

As Passed by the House

124th General Assembly

Regular Session

2001-2002

Am. Sub. H. B. No. 364

REPRESENTATIVES Husted, Clancy, Calvert, Raga, DeWine, Seitz, Setzer,
White, Goodman, Gilb, Faber, Webster, Schaffer, Brinkman, Flowers,
Callender, Schmidt, Williams, Grendell, Young, Widowfield, Schneider,
Wolpert, Blasdel, Allen, Reidelbach, Evans, Cates, Lendrum, Niehaus

A BILL

To amend sections 3313.375, 3313.534, 3314.011, 1
3314.013, 3314.02, 3314.03, 3314.06, 3314.07, 2
3314.072, 3314.08, 3314.09, 3314.091, 3314.11, 3
3314.13, 3317.03, 3318.38, 3318.50, 3327.01, 4
3327.02, 3365.08, and 4117.101; to amend, for the 5
purpose of adopting a new section number as 6
indicated in parentheses, section 3314.011 7
(3314.16); to enact sections 3314.015, 3314.022, 8
3314.023, 3314.024, 3314.041, 3314.073, 3314.074, 9
3314.081, 3314.111, 3314.17, 3314.30, 3314.31, and 10
3318.53; to repeal section 3314.021 of the Revised 11
Code; and to amend Section 44.05 of Am. Sub. H.B. 12
94 of the 124th General Assembly to expand the 13
sponsorship and area of the state in which 14
community schools may be established, to establish 15
the Community School Classroom Facilities 16
Assistance Program, to establish the Community 17
School Revolving Loan Fund, to make changes in the 18
oversight and management of community schools, and 19
to make other changes in the community school law, 20
and to add a representative from the Auditor of 21
State's Office to the Alternative Education 22

Advisory Council.

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

Section 1. That sections 3313.375, 3313.534, 3314.011, 24
3314.013, 3314.02, 3314.03, 3314.06, 3314.07, 3314.072, 3314.08, 25
3314.09, 3314.091, 3314.11, 3314.13, 3317.03, 3318.38, 3318.50, 26
3327.01, 3327.02, 3365.08, and 4117.101 be amended; section 27
3314.011 (3314.16) be amended for the purpose of adopting a new 28
section number as indicated in parentheses; and sections 3314.015, 29
3314.022, 3314.023, 3314.024, 3314.041, 3314.073, 3314.074, 30
3314.081, 3314.111, 3314.17, 3314.30, 3314.31, and 3318.53 of the 31
Revised Code be enacted to read as follows: 32

Sec. 3313.375. The board of education of a city, local, 33
exempted village, or joint vocational school district ~~or~~, the 34
governing board of an educational service center, or the governing 35
authority of a community school may enter into a lease-purchase 36
agreement providing for construction; enlarging or other 37
improvement, furnishing, and equipping; lease; and eventual 38
acquisition of a building or improvements to a building for any 39
school district ~~or~~, educational service center, or community 40
school purpose. The agreement shall provide for a lease for a 41
series of one-year renewable lease terms totaling not more than 42
thirty years. The agreement shall provide that at the end of the 43
series of lease terms provided for in the agreement the title to 44
the leased property shall be vested in the school district or 45
educational service center, if all obligations of the school 46
district ~~or~~, educational service center, or community school 47
provided for in the agreement have been satisfied. The agreement 48
may, in addition to the rental payments, require the school 49
district ~~or~~, educational service center, or community school to 50
pay the lessor a lump-sum amount as a condition of obtaining title 51

to the leased property. In conjunction with the agreement, a 52
school district board of education ~~or~~, an educational service 53
center governing board, or a governing authority of a community 54
school may grant leases, easements, or licenses for underlying 55
land or facilities under the board's control for terms not 56
exceeding five years beyond the final renewal term of the 57
lease-purchase agreement entered into pursuant to this section. 58
Payments under the agreement may be deemed to be, and paid as, 59
current operating expenses. 60

The obligations under a lease-purchase agreement entered into 61
pursuant to this section shall not be considered to be net 62
indebtedness of a school district under section 133.06 of the 63
Revised Code. 64

Sec. 3313.534. No later than July 1, 1998, the board of 65
education of each city, exempted village, and local school 66
district shall adopt a policy of zero tolerance for violent, 67
disruptive, or inappropriate behavior, including excessive 68
truancy, and establish strategies to address such behavior that 69
range from prevention to intervention. 70

No later than July 1, 1999, each of the big eight school 71
districts, as defined in section 3314.02 of the Revised Code, 72
shall establish under section 3313.533 of the Revised Code at 73
least one alternative school to meet the educational needs of 74
students with severe discipline problems, including, but not 75
limited to, excessive truancy, excessive disruption in the 76
classroom, and multiple suspensions or expulsions. Any other 77
school district that attains after that date a significantly 78
substandard graduation rate, as defined by the department of 79
education, shall also establish such an alternative school under 80
that section. 81

As used in this section, "big eight school district" means a 82

school district that for fiscal year 1997 had both of the 83
following: 84

(A) A percentage of children residing in the district and 85
participating in the predecessor of Ohio works first greater than 86
thirty per cent, as reported pursuant to section 3317.10 of the 87
Revised Code; 88

(B) An average daily membership greater than twelve thousand, 89
as reported pursuant to former division (A) of section 3317.03 of 90
the Revised Code. 91

Sec. 3314.013. (A)(1) Until July 1, 2000, no more than 92
seventy-five contracts between start-up schools and the state 93
board of education may be in effect outside the pilot project area 94
at any time under this chapter. 95

(2) After July 1, 2000, and until July 1, 2001, no more than 96
one hundred twenty-five contracts between start-up schools and the 97
state board of education may be in effect outside the pilot 98
project area at any time under this chapter. 99

(3) For two years after the effective date of this amendment, 100
no more than two hundred twenty-five contracts between start-up 101
schools and all sponsors combined may be in effect under this 102
chapter. 103

(B) Within twenty-four hours of a request by any person, the 104
superintendent of public instruction shall indicate the number of 105
preliminary agreements for ~~state board-sponsored~~ start-up schools 106
currently outstanding and the number of contracts for these 107
schools in effect at the time of the request. 108

(C) It is the intent of the general assembly to consider 109
whether to provide limitations on the number of start-up community 110
schools after July 1, 2001, following its examination of the 111
results of the studies by the legislative office of education 112

oversight required under ~~section~~ Section 50.39 of Am. Sub. H.B. 113
No. 215 of the 122nd general assembly and ~~section~~ Section 50.52.2 114
of Am. Sub. H.B. No. 215 of the 122nd general assembly, as amended 115
by Am. Sub. H.B. No. 770 of the 122nd general assembly. 116

Sec. 3314.015. (A) The department of education shall be 117
responsible for the oversight of sponsors of the community schools 118
established under this chapter and shall provide technical 119
assistance to schools and sponsors in their compliance with 120
applicable laws and the terms of the contracts entered into under 121
section 3314.03 of the Revised Code and in the development and 122
start-up activities of those schools. In carrying out its duties 123
under this section, the department shall do all of the following: 124

