students in the district's kindergarten percentage specified pursuant to division (H)(1) of section 3317.029 of the Revised Code.

(G) Notwithstanding any provision of law to the contrary:

(1)(a) In the case of any district, the district's DPIA funds are hereby deemed to first consist of any disadvantaged pupil impact aid calculated for the district for all-day kindergarten under division (D) of section 3317.029 of the Revised Code, and to next consist of any disadvantaged pupil impact aid calculated for the district under divisions (C) and (E) of section 3317.029 of the Revised Code. Each Except as provided in division (G)(1)(b) of this section, each district shall expend whatever funds necessary to ensure provision of its required all-day kindergarten.

(b) NOTWITHSTANDING DIVISIONS (F)(1), (H), AND (J) OF

TION 3317.029 OF THE REVISED CODE, a district may serve a lesser percentage of students than the number INITIALLY certified in its all-day kindergarten percentage AS OF THE FIRST DAY OF AUGUST OF THE FISCAL YEAR and may RETAIN AND spend the DPIA funds it would have USED to serve the difference between the INITIAL certified percentage and SUCH LESSER percentage SOLELY for the purpose of modifying or purchasing ADDITIONAL classroom space necessary to provide all-day kindergarten. a district may only reduce its certified all-day kindergarten percentage and spend the resultant funds on modification and purchase of space with the approval of the department of education. the department shall only approve such use of all-day kindergarten funds and the corresponding reduction of the district's certified all-day kindergarten percentage if it determines that the district cannot reasonably provide all-day kindergarten to its INITIALLY certified percentage without additional space.

(2) In FY 1999, a district shall expend for the purposes of section 3317.029 of the Revised Code an amount equal to at least twenty-five per cent of the resultant derived from subtracting the district's exempt DPIA portion from the amount calculated for the district under divisions (C) and (E) of section 3317.029 of the Revised Code.

(3) In FY 2000, a district shall expend for the purposes of section 3317.029 of the Revised Code an amount equal to at least fifty per cent of the resultant derived from subtracting the district's exempt DPIA portion from the amount calculated for the district under divisions (C) and (E) of section 3317.029 of the Revised Code. of that amount:

(a) The percentage that the district spends for the purposes of division (f)(2) of section 3317.029 of the Revised Code shall equal the percentage that its original calculation under division (c) OF THAT SECTION, before the application of this section, is of the total of the amounts originally calculated under divisions (C) and (E) of section 3317.029 of the Revised Code.

(b) The percentage that the district spends for the purposes of division (f)(3) of section 3317.029 of the Revised Code shall equal the percentage that its original calculation under division (e) of that section, before the application of this section, is of the total of the amounts originally calculated under divisions (C) and (E) of section 3317.029 of the Revised Code.

(4) In FY 2001, a district shall expend for the purposes of section 3317.029 of the Revised Code an amount equal to at least seventy-five per cent of the resultant derived from subtracting the district's exempt DPIA portion from the amount calculated for the district under divisions (C) and

(E) of section 3317.029 of the Revised Code. of that amount:

(a) The percentage that the district spends for the purposes of division (f)(2) of section 3317.029 of the Revised Code shall equal the percentage that its original calculation under division (c) OF THAT SECTION, before the application of this section, is of the total of the amounts originally calculated under divisions (C) and (E) of section 3317.029 of the Revised Code.

(b) The percentage that the district spends for the purposes of division (f)(3) of section 3317.029 of the Revised Code shall equal the percentage that its original calculation under division (e) of that section, before the application of this section, is of the total of the amounts originally calculated under divisions (C) and (E) of section 3317.029 of the Revised Code.

(5) In FY 2002 ~~and thereafter~~, a district shall expend one hundred per cent of its DPIA funds for the purposes of section 3317.029 of the Revised Code.

(6) Districts shall comply with the requirements of division (G) of section 3317.029 of the Revised Code.

(7)(a) In FY 2000, each school district that did not meet more than thirty-three per cent of the state performance standards specified in section 3302.02 of the Revised Code, based on the most recent data as of July 1, 1999, shall spend all of the funds it is required by division (G)(3)(b) of this section to spend for purposes of division (F)(3) of section 3317.029 of the Revised Code specifically for the purpose of reducing class sizes in grades kindergarten through two, with a goal of attaining class sizes of fifteen students per licensed teacher in these grades. However, if the district certifies to the department, in a manner satisfactory to the department, that it needs to modify or purchase space in order to achieve reduced class sizes, it may use a portion of the amount required to be spent to reduce class sizes to modify or purchase that needed space.