(1) In providing technical assistance to proposing parties, 125
governing authorities, and sponsors, conduct training sessions and 126
distribute informational materials; 127

(2) Approve entities to be sponsors of community schools and 128
monitor the effectiveness of those sponsors in their oversight of 129
the schools with which they have contracted; 130

(3) By December thirty-first of each year, issue a report to 131
the governor, the speaker of the house of representatives, the 132
president of the senate, and the chairpersons of the house and 133
senate committees principally responsible for education matters 134
regarding the effectiveness of academic programs, operations, and 135
legal compliance and of the financial condition of all community 136
schools established under this chapter; 137

(4) From time to time, make legislative recommendations to 138
the general assembly designed to enhance the operation and 139
performance of community schools. 140

(B) No entity listed in division (C)(1) of section 3314.02 of 141
the Revised Code shall enter into a preliminary agreement under 142

division (C)(2) of section 3314.02 of the Revised Code until it 143
has received approval from the department of education to sponsor 144
community schools under this chapter and has entered into a 145
written agreement with the department regarding the manner in 146
which the entity will conduct such sponsorship. The department 147
shall adopt in accordance with Chapter 119. of the Revised Code 148
rules containing criteria, procedures, and deadlines for 149
processing applications for such approval, for oversight of 150
sponsors, for revocation of the approval of sponsors, and for 151
entering into written agreements with sponsors. The rules shall 152
require an entity to submit evidence of the entity's ability and 153
willingness to comply with the provisions of division (D) of 154
section 3314.03 of the Revised Code. 155

An entity that is approved to sponsor community schools may 156
enter into any number of preliminary agreements and sponsor any 157
number of schools, provided each school and the contract for 158
sponsorship meets the requirements of this chapter. 159

(C) If at any time the state board of education finds that a 160
sponsor is not in compliance or is no longer willing to comply 161
with its contract with any community school or with the 162
department's rules for sponsorship, the state board or designee 163
shall conduct a hearing in accordance with Chapter 119. of the 164
Revised Code on that matter. If after the hearing, the state board 165
or designee has confirmed the original finding, the state board or 166
designee shall revoke the sponsor's approval to sponsor community 167
schools and shall assume the sponsorship of any schools with which 168
the sponsor has contracted until the earlier of the expiration of 169
two school years or until a new sponsor as described in division 170
(C)(1) of section 3314.02 of the Revised Code is secured by the 171
school's governing authority. The department may extend the term 172
of the contract in the case of a school for which it has assumed 173
sponsorship under this division as necessary to accommodate the 174

term of the department's authorization to sponsor the school 175
specified in this division. 176

(D) The decision of the department to disapprove an entity 177
for sponsorship of a community school or to revoke approval for 178
such sponsorship, as provided in division (C) of this section, may 179
be appealed by the entity in accordance with section 119.12 of the 180
Revised Code. 181

(E) In carrying out its duties under this chapter, the 182
department shall not impose requirements on community schools or 183
their sponsors that are not permitted by law or duly adopted 184
rules. 185

Sec. 3314.02. (A) As used in this chapter: 186

(1) "Sponsor" means ~~a public~~ an entity listed in division 187
(C)(1) of this section, which has been approved by the department 188
of education to sponsor community schools and with which the 189
governing authority of the proposed community school enters into a 190
contract pursuant to this section. 191

(2) ~~"Pilot project area" means the school districts included~~ 192
~~in the territory of the former community school pilot project~~ 193
~~established by former Section 50.52 of Am. Sub. H.B. No. 215 of~~ 194
~~the 122nd general assembly.~~ 195

~~(3) "Challenged school district" means any of the following:~~ 196

~~(a) A school district that is part of the pilot project area;~~ 197
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~~(b) A school district that is in a state of academic~~ 199
~~emergency under section 3302.03 of the Revised Code;~~ 200

~~(c) A big eight school district;~~ 201

~~(d) An urban school district.~~ 202

~~(4) "Big eight school district" means a school district that~~ 203

~~for fiscal year 1997 had both of the following:~~ 204

~~(a) A percentage of children residing in the district and 205
participating in the predecessor of Ohio works first greater than 206
thirty per cent, as reported pursuant to section 3317.10 of the 207
Revised Code;~~ 208

~~(b) An average daily membership greater than twelve thousand, 209
as reported pursuant to former division (A) of section 3317.03 of 210
the Revised Code.~~ 211

(5) "New start-up school" means a community school other than 212
one created by converting all or part of an existing public 213
school, as designated in the school's contract pursuant to 214
division (A)(17) of section 3314.03 of the Revised Code. 215

~~(6) "Urban school district" means one of the state's 216
twenty-one urban school districts as defined in division (O) of 217
section 3317.02 of the Revised Code as that section existed prior 218
to July 1, 1998.~~ 219

(B) Any person or group of individuals may initially propose 220
under this division the conversion of all or a portion of a public 221
school to a community school. The proposal shall be made to the 222
board of education of the city, local, or exempted village school 223
district in which the public school is proposed to be converted. 224
Upon receipt of a proposal, a board may enter into a preliminary 225
agreement with the person or group proposing the conversion of the 226
public school, indicating the intention of the board of education 227
to support the conversion to a community school. A proposing 228
person or group that has a preliminary agreement under this 229
division may proceed to finalize plans for the school, establish a 230
governing authority for the school, and negotiate a contract with 231
the board of education. Provided the proposing person or group 232
adheres to the preliminary agreement and all provisions of this 233
chapter, the board of education shall negotiate in good faith to 234

enter into a contract in accordance with section 3314.03 of the Revised Code and division (C) of this section. 235
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(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 challenged~~ any school district. The proposal may be made to any of the following ~~public~~ entities: 237
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(a) The board of education of the district in which the school is proposed to be located; 241
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(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 the district in which the school is proposed to be located; 243
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(c) The board of education of any other city, local, or exempted village school district having territory in the same county where the district in which the school is proposed to be located has the major portion of its territory; 247
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(d) ~~The state board of education;~~ 251

~~(e) If the school is proposed to be located in the pilot project area, the governing board of the any educational service center serving the county containing the majority of the territory of the pilot project area;~~ 252
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~~(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~~ (e) Any qualified tax-exempt entity under section 501(c)(3) of the Internal Revenue Code that has been in operation for at least five years prior to applying to be a community school sponsor or has assets of at least five hundred thousand dollars. 256
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~~The public~~ Any entity described in this division may enter 264

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 as described in division (E) of this section 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.~~

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

(D) A majority vote of the board of a sponsoring school district board entity and a majority vote of the members of the governing authority of a community school shall be required to adopt a contract and convert the public school to a community school or establish the new start-up school. 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.