(b) In FY 2001, each school district that was declared in FY 2000 to be in a state of academic emergency under section 3302.03 of the Revised Code shall spend all of the funds it is required by division (G)(4)(b) of this section to spend for purposes of division (F)(3) of section 3317.029 of the Revised Code specifically for the purpose of reducing class sizes in grades kindergarten through two, with a goal of attaining class sizes of fifteen students per licensed teacher in these grades. However, if the district certifies to the department, in a manner satisfactory to the department, that it needs to modify or purchase space in order to achieve reduced class sizes, it may use a portion of the amount required to be spent to reduce class sizes to modify or purchase that needed space.

(c) In FY 2002, each school district that was declared in FY 2000 to be in a state of academic emergency under section 3302.03 of the Revised Code shall spend one hundred per cent of the remainder of the money calculated for it under section 3317.029 of the Revised Code, after deducting expenditures for the purposes described in divisions (F)(1) and (2) of section 3317.029 of the Revised Code, specifically for the purpose of reducing class sizes in grades kindergarten through two, with a goal of attaining class sizes of fifteen students per licensed teacher in these grades. However, if the district certifies to the department, in a manner satisfactory to the department, that it needs to modify or purchase space in order to achieve reduced class sizes, it may use a portion of the amount required to be spent to reduce class sizes to modify or purchase that needed space."

SECTION 24. That existing Section 18 of Am. Sub. H.B. 650 of the 122nd General Assembly, as most recently amended by Am. Sub. H.B. 850 of the 122nd General Assembly, is hereby repealed.

SECTION 25. That Sections 6, 30.07, 30.10, 30.43, and 31 of Am. Sub. H.B. 850 of the 122nd General Assembly be amended to read as follows:

" Sec. 6. The items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Public School Building Fund (Fund 021), which are not otherwise appropriated.

Appropriations

Appropriations

SFC SCHOOL FACILITIES COMMISSION

CAP-622	Public School Buildings	\$	145,000,000
CAP-777	Disability Access Projects	\$	5,000,000
Total School Facilities Commission		\$	150,000,000
Total Public School Building Fund		\$	150,000,000

Disability Access Projects

The foregoing appropriation item CAP-777, Disability Access Projects, shall be used to fund capital projects pursuant to this section that make buildings more accessible to students with disabilities.

(A) As used in this section:

(1) "Percentile" means the percentile in which a school district is ranked according to the fiscal year 1998 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, but excluding 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) "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.

Sec. 30.07. Reimbursements for Project Costs

Appropriations made in Sections 30.02 to ~~30.06~~ 30.45 of ~~this act~~ AM. Sub. H.B. 850 of the 122nd General Assembly for purposes of costs of capital facilities for the interim financing of which the particular institution has previously issued its own obligations anticipating the possibility of future state appropriations to pay all or a portion of such costs, as contemplated in division (B) of section 3345.12 of the Revised Code, shall be paid directly to the institution or the paying agent for those outstanding obligations in the full principal amount of those obligations then to be paid from the anticipated appropriation, and shall be timely applied to the retirement of a like principal amount of the institutional obligations.

Appropriations made in Sections 30.02 to ~~30.06~~ 30.45 of ~~this act~~ AM. Sub. H.B. 850 of the 122nd General Assembly for purposes of costs of capital facilities, all or a portion of which costs the particular institution has paid from the institution's moneys that were temporarily available and which payments were reasonably expected to be reimbursed from the proceeds of obligations issued by the state, shall be directly paid to the institution in the full amounts of those payments, and shall be timely applied to the reimbursement of those temporarily available moneys.

Sec. 30.10. CSU CENTRAL STATE UNIVERSITY

CAP-022	Basic Renovations	\$	804,400
CAP-083	Master Plan/Supplemental Renovations	\$	2,449,400
CAP-084	College of Education Facility - Planning	\$	1,000,000
Total Central State University		\$	4,253,800

College of Education Facility - Planning

The foregoing appropriation item CAP-084, College of Education

Facility - Planning, shall not be released by the Controlling Board or the Director of Budget and Management until Central State University ~~has satisfactorily completed a Campus-wide Master Plan, and~~ has made progress satisfactory to the Board of Regents and the Office of Budget and Management in completing the correction of its outstanding adjudication orders as issued by the Department of Commerce. Such progress shall include the development of a plan to comply with all remaining adjudication orders by the end of fiscal year 2000. This appropriation shall not be included in the calculation of Central State University's debt service obligation until fiscal year 2002.