(E) Each new start-up community school established under this chapter shall be under the direction of a governing authority

which shall consist of a board of not less than five individuals 297
who are not owners or employees of any for-profit firm that 298
operates or manages a school for the governing authority. 299

No person shall serve on the governing authority or operate 300
the community school under contract with the governing authority 301
so long as the person owes the state any money or is in a dispute 302
over whether the person owes the state any money concerning the 303
operation of a community school that has closed. 304

Sec. 3314.022. The governing authority of any community 305
school established under this chapter may contract with the 306
governing authority of another community school, the board of 307
education of a school district, the governing board of an 308
educational service center, a county MR/DD board, or the 309
administrative authority of a nonpublic school for provision of 310
services for any disabled student enrolled at the school. Any 311
school district board of education or educational service center 312
governing board shall negotiate with a community school governing 313
authority that seeks to contract for the provision of services for 314
a disabled student under this section in the same manner as it 315
would with the board of education of a school district that seeks 316
to contract for such services. 317

Sec. 3314.023. In order to provide monitoring and technical 318
assistance, the sponsor of a community school shall be located or 319
have representatives located within fifty miles of the location of 320
the community school. 321

Sec. 3314.024. A management company that provides services to 322
a community school that amounts to more than twenty per cent of 323
the annual gross revenues of the school shall provide a detailed 324
accounting including the nature and costs of the services it 325
provides to the community school. This information shall be 326

included in the footnotes of the financial statements of the 327
school and be subject to audit during the course of the regular 328
financial audit of the community school. 329

Sec. 3314.03. (A) A copy of every contract entered into under 330
this section shall be filed with the superintendent of public 331
instruction. 332

(A) Each contract entered into ~~under section 3314.02 of the~~ 333
Revised Code between a sponsor and the governing authority of a 334
community school shall specify the following: 335

(1) That the school shall be established as a nonprofit 336
corporation established under Chapter 1702. of the Revised Code; 337

(2) The education program of the school, including the 338
school's mission, the characteristics of the students the school 339
is expected to attract, the ages and grades of students, and the 340
focus of the curriculum; 341

(3) The academic goals to be achieved and the method of 342
measurement that will be used to determine progress toward those 343
goals, which shall include the statewide achievement tests; 344

(4) Performance standards by which the success of the school 345
will be evaluated by the sponsor; 346

(5) The admission standards of section 3314.06 of the Revised 347
Code; 348

(6)(a) Dismissal procedures; 349

(b) A requirement that the governing authority adopt an 350
attendance policy that includes a procedure for automatically 351
withdrawing a student from the school if the student without a 352
legitimate excuse fails to participate in one hundred five 353
consecutive hours of the learning opportunities offered to the 354
student. Such a policy shall provide for withdrawing the student 355

by the end of the thirtieth day after the student has failed to 356
participate as required under this division. 357

(7) The ways by which the school will achieve racial and 358
ethnic balance reflective of the community it serves; 359

(8) Requirements ~~and procedures~~ for financial audits by the 360
auditor of state. The contract shall require financial records of 361
the school to be maintained in the same manner as are financial 362
records of school districts, pursuant to rules of the auditor of 363
state, and the audits shall be conducted in accordance with 364
section 117.10 of the Revised Code. 365

(9) The facilities to be used and their locations; 366

(10) Qualifications of teachers, including a requirement that 367
the school's classroom teachers be licensed in accordance with 368
sections 3319.22 to 3319.31 of the Revised Code, except that a 369
community school may engage noncertificated persons to teach up to 370
twelve hours per week pursuant to section 3319.301 of the Revised 371
Code; 372

(11) That the school will comply with the following 373
requirements: 374

(a) The school will provide learning opportunities to a 375
minimum of twenty-five students for a minimum of nine hundred 376
twenty hours per school year; 377

(b) The governing authority will purchase liability 378
insurance, or otherwise provide for the potential liability of the 379
school; 380

(c) The school will be nonsectarian in its programs, 381
admission policies, employment practices, and all other 382
operations, and will not be operated by a sectarian school or 383
religious institution; 384

(d) The school will comply with divisions (A), (B), and (C) 385

of section 3301.0715 and sections 9.90, 9.91, 109.65, 121.22, 386
149.43, 2151.358, 2151.421, 2313.18, 3301.0710, 3301.0711, 387
3301.0712, ~~3301.0714~~, 3313.50, 3313.643, 3313.66, 3313.661, 388
3313.662, 3313.67, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 389
3313.80, 3313.96, 3319.321, 3319.39, 3321.01, 3327.10, 4111.17, 390
~~and~~ 4113.52, and 5705.391 and Chapters 117., 1347., 2744., 3365., 391
4112., 4123., 4141., and 4167. of the Revised Code as if it were a 392
school district and will comply with section 3301.0714 of the 393
Revised Code in the manner specified in section 3314.17 of the 394
Revised Code; 395

(e) The school shall comply with Chapter 102. of the Revised 396
Code except that nothing in that chapter shall prohibit a member 397
of the school's governing board from also being an employee of the 398
school and nothing in that chapter or section 2921.42 of the 399
Revised Code shall prohibit a member of the school's governing 400
board from having an interest in a contract into which the 401
governing board enters that is not a contract with a for-profit 402
firm for the operation or management of a school under the 403
auspices of the governing authority; 404

(f) The school will comply with sections 3313.61, 3313.611, 405
and 3313.614 of the Revised Code, except that the requirement in 406
sections 3313.61 and 3313.611 of the Revised Code that a person 407
must successfully complete the curriculum in any high school prior 408
to receiving a high school diploma may be met by completing the 409
curriculum adopted by the governing authority of the community 410
school rather than the curriculum specified in Title XXXIII of the 411
Revised Code or any rules of the state board of education; 412

(g) The school governing authority will submit ~~an annual~~ 413
within four months after the end of each school year a report of 414
its activities and progress in meeting the goals and standards of 415
divisions (A)(3) and (4) of this section and its financial status 416
to the sponsor, the parents of all students enrolled in the 417

school, and the legislative office of education oversight. The 418
school will collect and provide any data that the legislative 419
office of education oversight requests in furtherance of any study 420
or research that the general assembly requires the office to 421
conduct, including the studies required under Section 50.39 of Am. 422
Sub. H.B. 215 of the 122nd general assembly and Section 50.52.2 of 423
Am. Sub. H.B. 215 of the 122nd general assembly, as amended. 424

(12) Arrangements for providing health and other benefits to 425
employees; 426

(13) The length of the contract, which shall begin at the 427
beginning of an academic year and shall not exceed five years, 428
unless extended pursuant to division (E) of this section; 429

(14) The governing authority of the school, which shall be 430
responsible for carrying out the provisions of the contract; 431

(15) A financial plan detailing an estimated school budget 432
for each year of the period of the contract and specifying the 433
total estimated per pupil expenditure amount for each such year. 434
The plan shall specify for each year the base formula amount that 435
will be used for purposes of funding calculations under section 436
3314.08 of the Revised Code. This base formula amount for any year 437
shall not exceed the formula amount defined under section 3317.02 438
of the Revised Code. The plan may also specify for any year a 439
percentage figure to be used for reducing the per pupil amount of 440
disadvantaged pupil impact aid calculated pursuant to section 441
3317.029 of the Revised Code the school is to receive that year 442
under section 3314.08 of the Revised Code. 443