Sec. 30.43. MAT MUSKINGUM AREA TECHNICAL COLLEGE

CAP-007	Basic Renovations	\$	203,491
CAP-014	<u>Regional Technology Training Center</u>	\$	<u>1,961,290</u>
Total Muskingum Area Technical College		\$	<u>2,164,781</u>

Sec. 31. Debt Service Formula Allocation

Based on the foregoing appropriations in Sections 30 and 30.01 to 30.45 of ~~this act~~ Am. Sub. H.B. 850 of the 122nd General Assembly, from Fund 034, Higher Education Improvement Fund, the following higher education institutions shall be responsible for the specified amounts as part of the debt service component of the instructional subsidy beginning in fiscal year 2000:

<u>Institution</u>	<u>Amount</u>
University of Akron	\$10,800,000
University of Akron - Wayne	\$ 675,000
Bowling Green State University	\$14,013,310
Bowling Green State University - Firelands	\$ 2,056,440
Central State University	\$ 2,449,400
University of Cincinnati	\$39,386,650
University of Cincinnati - Walters	\$ 3,445,212
Cleveland State University	\$16,719,670
Kent State University	\$17,644,310
Kent State University - Ashtabula	\$ 575,000
Kent State University - East Liverpool	\$ 570,980
Kent State University - Geauga	\$ 60,000
Kent State University - Salem	\$ 288,310
Kent State University - Stark	\$ 1,743,360
Kent State University - Trumbull	\$ 175,000
Kent State University - Tuscarawas	\$ 75,000
Miami University	\$18,400,000
	<u>17,400,000</u>

Miami University - Hamilton	\$ 969,540
Miami University - Middletown	\$ 1,568,330
Ohio State University	\$80,760,310
	<u>77,760,310</u>
Ohio State University - Lima	\$2,152,620
	<u>1,118,330</u>
Ohio State University - Mansfield	\$ 850,000
Ohio State University - Marion	\$ 408,000
Ohio State University - ATI	\$ 1,560,000
Ohio University	\$26,700,280
	<u>21,700,280</u>
Ohio University - Eastern	\$ 398,040
Ohio University - Chillicothe	\$ 953,030
Ohio University - Lancaster	\$ 1,116,760
Ohio University - Zanesville	\$ 1,136,920
Shawnee State University	\$ 1,751,500
University of Toledo	\$19,800,000
Wright State University	\$11,300,000
Youngstown State University	\$ 9,200,000
Medical College of Ohio	\$ 5,442,150
Northeastern Ohio Universities College of Medicine	\$3,425,580
	<u>3,443,313</u>
Cincinnati State Technical and Community College	\$ 1,036,000
Columbus State Community College	\$ 1,500,000
Cuyahoga Community College	\$ 6,800,000
Edison State Community College	\$ 50,000
Jefferson Community College	\$ 817,165
Lakeland Community College	\$ 3,165,340
Lorain Community College	\$ 100,000
Owens Community College	\$ 3,747,260
Rio Grande Community College	\$ 636,000
Hocking Technical College	\$ 2,924,325
Lima Technical College	\$ 900,000
Marion Technical College	\$ 52,700
<u>Muskingum Area Technical College</u>	<u>\$ 196,129</u>
North Central Technical College	\$ 750,000
Stark Technical College	\$ 1,253,252

Institutions not listed above shall not have a debt service obligation as a result of these appropriations.

~~Within sixty days after the effective date of this section~~ Not later than

May 17, 1999, any institution of higher education may notify the Board of Regents of its intention not to proceed with any project appropriated in ~~this act~~ AM. Sub. H.B. 850 of the 122nd General Assembly Upon receiving such notification, the Board of Regents may release the institution from its debt service obligation for the specific project."

SECTION 26. That existing Sections 6, 30.07, 30.10, 30.43, and 31 of Am. Sub. H.B. 850 of the 122nd General Assembly are hereby repealed.

SECTION 27.* That Section 26 of Am. Sub. H.B. 850 of the 122nd General Assembly be amended to read as follows:

" Sec. 26. (A) All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the School Building Program Assistance Fund (Fund 032) created under section 3318.25 of the Revised Code, derived from the proceeds of obligations heretofore and herein authorized to pay the cost to the state of acquiring classroom facilities for sale to school districts pursuant to sections 3318.01 to 3318.20 of the Revised Code.

Appropriations

SFC SCHOOL FACILITIES COMMISSION

CAP-737	School Building Program Assistance	\$	355,000,000
Total	School Facilities Commission	\$	355,000,000
Total	School Building Program Assistance Fund	\$	355,000,000

School Building Program Assistance

The foregoing appropriation item CAP-737, School Building Program Assistance, shall be used by the School Facilities Commission to provide funding to school districts that receive conditional approval from the Commission pursuant to Chapter 3318. of the Revised Code.

Commitments by the School Facilities Commission

The School Facilities Commission shall not commit at least \$300 million of the combined amounts of the foregoing appropriations items CAP-622, Public School Buildings (Fund 021), and CAP-737, Public School Building Assistance (Fund 032), until after June 30, 1999.

(B)(1) As used in this division:

(a) "Low wealth school district" means a school district in the lowest fifty per cent of adjusted valuation per pupil on the fiscal year 1999 ranking of school districts, established pursuant to section ~~3317.02~~ 3317.0213 of the Revised Code.

(b) A "school district with an exceptional need for immediate classroom facility assistance" means a school district with an exceptional need for new

facilities in order to protect the health and safety of all or a portion of its students. School districts reasonably expected to be served by the Classroom Facilities Assistance Program prior to June 30, 2002, in the order provided under divisions (C)(1) and (2) of section ~~3318.06~~ 3318.02 of the Revised Code, are excluded from participating in this exceptional needs pilot program.

(2) Of the \$300,000,000 the School Facilities Commission shall not commit until after June 30, 1999, the School Facilities Commission may set aside up to ten per cent for the pilot program for low wealth school districts with exceptional needs for immediate classroom facility assistance.

(3)(a) After consulting with education and construction experts, the School Facilities Commission shall adopt guidelines for identifying school districts with an exceptional need for immediate classroom facility assistance.

(b) The guidelines shall include application forms and instructions for school districts that believe they have an exceptional need for immediate classroom facility assistance.

(4) The School Facilities Commission shall evaluate the classroom facilities, and the need for replacement classroom facilities from the applications received under this section. The School Facilities Commission, utilizing the guidelines adopted pursuant to division (B)(3) of this section, shall prioritize the school districts to be assessed.

~~In accordance with division (C)(3) of~~ Notwithstanding section 3318.02 of the Revised Code, the School Facilities Commission may conduct on-site evaluation of the school districts prioritized under this section and approve and award funds until such time as all funds set aside pursuant to division (B)(2) of this section have been encumbered pursuant to section 3318.04 of the Revised Code.

(5) Notwithstanding division (A) of section 3318.05 of the Revised Code, the portion of the basic project costs that shall be paid by a district receiving state funds under the pilot program shall be the "required percentage of the basic project costs," as defined in division (K) of section 3318.01 of the Revised Code."

SECTION 28.* That existing Section 26 of Am. Sub. H.B. 850 of the 122nd General Assembly is hereby repealed.

SECTION 29. That Section 7 of Am. Sub. S.B. 102 of the 122nd General Assembly be amended to read as follows:

SECTION 7 OF AM. SUB. S.B. 102/122nd GA

Sec. 7. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the School Building Program Assistance Fund (Fund 032). Revenues to the School Building Program Assistance Fund shall consist of proceeds of obligations authorized to pay costs of capital facilities as defined in section 3318.21 of the Revised Code.

Appropriations

SFC SCHOOL FACILITIES COMMISSION

CAP-737	School Building Program Assistance	\$	300,000,000
Total		\$	300,000,000
School			
Facilities			
Commission			

School Building Assistance

Of the foregoing appropriation item CAP-737, School Building Program Assistance, up to \$200,000,000 shall be used by the Ohio School Facilities Commission to provide funds to schools that receive conditional approval by the Ohio School Facilities Commission pursuant to Chapter 3318. of the Revised Code.

Up to \$50,000,000 of that amount shall be used by the Ohio School Facilities Commission to administer the Emergency School Building Repair Program, pursuant to section 3318.35 of the Revised Code.