(16) Requirements and procedures regarding the disposition of 444
employees of the school in the event the contract is terminated or 445
not renewed pursuant to section 3314.07 of the Revised Code; 446

(17) Whether the school is to be created by converting all or 447
part of an existing public school or is to be a new start-up 448

school, and if it is a converted public school, specification of 449
any duties or responsibilities of an employer that the board of 450
education that operated the school before conversion is delegating 451
to the governing board of the community school with respect to all 452
or any specified group of employees provided the delegation is not 453
prohibited by a collective bargaining agreement applicable to such 454
employees; 455

(18) Provisions establishing procedures for resolving 456
disputes or differences of opinion between the sponsor and the 457
governing authority of the community school; 458

(19) A provision requiring the governing authority to adopt a 459
policy regarding the admission of students who reside outside the 460
district in which the school is located. That policy shall comply 461
with the admissions procedures specified in section 3314.06 of the 462
Revised Code and, at the sole discretion of the authority, shall 463
do one of the following: 464

(a) Prohibit the enrollment of students who reside outside 465
the district in which the school is located; 466

(b) Permit the enrollment of students who reside in districts 467
adjacent to the district in which the school is located; 468

(c) Permit the enrollment of students who reside in any other 469
district in the state. 470

(20) A provision recognizing the authority of the department 471
of education to take over the sponsorship of the school in 472
accordance with the provisions of division (C) of section 3314.015 473
of the Revised Code; 474

(21) A provision recognizing the sponsor's authority to 475
assume the operation of a school under the conditions specified in 476
division (B) of section 3314.073 of the Revised Code; 477

(22) A provision recognizing the authority of the department 478

of education as the community school oversight body to suspend the 479
operation of the school under section 3314.072 of the Revised Code 480
if the department has evidence of conditions or violations of law 481
at the school that pose an imminent danger to the health and 482
safety of the school's students and employees and the sponsor 483
refuses to take such action; 484

(23) A description of the learning opportunities that will be 485
offered to students including both classroom-based and 486
non-classroom-based learning opportunities that is in compliance 487
with criteria for student participation established by the 488
department under division (L)(2) of section 3314.08 of the Revised 489
Code. 490

(B) The community school shall also submit to the sponsor a 491
comprehensive plan for the school. The plan shall specify the 492
following: 493

(1) The process by which the governing authority of the 494
school will be selected in the future; 495

(2) The management and administration of the school; 496

(3) If the community school is a currently existing public 497
school, alternative arrangements for current public school 498
students who choose not to attend the school and teachers who 499
choose not to teach in the school after conversion; 500

(4) The instructional program and educational philosophy of 501
the school; 502

(5) Internal financial controls. 503

(C) A contract entered into under section 3314.02 of the 504
Revised Code between a sponsor and the governing authority of a 505
community school may provide for the community school governing 506
authority to make payments to the sponsor, which is hereby 507
authorized to receive such payments as set forth in the contract 508
between the governing authority and the sponsor. The total amount 509

of such payments for oversight and monitoring of the school shall 510
not exceed three per cent of the total amount of payments for 511
operating expenses that school receives from the state. 512

(D) The contract shall specify the duties of the sponsor 513
which shall be in accordance with the written agreement entered 514
into with the department of education under division (B) of 515
section 3314.015 of the Revised Code and shall include the 516
following: 517

(1) Monitor the community school's compliance with all laws 518
applicable to the school and with the terms of the contract; 519

(2) Monitor and evaluate the academic and fiscal performance 520
and the organization and operation of the community school on at 521
least an annual basis; 522

(3) Report on an annual basis the results of the evaluation 523
conducted under division (D)(2) of this section to the department 524
of education and to the parents of students enrolled in the 525
community school; 526

(4) Provide technical assistance to the community school in 527
complying with laws applicable to the school and terms of the 528
contract; 529

(5) Take steps to intervene in the school's operation to 530
correct problems in the school's overall performance, declare the 531
school to be on probationary status pursuant to section 3314.073 532
of the Revised Code, suspend the operation of the school pursuant 533
to section 3314.072 of the Revised Code, or terminate the contract 534
of the school pursuant to section 3314.07 of the Revised Code as 535
determined necessary by the sponsor; 536

(6) Have in place a plan of action to be undertaken in the 537
event the community school experiences financial difficulties or 538
closes prior to the end of a school year. 539

(E) At any time during the course of the term of a contract 540

entered into under this section, the sponsor of a community school 541
may, with the approval of the governing authority of the school, 542
extend the duration of the term of that contract to a period of 543
time determined by the sponsor, but not ending earlier than the 544
end of any school year if the sponsor finds that the school's 545
compliance with applicable laws and terms of the contract and the 546
school's progress in meeting the academic goals prescribed in the 547
contract are satisfactory. Any contract that is extended under 548
this division remains subject to the provisions of sections 549
3314.07, 3314.072, and 3314.073 of the Revised Code. 550

Sec. 3314.041. The governing authority of each community 551
school and any operator of such school shall place in a 552
conspicuous manner in all documents that are distributed to 553
parents of students of the school or to the general public the 554
following statement: 555

"The (here fill in name of the school) school 556
is a community school established under Chapter 3314. of the 557
Revised Code. The school is a public school and students enrolled 558
in and attending the school are required to take proficiency tests 559
and other examinations prescribed by law. In addition, there may 560
be other requirements for students at the school that are 561
prescribed by law. Students who have been excused from the 562
compulsory attendance law for the purpose of home education as 563
defined by the Administrative Code shall no longer be excused for 564
that purpose upon their enrollment in a community school. For more 565
information about this matter contact the school administration or 566
the Ohio Department of Education." 567

Sec. 3314.06. The governing authority of each community 568
school established under this chapter shall adopt admission 569
procedures that specify the following: 570

(A) That except as otherwise provided in this section, 571
admission to the school shall be open to any individual age five 572
to twenty-two entitled to attend school pursuant to section 573
3313.64 or 3313.65 of the Revised Code in a school district in the 574
state. 575

(B)(1) That admission to the school may be limited to 576
students who have attained a specific grade level or are within a 577
specific age group; to students that meet a definition of 578
"at-risk," as defined in the contract; or to residents of a 579
specific geographic area within the district, as defined in the 580
contract. 581

(2) For purposes of division (B)(1) of this section, 582
"at-risk" students may include those students identified as gifted 583
students under section 3324.03 of the Revised Code. 584

(C) Whether enrollment is limited to students who reside in 585
the district in which the school is located or is open to 586
residents of other districts, as provided in the policy adopted 587
pursuant to the contract. 588

(D)(1) That there will be no discrimination in the admission 589
of students to the school on the basis of race, creed, color, 590
handicapping condition, or sex; ~~and that,~~ except that the 591
governing authority may establish single-gender schools for the 592
purpose described in division (G) of this section provided 593
comparable facilities and learning opportunities are offered for 594
both boys and girls. Such comparable facilities and opportunities 595
may be offered for each sex at separate locations. 596

(2) That upon admission of any handicapped student, the 597
community school will comply with all federal and state laws 598
regarding the education of handicapped students. 599

(E) That the school may not limit admission to students on 600
the basis of intellectual ability, measures of achievement or 601

aptitude, or athletic ability, except that a school may limit its enrollment to students as described in division (B)(2) of this section.