Of the foregoing appropriation item CAP-737, School Building Program Assistance, notwithstanding Chapter 3318. of the Revised Code, up to \$100,000,000 shall be used by the Ohio School Facilities Commission to provide funds to the big eight school districts to be used for major renovations and repairs of school facilities. Big eight school districts which levy at least 2.5 voted mills for permanent improvements shall also be eligible to expend funds for additions to existing facilities. Any big eight school district that expends these funds for an addition to an existing facility shall receive no assistance from the School Facilities Commission for the purpose of replacing that facility for a period of at least twenty years. Funds shall be allocated to the school districts on a per pupil basis, based on fiscal year 1997 total average daily membership as defined in section 3317.03 of the Revised Code. In the event a school district is no longer eligible to receive these funds as a result of becoming eligible to receive conditional approval for participation in the Classroom Facilities Assistance Program, the School Facilities Commission shall reallocate the funds to the remaining eligible districts on a per pupil basis. To be eligible to receive these funds, each school district shall:

- (1) Provide a 100 per cent match from funds that are approved by the

Ohio School Facilities Commission;

(2) Develop and submit a capital renovations plan for the use of state and local funds subject to approval by the Ohio School Facilities Commission;

(3) Not be eligible to receive conditional approval for participation in the Classroom Facilities Assistance Program pursuant to section 3318.04 of the Revised Code.

As used in this section, "big eight school district" means a school district that for fiscal year 1997 had a percentage of children residing in the district and receiving Aid to Dependent Children 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.

SECTION 30. That existing Section 7 of Am. Sub. S.B. 102 of the 122nd General Assembly is hereby repealed.

SECTION 31. (A) That Sections 50.52.1, 50.52.3, 50.52.6, 50.52.8, 50.52.11, and 50.52.13 of Am. Sub. H.B. 215 of the 122nd General Assembly are hereby repealed.

(B) That Sections 50.52.4, 50.52.7, and 50.52.9 of Am. Sub. H.B. 215 of the 122nd General Assembly, as amended by Am. Sub. H.B. 770 of the 122nd General Assembly, are hereby repealed.

(C) That Sections 50.52.5 and 50.52.10 of Am. Sub. H.B. 215 of the 122nd General Assembly, as amended by Am. Sub. H.B. 650 and Am. Sub. H.B. 770 of the 122nd General Assembly, are hereby repealed.

SECTION 32. (A) As used in this section, "pilot project area" means the school districts included in the territory of the former community school pilot project established by former Section 50.52 of Am. Sub. H.B. 215 of the 122nd General Assembly.

(B) Any teacher or nonteaching employee of a school district in the pilot project area who, on the effective date of this section, is taking a leave of absence from the district pursuant to a policy adopted under former Section 50.52.13 of that act to work at a community school established under the pilot project and located in another school district may continue the leave under the terms of that policy and former section. Upon termination of the leave, the district shall return the teacher or nonteaching employee to a

sition, salary, and level of seniority as required by that former section.

(C) During the first year of operation of a community school in the pilot project area, the Department of Education shall pay each school district in the pilot project area, for each student enrolled in the community school who is otherwise entitled to attend school in the district under section 3313.64 or 3313.65 of the Revised Code, 50 per cent of the district's per pupil state funds. For this purpose, "per pupil state funds" means the sum of the amounts computed for the district under divisions (A), (C)(1), and (E) of section 3317.022 of the Revised Code plus any payments received under section 3317.0212 of the Revised Code, divided by the district's formula ADM certified under section 3317.03 of the Revised Code. The payments made under this division are in addition to all other payments made under Chapter 3317. of the Revised Code to any school district in the pilot project area. This division applies only in fiscal years 2000 and 2001.

SECTION 33. The requirement of division (B) of section 3324.02 of the Revised Code that rules adopted under that division are to be adopted under Chapter 119. of the Revised Code does not apply to initial rules adopted under that division that are to be available by September 1, 1999. In adopting these initial rules the Department of Education is exempt from both section 111.15 and Chapter 119. of the Revised Code, but shall prepare the rules in a form anticipating eventual codification into the Administrative Code. The initial rules take effect immediately upon adoption, but expire on January 15, 2000, by which date the department shall have adopted rules under Chapter 119. of the Revised Code as required by division (B) of section 3324.02 of the Revised Code.

SECTION 34. Every school district shall identify by November 15, 2000, any gifted student enrolled as of January 1, 2000, in grades kindergarten through eleven in the district.

SECTION 35. By January 30, 2000, the Department of Education shall recommend to the General Assembly the best method of ensuring that state special education and vocational educational funds are expended by school districts for the needs of special education and vocational students.