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(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.

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(G) That the purpose of single-gender schools that are established shall be to take advantage of the academic benefits some students realize from single-gender instruction and facilities and to offer students and parents residing in the district the option of a single-gender education.

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(H) That, except as otherwise provided under division (B) of this section, if the number of applicants exceeds the capacity restrictions of division (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 students attending the school the previous year.

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Notwithstanding divisions (A) through ~~(G)~~(H) 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.

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Sec. 3314.07. (A) The expiration of the contract for a community school between a sponsor and a school shall be the date provided in the contract. A successor contract may be entered into unless the contract is terminated or not renewed pursuant to this section.

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(B)(1) A sponsor may choose not to renew a contract at its

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expiration or may choose to terminate a contract prior to its 632
expiration for any of the following reasons: 633

(a) Failure to meet student performance requirements stated 634
in the contract; 635

(b) Failure to meet generally accepted standards of fiscal 636
management; 637

(c) Violation of any provision of the contract or applicable 638
state or federal law; 639

(d) Other good cause. 640

(2) ~~A sponsor may choose to terminate a contract prior to its~~ 641
~~expiration if the sponsor has suspended the operation of the~~ 642
~~contract under section 3314.072 of the Revised Code~~ termination of 643
a contract under this section shall be effective only at the 644
conclusion of a school year. 645

(3) At least ninety days prior to the termination or 646
nonrenewal of a contract, the sponsor shall notify the school of 647
the proposed action in writing. The notice shall include the 648
reasons for the proposed action in detail, the effective date of 649
the termination or nonrenewal, and a statement that the school 650
may, within fourteen days of receiving the notice, request an 651
informal hearing before the sponsor. Such request must be in 652
writing. The informal hearing shall be held within seventy days of 653
the receipt of a request for the hearing. Promptly following the 654
informal hearing, the sponsor shall issue a written decision 655
either affirming or rescinding the decision to terminate or not 656
renew the contract. 657

(4) A decision by the sponsor to terminate a contract may be 658
appealed to the state board of education. The decision by the 659
state board pertaining to an appeal under this division is final. 660
If the sponsor is the state board, its decision to terminate a 661
contract under division (B)~~(4)~~(3) of this section shall be final. 662

~~(5) The termination of a contract under this section shall be effective upon the occurrence of the later of the following events:~~

~~(a) Ninety days following the date the sponsor notifies the school of its decision to terminate the contract as prescribed in division (B)(3) of this section;~~

~~(b) If an informal hearing is requested under division (B)(3) of this section and as a result of that hearing the sponsor affirms its decision to terminate the contract, the effective date of the termination specified in the notice issued under division (B)(3) of this section, or if that decision is appealed to the state board under division (B)(4) of this section and the state board affirms that decision, the date established in the resolution of the state board affirming the sponsor's decision.~~

(C) A child attending a community school whose contract has been terminated, nonrenewed, or suspended or that closes for any reason shall be admitted to the schools of the district in which the child is entitled to attend under section 3313.64 or 3313.65 of the Revised Code. Any deadlines established for the purpose of admitting students under section 3313.97 or 3313.98 shall be waived for students to whom this division pertains.

(D) A sponsor of a community school and the officers, directors, or employees of such a sponsor are not liable in damages in a tort or other civil action for harm allegedly arising from either of the following:

(1) A failure of the community school or any of its officers, directors, or employees to perform any statutory or common law duty or responsibility or any other legal obligation;

(2) An action or omission of the community school or any of its officers, directors, or employees that results in harm.

(E) As used in this section:

(1) "Harm" means injury, death, or loss to person or property. 694
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(2) "Tort action" means a civil action for damages for injury, death, or loss to person or property other than a civil action for damages for a breach of contract or another agreement between persons. 696
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Sec. 3314.072. The provisions of this section are enacted to promote the public health, safety, and welfare by establishing procedures under which the governing authorities of community schools established under this chapter will be held accountable for their compliance with the terms of the contracts they enter into with their school's sponsors and the law relating to the school's operation. Suspension of the operation of a school imposed under this section is intended to encourage the governing authority's compliance with the terms of the school's contract and the law and is not intended to be an alteration of the terms of that contract. 700
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(A) If a sponsor of a community school established under this chapter suspends the operation of that school pursuant to procedures set forth in this section, the governing authority shall not operate that school while the suspension is in effect. Any such suspension shall remain in effect until the sponsor notifies the governing authority that it is no longer in effect. The contract of a school of which operation is suspended under this section also may be subject to termination or nonrenewal under section 3314.07 of the Revised Code. 711
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(B) If at any time ~~the sponsor of a community school established under this chapter determines that~~ conditions at the school do not comply with a health and safety standard established by law for school buildings, the sponsor shall immediately suspend the operation of the school pursuant to procedures set forth in 720
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division (D) of this section. If the sponsor fails to take action 725
to suspend the operation of a school to which this division 726
applies, the department of education may take such action. 727

(C)(1) For any of the reasons prescribed in division 728
(B)(1)(a) to (d) of section 3314.07 of the Revised Code, the 729
sponsor of a community school established under this chapter may 730
suspend the operation of the school only if it first issues to the 731
governing authority notice of the sponsor's intent to suspend the 732
operation of the contract. Such notice shall explain the reasons 733
for the sponsor's intent to suspend operation of the contract and 734
shall provide the school's governing authority with five business 735
days to submit to the sponsor a proposal to remedy the conditions 736
cited as reasons for the suspension. 737

(2) The sponsor shall promptly review any proposed remedy 738
timely submitted by the governing authority and either approve or 739
disapprove the remedy. If the sponsor disapproves the remedy 740
proposed by the governing authority, if the governing authority 741
fails to submit a proposed remedy in the manner prescribed by the 742
sponsor, or if the governing authority fails to implement the 743
remedy as approved by the sponsor, the sponsor may suspend 744
operation of the school pursuant to procedures set forth in 745
division (D) of this section. 746

(D)(1) If division (B) of this section applies or if the 747
sponsor of a community school established under this chapter 748
decides to suspend the operation of a school as permitted in 749
division (C)(2) of this section, the sponsor shall promptly send 750
written notice to the governing authority stating that the 751
operation of the school is immediately suspended, and explaining 752
the specific reasons for the suspension. The notice shall state 753
that the governing authority has five business days to submit a 754
proposed remedy to the conditions cited as reasons for the 755
suspension or face potential contract termination. 756

(2) Upon receipt of the notice of suspension prescribed under 757
division (D)(1) of this section, the governing authority shall 758
immediately notify the employees of the school and the parents of 759
the students enrolled in the school of the suspension and the 760
reasons therefore, and shall cease all school operations on the 761
next business day. 762