SECTION 36. (A) The Ohio School Facilities Commission may commit up to thirty-five million dollars to the Canton City School District for

construction of a facility described in this section, in lieu of a high school that would otherwise be authorized under Chapter 3318. of the Revised Code. The commission shall not commit funds under this section unless all of the following conditions are met:

(1) The district has entered into a cooperative agreement with a state-assisted technical college;

(2) The district has received an irrevocable commitment of additional funding from nonpublic sources;

(3) The facility is intended to serve both secondary and postsecondary instructional purposes.

(B) The commission shall enter into an agreement with the district for the construction of the facility authorized under this section that is separate from and in addition to the agreement required for the district's participation in the Classroom Facilities Assistance Program under section 3318.08 of the Revised Code. Notwithstanding that section and sections 3318.03, 3318.04, and 3318.083 of the Revised Code, the additional agreement shall provide but not be limited to the following:

(1) The commission shall not have any oversight responsibilities over the construction of the facility;

(2) The facility need not comply with the specifications for plans and materials for high schools adopted by the commission;

(3) The commission may decrease the basic project cost that would otherwise be calculated for a high school under Chapter 3318. of the Revised Code;

(4) The state shall not share in any increases in the basic project cost for the facility above the amount authorized under this section.

All other provisions of Chapter 3318. of the Revised Code apply to the approval and construction of a facility authorized under this section.

The state funds committed to the facility authorized by this section shall be part of the total amount the state commits to the Canton City School District under Chapter 3318. of the Revised Code. All additional state funds committed to the Canton City School District for classroom facilities assistance shall be subject to all provisions of Chapter 3318. of the Revised Code.

SECTION 37.* Not later than four years after the effective date of this section, the Board of Regents shall determine the cost of upgrading facilities at public universities in this state that likely would be used if the City of Cincinnati were awarded the summer olympic games. Upon completion of the cost determination, the board shall submit a written report of its findings

to the Governor, the President of the Senate, the Speaker of the House of Representatives, and to each member of the legislative authority of the City of Cincinnati.

SECTION 38. The Governor shall fill the first vacancy occurring on the State Lottery Commission on or after the effective date of section 3770.01 of the Revised Code, as amended by this act, with a person who represents an organization that deals with problem gambling and assists recovering gambling addicts.

SECTION 39.* On the effective date of this section, the Ohio SchoolNet Office is abolished and all of its functions, and assets and liabilities, are transferred to the Ohio SchoolNet Commission. The Ohio SchoolNet Commission is thereupon and thereafter successor to, assumes the obligations of, and otherwise constitutes the continuation of the Ohio SchoolNet Office.

Any business commenced but not completed by the Ohio SchoolNet Office or its director on the effective date of this section shall be completed by the Ohio SchoolNet Commission or its executive director in the same manner, and with the same effect, as if completed by the Ohio SchoolNet Office or its director. No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the transfer required by this section and shall be administered by the Ohio SchoolNet Commission. All of the Ohio SchoolNet Office's rules, orders, and determinations continue in effect as rules, orders, and determinations of the Ohio SchoolNet Commission, until modified or rescinded by the Ohio SchoolNet Commission. If necessary to ensure the integrity of the numbering of the Administrative Code the Director of the Legislative Service Commission shall renumber the Ohio SchoolNet Office's rules to reflect their transfer to the Ohio SchoolNet Commission.

Subject to the lay-off provisions of sections 124.321 to 124.328 of the Revised Code, all of the employees of the Ohio SchoolNet Office are transferred to the Ohio SchoolNet Commission and retain their positions and all of the benefits accruing thereto.

Whenever the Ohio SchoolNet Office or its director is referred to in any law, contract, or other document, the reference shall be deemed to refer to the Ohio SchoolNet Commission or its executive director, whichever is appropriate.

No action or proceeding pending on the effective date of this section is

affected by the transfer, and shall be prosecuted or defended in the name of the Ohio SchoolNet Commission or its executive director. In all such actions and proceedings, the Ohio SchoolNet Commission or its executive director upon application to the court shall be substituted as a party.

Section 40.* The Department of Education shall apply division (D) of section 3319.22 of the Revised Code to educational service centers and county boards of mental retardation and developmental disabilities as if it were effective July 1, 1998. The department shall accept a professional development plan and coursework that was approved on or after that date by a local professional development committee established by a service center or county board if the committee meets the requirements of that division and the plan and coursework meet the requirements of the rules adopted by the State Board of Education under section 3319.22 of the Revised Code.