Sec. 3314.073. (A) In lieu of termination of a contract or 763
suspension of the operation of a school as provided for in section 764
3314.07 and 3314.072 of the Revised Code, respectively, after 765
consultation with the governing authority of a community school 766
under its sponsorship, if a sponsor finds that any of the 767
conditions prescribed in division (B)(1) of section 3314.07 of the 768
Revised Code apply to the school, the sponsor may declare in 769
written notice to the governing authority that the school is in a 770
probationary status which shall not extend beyond the end of the 771
current school year. The notice shall specify the conditions that 772
warrant probationary status. The sponsor may declare a school to 773
be in such status only if it has received from the governing 774
authority reasonable assurances to the satisfaction of the sponsor 775
that the governing authority can and will take actions necessary 776
to remedy the conditions that have warranted such probationary 777
status as specified by the sponsor. 778

(B) The sponsor shall monitor the actions taken by the 779
governing authority to remedy the conditions that have warranted 780
probationary status as specified by the sponsor and may take over 781
the operation of the school as provided in the contract or may 782
take steps to terminate the contract with the governing authority 783
or to suspend operation of the school if the sponsor at any time 784
finds that the governing authority is no longer able or willing to 785
remedy those conditions to the satisfaction of the sponsor. 786

Sec. 3314.074. If any community school established under this 787

chapter permanently closes and ceases its operation as a community 788
school, the assets of that school shall be distributed first to 789
private creditors, employees of the school, and the retirement 790
funds of employees of the school who are owed compensation and 791
then any remaining funds shall be paid to the state treasury to 792
the credit of the general revenue fund. 793

Sec. 3314.08. (A) As used in this section: 794

(1) "Base formula amount" means the amount specified as such 795
in a community school's financial plan for a school year pursuant 796
to division (A)(15) of section 3314.03 of the Revised Code. 797

(2) "Cost-of-doing-business factor" has the same meaning as 798
in section 3317.02 of the Revised Code. 799

(3) "IEP" means an individualized education program as 800
defined in section 3323.01 of the Revised Code. 801

(4) "Applicable special education weight" means the multiple 802
specified in section 3317.013 of the Revised Code for a handicap 803
described in that section. 804

(5) "Applicable vocational education weight" means: 805

(a) For a student enrolled in vocational education programs 806
or classes described in division (A) of section 3317.014 of the 807
Revised Code, the multiple specified in that division; 808

(b) For a student enrolled in vocational education programs 809
or classes described in division (B) of section 3317.014 of the 810
Revised Code, the multiple specified in that division. 811

(6) "Entitled to attend school" means entitled to attend 812
school in a district under section 3313.64 or 3313.65 of the 813
Revised Code. 814

(7) A community school student is "included in the DPIA 815

student count" of a school district if the student is entitled to attend school in the district and: 816
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(a) For school years prior to fiscal year 2004, the student's family receives assistance under the Ohio works first program. 818
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(b) For school years in and after fiscal year 2004, the student's family income does not exceed the federal poverty guidelines, as defined in section 5101.46 of the Revised Code, and the student's family receives family assistance, as defined in section 3317.029 of the Revised Code. 821
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(8) "DPIA reduction factor" means the percentage figure, if any, for reducing the per pupil amount of disadvantaged pupil impact aid a community school is entitled to receive pursuant to divisions (D)(5) and (6) 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. 826
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(9) "All-day kindergarten" has the same meaning as in section 3317.029 of the Revised Code. 832
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(B) The state board of education shall adopt rules requiring both of the following: 834
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(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 who are enrolled in grades one through twelve 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. 836
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(2) The governing authority of each community school 846

established under this chapter to annually report all of the 847
following: 848

(a) The number of students enrolled in grades one through 849
twelve and the number of students enrolled in kindergarten in the 850
school who are not receiving special education and related 851
services pursuant to an IEP; 852

(b) The number of enrolled students in grades one through 853
twelve and the number of enrolled students in kindergarten, who 854
are receiving special education and related services pursuant to 855
an IEP; 856

(c) The number of students reported under division (B)(2)(b) 857
of this section receiving special education and related services 858
pursuant to an IEP for a handicap described in each of divisions 859
(A) to (F) of section 3317.013 of the Revised Code; 860

(d) The full-time equivalent number of students reported 861
under divisions (B)(2)(a) and (b) of this section who are enrolled 862
in vocational education programs or classes described in each of 863
divisions (A) and (B) of section 3317.014 of the Revised Code that 864
are provided by the community school; 865

(e) The number of enrolled preschool handicapped students 866
receiving special education services in a state-funded unit; 867

(f) The community school's base formula amount; 868

(g) For each student, the city, exempted village, or local 869
school district in which the student is entitled to attend school; 870

(h) Any DPIA reduction factor that applies to a school year. 871

(C) From the payments made to a city, exempted village, or 872
local school district under Chapter 3317. of the Revised Code and, 873
if necessary, sections 321.14 and 323.156 of the Revised Code, the 874
department of education shall annually subtract all of the 875
following: 876

(1) An amount equal to the sum of the amounts obtained when, 877
for each community school where the district's students are 878
enrolled, the number of the district's students reported under 879
divisions (B)(2)(a) and (b) of this section who are enrolled in 880
grades one through twelve, and one-half the number of students 881
reported under those divisions who are enrolled in kindergarten, 882
in that community school is multiplied by the base formula amount 883
of that community school as adjusted by the school district's 884
cost-of-doing-business factor. 885

(2) The sum of the amounts calculated under divisions 886
(C)(2)(a) and (b) of this section: 887

(a) For each of the district's students reported under 888
division (B)(2)(c) of this section as enrolled in a community 889
school in grades one through twelve and receiving special 890
education and related services pursuant to an IEP for a handicap 891
described in section 3317.013 of the Revised Code, the product of 892
the applicable special education weight times the community 893
school's base formula amount; 894

(b) For each of the district's students reported under 895
division (B)(2)(c) of this section as enrolled in kindergarten in 896
a community school and receiving special education and related 897
services pursuant to an IEP for a handicap described in section 898
3317.013 of the Revised Code, one-half of the amount calculated as 899
prescribed in division (C)(2)(a) of this section. 900

(3) For each of the district's students reported under 901
division (B)(2)(d) of this section for whom payment is made under 902
division (D)(4) of this section, the amount of that payment; 903

(4) An amount equal to the sum of the amounts obtained when, 904
for each community school where the district's students are 905
enrolled, the number of the district's students enrolled in that 906
community school who are included in the district's DPIA student 907

count is multiplied by the per pupil amount of disadvantaged pupil
impact aid the school district receives that year pursuant to
division (B) or (C) 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 district's DPIA student count, as defined
in that section. 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.

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(5) 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:

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(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;

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(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;

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(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.