SECTION 41. Sections 3313.974, 3313.975, 3313.976, 3313.977, 3313.978, and 3313.979 of the Revised Code contained within the purview of Sections 1 and 2 of this act, which establish the Pilot Project Scholarship and Tutorial Assistance Program, are repealed and reenacted with a modification in order to restore them to effectiveness as part of the law and to reinstate the program with a modification. The Supreme Court of Ohio, in Simmons-Harris v. Goff

SECTION (1999), __Ohio St.3d__, invalidated the sections as they resulted from Am. Sub. H.B. 117 of the 121st General Assembly, 146 Ohio Laws 900, holding their enactment in that act to have been violative of the one-subject rule, Ohio Constitution, Article II, Section 15(D).

This reinstatement of the Pilot Project Scholarship and Tutorial Assistance Program is a continuation of the program operating in the 1998-1999 school year, with the modifications made in this act. Students who received scholarships that year may continue to receive scholarships in subsequent years, as provided in division (C)(1) of new section 3313.975 of the Revised Code, until they complete eighth grade, as long as they comply with the requirements of new sections 3313.974 to 3313.979 of the Revised Code and the General Assembly appropriates funds for the program.

Amendments to the Pilot Project Scholarship Program subsequent to Am. Sub. H.B. 117 also lost effectiveness because of the invalidation of the original enactment. The repeal and reenactment of section 3313.975 of the Revised Code contained within the purview of Sections 1 and 2 of this act also restore these subsequent amendments, by Am. Sub. H.B. 215 and Am. Sub. H.B. 770 of the 122nd General Assembly, to effectiveness as part of the law. The amendment of section 3313.975 of the Revised Code in Am.

Sub. H.B. 215 corrected a constitutional deficiency noted in Simmons-Harris v. Goff, unreported, 10th District Court of Appeals (1997).

Section 3313.977 as repealed and reenacted within the purview of Sections 1 and 2 of this act omits original division (A)(1)(d) of that section to correct a constitutional deficiency noted in Simmons-Harris v. Goff (1999), __Ohio St.3d__.

SECTION 42. For a period of 6 months from the effective date of this section, a school board upon a two-thirds vote of its members may, notwithstanding AC 3301-92-03, withdraw moneys from the budget reserve fund for an unanticipated deficiency in revenue or an emergency. The school board must certify that the reason for withdrawal is one of the following conditions:

1. The school district's loss at the ballot of an existing operating levy in the current or previous fiscal year;
2. Substantial income or property tax delinquencies;
3. A substantial loss of tangible personal property assessed valuation;
4. A substantial loss in revenue or an expenditure due to civil insurrection;
5. A substantial loss in revenue or an expenditure due to a natural disaster;
6. Substantial expenditure due to a catastrophic capital loss;
7. A substantial loss of state aid;
8. A substantial tax refund paid by the school district in any one fiscal year;
9. Any other unanticipated, extraordinary, unusual and infrequent occurrence in any one fiscal year that results in a substantial expenditure or a loss in revenue.

Pursuant to RC 5705.29, the board must file a schedule for replenishing the account with the Superintendent of Public Instruction and receive approval of the schedule from the Superintendent of Public Instruction before proceeding with the withdrawal. No other approval of the Superintendent of Public Instruction is required.

The State Auditor and State Superintendent of Public Instruction, within 6 months hereafter, shall re-file administrative rule 3301-92-03 relative to the withdrawal of funds from school districts' budget reserve funds. The State Auditor and State Superintendent of Public Instruction shall receive input from affected entities and shall consider information and experience which has developed since the initial promulgation of the rule, with particular emphasis on the role of the State Superintendent of Public

Instruction with respect to the withdrawal of funds of the school district, and the appropriateness of threshold amounts for withdrawal of funds.