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The district's per pupil amount of aid under division (E) of 939
section 3317.029 of the Revised Code is the quotient of the amount 940
the district received under that division divided by the 941
district's kindergarten through third grade ADM, as defined in 942
that section. 943

(D) The department shall annually pay to a community school 944
established under this chapter all of the following: 945

(1) An amount equal to the sum of the amounts obtained when 946
the number of students enrolled in grades one through twelve, plus 947
one-half of the kindergarten students in the school, reported 948
under divisions (B)(2)(a) and (b) of this section who are not 949
receiving special education and related services pursuant to an 950
IEP for a handicap described in section 3317.013 of the Revised 951
Code is multiplied by the community school's base formula amount, 952
as adjusted by the cost-of-doing-business factor of the school 953
district in which the student is entitled to attend school; 954

(2) The greater of the following: 955

(a) The aggregate amount that the department paid to the 956
community school in fiscal year 1999 for students receiving 957
special education and related services pursuant to IEPs, excluding 958
federal funds and state disadvantaged pupil impact aid funds; 959

(b) The sum of the amounts calculated under divisions 960
(D)(2)(b)(i) and (ii) of this section: 961

(i) For each student reported under division (B)(2)(c) of 962
this section as enrolled in the school in grades one through 963
twelve and receiving special education and related services 964
pursuant to an IEP for a handicap described in section 3317.013 of 965
the Revised Code, the following amount: 966

(the community school's base formula amount 967
X the cost-of-doing-business factor 968
of the district where the student 969

is entitled to attend school) + 970
(the applicable special education weight X 971
the community school's base formula amount); 972

(ii) For each student reported under division (B)(2)(c) of 973
this section as enrolled in kindergarten and receiving special 974
education and related services pursuant to an IEP for a handicap 975
described in section 3317.013 of the Revised Code, one-half of the 976
amount calculated under the formula prescribed in division 977
(D)(2)(b)(i) of this section. 978

(3) An amount received from federal funds to provide special 979
education and related services to students in the community 980
school, as determined by the superintendent of public instruction. 981

(4) For each student reported under division (B)(2)(d) of 982
this section as enrolled in vocational education programs or 983
classes that are described in section 3317.014 of the Revised 984
Code, are provided by the community school, and are comparable as 985
determined by the superintendent of public instruction to school 986
district vocational education programs and classes eligible for 987
state weighted funding under section 3317.014 of the Revised Code, 988
an amount equal to the applicable vocational education weight 989
times the community school's base formula amount times the 990
percentage of time the student spends in the vocational education 991
programs or classes. 992

(5) An amount equal to the sum of the amounts obtained when, 993
for each school district where the community school's students are 994
entitled to attend school, the number of that district's students 995
enrolled in the community school who are included in the 996
district's DPIA student count is multiplied by the per pupil 997
amount of disadvantaged pupil impact aid that school district 998
receives that year pursuant to division (B) or (C) of section 999
3317.029 of the Revised Code, as adjusted by any DPIA reduction 1000
factor of the community school. The per pupil amount of aid shall 1001

be determined as described in division (C)(4) of this section. 1002

(6) An amount equal to the sum of the amounts obtained when, 1003
for each school district where the community school's students are 1004
entitled to attend school, the district's per pupil amount of aid 1005
received under division (E) of section 3317.029 of the Revised 1006
Code, as adjusted by any DPIA reduction factor of the community 1007
school, is multiplied by the sum of the following: 1008

(a) The number of the district's students reported under 1009
division (B)(2)(a) of this section who are enrolled in grades one 1010
to three in that community school and who are not receiving 1011
special education and related services pursuant to an IEP; 1012

(b) One-half of the district's students who are enrolled in 1013
all-day or any other kindergarten class in that community school 1014
and who are not receiving special education and related services 1015
pursuant to an IEP; 1016

(c) One-half of the district's students who are enrolled in 1017
all-day kindergarten in that community school and who are not 1018
receiving special education and related services pursuant to an 1019
IEP. 1020

The district's per pupil amount of aid under division (E) of 1021
section 3317.029 of the Revised Code shall be determined as 1022
described in division (C)(5) of this section. 1023

(E)(1) If a community school's costs for a fiscal year for a 1024
student receiving special education and related services pursuant 1025
to an IEP for a handicap described in divisions (B) to (F) of 1026
section 3317.013 of the Revised Code exceed the threshold 1027
catastrophic cost for serving the student as specified in division 1028
(C)(3)(b) of section 3317.022 of the Revised Code, the school may 1029
submit to the superintendent of public instruction documentation, 1030
as prescribed by the superintendent, of all its costs for that 1031
student. Upon submission of documentation for a student of the 1032

type and in the manner prescribed, the department shall pay to the
community school an amount equal to the school's costs for the
student in excess of the threshold catastrophic costs.

(2) The community school shall only report under division
(E)(1) of this section, 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.

(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.

(H) A community school may not levy taxes or issue bonds

secured by tax revenues.

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

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(J)(1) 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.

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(2) A school may also borrow money for a term not to exceed fifteen years for the purpose of acquiring facilities, ~~as described in division (B) of section 3318.50 of the Revised Code.~~

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(K) For purposes of determining the number of students for which divisions (D)(5) and (6) of this section applies in any school year, a community school may submit to the department of job and family 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. Upon receipt of a list under this division, the department of job and family services shall determine, for each school district where one or more students on the list is entitled to attend school, 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

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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 job and family
services shall not report to the state department of education any
personally identifiable information on any student.

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(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. The state board of
education within ninety days after the effective date of this
amendment shall adopt in accordance with Chapter 119. of the
Revised Code rules governing the payments to community schools
under this section including initial payments in a school year and
adjustments and reductions made in subsequent periodic payments to
community schools and corresponding deductions from school
district accounts as provided under divisions (C) and (D) of this
section. For purposes of this section, ~~a:~~

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(1) 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.

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(2) A student shall be considered to be enrolled in a
community school during a school year for the period of time
between the date on which the school both has received
documentation of the student's enrollment from a parent and has
commenced participation in learning opportunities as defined in
the contract with the sponsor. For purposes of applying this
division to a community school student, "learning opportunities"
shall be defined in the contract, which shall describe both
classroom-based and non-classroom-based learning opportunities and
shall be in compliance with criteria and documentation

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requirements for student participation which shall be established 1128
by the department. Any student's instruction time in 1129
non-classroom-based learning opportunities shall be certified by 1130
an employee of the community school. A student's enrollment shall 1131
be considered to cease on the date on which any of the following 1132
occur: 1133

(a) The community school receives documentation from a parent 1134
terminating enrollment of the student; 1135

(b) The community school is provided documentation of a 1136
student's enrollment in another public or private school; 1137

(c) The community school ceases to offer learning 1138
opportunities to the student pursuant to the terms of the contract 1139
with the sponsor or the operation of any provision of this 1140
chapter. 1141

(3) A student's percentage of full-time equivalency shall be 1142
considered to be the percentage the hours of learning opportunity 1143
offered to that student is of nine hundred and twenty hours. 1144

(M) The department of education shall reduce the amounts paid 1146
under division (D) of this section to reflect payments made to 1147
colleges under division (B) of section 3365.07 of the Revised 1148
Code. 1149