SECTION 43. Except as otherwise specifically provided in this act, the codified sections of law amended or enacted in this act, and the items of law of which the codified sections of law amended or enacted in this act are composed, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the codified sections of law amended or enacted by this act, and the items of law of which the codified sections of law as amended or enacted by this act are composed, take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against any such codified section of law as amended or enacted by this act, or against any item of law of which any such codified section of law as amended or enacted by this act is composed, the codified section of law as amended or enacted, or item of law, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 44. Except as otherwise specifically provided in this act, the repeal by this act of a codified section of law is subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the repeal by this act of a codified section of law takes effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against any such repeal, the repeal, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 45. Sections 3301.17, 3301.171, 3302.01, 3302.02, 3302.03, 3313.974, 3313.975, 3313.976, 3313.977, 3313.978, 3313.979, 3313.981, 3314.012, 3314.03, 3314.05, 3314.06, 3314.071, 3314.08, 3314.09, 3314.11, 3314.12, 3314.13, 3314.15, 3316.05, 3316.06, 3317.014, 3317.02, 3317.022, 3317.023, 3317.024, 3317.029, 3317.0212, 3317.0213, 3317.0216, 3317.03, 3317.033, 3317.05, 3317.051, 3317.11, 3317.16, 3317.162, 3317.19, 3318.33, 3332.05, 3332.07, 3333.12, 3333.27, 4117.101, and 5910.032 of the Revised Code as amended or enacted by this act, and the items of law of which such sections as amended or enacted by this act are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, such sections as amended

or enacted by this act, and the items of law of which such sections as amended or enacted by this act are composed, go into immediate effect when this act becomes law.

SECTION 46. The repeal by this act of sections 3313.974, 3313.975, 3313.976, 3313.977, 3313.978, 3313.979, 3317.053, and 3317.16 of the Revised Code is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the repeals go into immediate effect when this act becomes law.

SECTION 47. (A) The amendments by this act to division (F) of section 5919.34 of the Revised Code constitute an item of law that is subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, this item of law takes effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against the item of law, the item of law, unless rejected at the referendum, takes effect at the earliest time permitted by law.

(B) The amendments by this act to section 5919.34 of the Revised Code, except for the amendments to division (F) of the section, constitute an item of law that is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, this item of law goes into immediate effect when this act becomes law.

SECTION 48. Except as otherwise specifically provided in this act, the uncodified sections of law amended or enacted in this act, and the items of law of which the uncodified sections of law amended or enacted in this act are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the uncodified sections of law amended or enacted in this act, and the items of law of which the uncodified sections of law amended or enacted in this act are composed, go into immediate effect when this act becomes law.

SECTION 49. Uncodified sections of law amended or enacted in this act, and items of law contained within the uncodified sections of law amended or enacted in this act, that are marked with an asterisk are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the uncodified sections and items of law marked with an asterisk take effect on the ninety-first day after this act is

led with the Secretary of State. If, however, a referendum petition is filed against an uncodified section or item of law marked with an asterisk, the uncodified section or item of law marked with an asterisk, unless rejected at the referendum, takes effect at the earliest time permitted by law.

If the amending and existing repeal clauses commanding an amendment of an uncodified section of law are both marked with asterisks, the uncodified section as amended is deemed also to have been marked with an asterisk.

An asterisk marking an uncodified section or item of law has the form *.

This section defines the meaning and form of, but is not itself to be considered marked with, an asterisk.

SECTION 50. If the amendment or enactment in this act of a codified or uncodified section of law is subject to the referendum, the corresponding indications in the amending, enacting, or existing repeal clauses commanding the amendment or enactment also are subject to the referendum, along with the amendment or enactment. If the amendment or enactment by this act of a codified or uncodified section of law is not subject to the referendum, the corresponding indications in the amending, enacting, or existing repeal clauses commanding the amendment or enactment also are not subject to the referendum, the same as the amendment or enactment.

SECTION 51. An item, other than an amending, enacting, or repealing clause, that composes the whole or part of an uncodified section contained in this act has no effect after June 30, 2001, unless its context clearly indicates otherwise.

SECTION 52. Section 3316.06 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. H.B. 56 and Am. Sub. S.B. 17 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 53. Section 3365.07 of the Revised Code is presented in this act

as a composite of the section as amended by both Am. Sub. H.B. 434 and Am. Sub. H.B. 777 of the 118th 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 54. If any item of law that constitutes the whole or part of a codified or uncoded section of law contained in this act, or if any application of any item of law that constitutes the whole or part of a codified or uncoded section of law contained in this act, is held invalid, the invalidity does not affect other items of law or applications of item of law that can be given effect without the invalid item of law or application. To this end, the items of law of which the codified and uncoded sections contained in this act are composed, and their applications, are independent and severable.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

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

Director, Legislative Service Commission.

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

Secretary of State.

File No. _____ Effective Date _____