(N) Beginning with the school year that starts on July 1, 1150
2001, in accordance with policies adopted jointly by the 1151
superintendent of public instruction, and the auditor of state, 1152
the department shall reduce the amounts otherwise payable under 1153
division (D) of this section to any internet or computer-based 1154
community school that includes in its program the provision of 1155
computer hardware and software materials to each student, if such 1156
hardware and software materials have not been delivered, 1157
installed, and activated for all students in a timely manner or 1158

other educational materials or services have not been provided 1159
according to the contract between the individual community school 1160
and its sponsor. 1161

The superintendent of public instruction, and the auditor of 1162
state, shall jointly establish a method for auditing any community 1163
school to which this division pertains to ensure compliance with 1164
this section. 1165

The superintendent, auditor of state, and the governor shall 1166
jointly make recommendations to the general assembly for 1167
legislative changes that may be required to assure fiscal and 1168
academic accountability for such internet or computer-based 1169
schools. 1170

(O)(1) If the department determines that a review of a 1171
community school's enrollment is necessary, such review shall be 1172
completed and written notice of the findings shall be provided to 1173
the governing authority of the community school and its sponsor 1174
within ninety days of the end of the community school's fiscal 1175
year, unless extended for a period not to exceed thirty additional 1176
days for one of the following reasons: 1177

(a) The department and the community school mutually agree to 1178
the extension. 1179

(b) Delays in data submission caused by either a community 1180
school or its sponsor. 1181

(2) If the review results in a finding that additional 1182
funding is owed to the school, such payment shall be made within 1183
thirty days of the written notice. If the review results in a 1184
finding that the community school owes moneys to the state, the 1185
following procedure shall apply: 1186

(a) Within ten business days of the receipt of the notice of 1187
findings, the community school may appeal the department's 1188
determination to the state board of education or its designee. 1189

(b) The board or its designee shall conduct an informal hearing on the matter within thirty days of receipt of such an appeal and shall issue a decision within fifteen days of the conclusion of the hearing. 1190
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(c) If the board has enlisted a designee to conduct the hearing, the designee shall certify its decision to the board. The board may accept the decision of the designee or may reject the decision of the designee and issue its own decision on the matter. 1194
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(d) Any decision made by the board under this division is final. 1198
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(3) If it is decided that the community school owes moneys to the state, the department shall deduct such amount from the school's future payments in accordance with guidelines issued by the superintendent of public instruction. 1200
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Sec. 3314.081. To the extent permitted by federal law, the department of education shall include community schools established under this chapter in its annual allocation of federal moneys under Title I of the Elementary and Secondary Education Act of 1965, 20 U.S.C. 6301, et seq. 1204
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Sec. 3314.09. (A) As used in this section and section 3314.091 of the Revised Code, "native student" means a student entitled to attend school in the school district under section 3313.64 or 3313.65 of the Revised Code. 1209
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(B) Except as provided in section 3314.091 of the Revised Code, the board of education of each city, local, and exempted village school district shall provide transportation to and from school for its district's native students ~~enrolled in a community school 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~~ 1213
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~~education at the same grade level and who live the same distance 1220
from school except when, in the judgment of the board, confirmed 1221
by the state board of education, the transportation is unnecessary 1222
or unreasonable. A board shall not be required to transport 1223
nonhandicapped students to and from a community school located in 1224
another school district if the transportation would require more 1225
than thirty minutes of direct travel time as measured by school 1226
bus from the collection point designated by the district's 1227
coordinator of school transportation in accordance with section 1228
3327.01 of the Revised Code. 1229~~

~~(C) Where it is impractical to transport a pupil to and from 1230
a community school by school conveyance, a board may, in lieu of 1231
providing the transportation, pay a parent, guardian, or other 1232
person in charge of the child. The amount paid per pupil shall in 1233
no event exceed the average transportation cost per pupil, which 1234
shall be based on the cost of transportation of children by all 1235
boards of education in this state during the next preceding year. 1236~~

Sec. 3314.091. (A) A school district is not required to 1237
provide transportation for any native student enrolled in a 1238
community school if the district board of education has entered 1239
into an agreement with the community school's governing authority 1240
that designates the community school as responsible for providing 1241
or arranging for the transportation of the district's native 1242
students to and from the community school. For any such agreement 1243
to be effective, it must be certified by the superintendent of 1244
public instruction as having met ~~both~~ all of the following 1245
requirements: 1246

(1) It is submitted to the department of education by a 1247
deadline which shall be established by the department. 1248

(2) It specifies qualifications, such as residing a minimum 1249
distance from the school, for students to have their 1250

transportation provided or arranged. 1251

(3) The transportation provided by the community school is 1252
subject to all provisions of the Revised Code and all rules 1253
adopted under the Revised Code pertaining to pupil transportation. 1254

(4) The sponsor of the community school also has signed the 1255
agreement. 1256

(B)(1) A community school governing board authority that 1257
enters into an agreement to provide transportation under this 1258
section shall provide or arrange transportation free of any charge 1259
for each of its enrolled students ~~in grades kindergarten through 1260~~
~~eight who live more than two miles from the school, except that 1261~~
~~the governing board may make a payment in lieu of providing 1262~~
~~transportation to the parent, guardian, or person in charge of the 1263~~
~~student at the same rate as specified for a school district board 1264~~
~~in division (C) of section 3314.09 of the Revised Code if the 1265~~
~~drive time measured by the vehicle specified by the school for 1266~~
~~transporting the students from the student's residence to the 1267~~
~~school is more than thirty minutes eligible for transportation as 1268~~
~~specified in section 3327.01 of the Revised Code. The 1269~~

The governing board authority may provide or arrange 1270
transportation for any other enrolled student who is not eligible 1271
for transportation and may charge a fee for such service up to the 1272
actual cost of the service. The governing board may request the 1273
payment specified under division (C) of this section for any 1274
student it transports, for whom it arranges transportation, or for 1275
whom it makes a payment in lieu of providing transportation if the 1276
student lives more than one mile from the community school or is 1277
disabled and the individual education program requires 1278
transportation. 1279

(2) Notwithstanding anything to the contrary in division 1280
(B)(1) of this section, a community school governing board 1281

authority shall provide or arrange transportation free of any 1282
charge for any disabled student enrolled in the school for whom 1283
the student's individualized education program developed under 1284
Chapter 3323. of the Revised Code specifies transportation. 1285

(C)(1) If a school district board and a community school 1286
governing authority elect to enter into an agreement under this 1287
section, the department of education annually shall pay the 1288
community school the amount specified in division (C)(2) of this 1289
section for each of the enrolled students for whom the school's 1290
governing authority provides or arranges transportation to and 1291
from school. The department shall deduct the payment from the 1292
state payment under Chapter 3317. and, if necessary, sections 1293
321.14 and 323.156 of the Revised Code that is otherwise paid to 1294
the school district in which the student enrolled in the community 1295
school resides. The department shall include the number of the 1296
district's native students for whom payment is made to a community 1297
school under this division in the calculation of the district's 1298
transportation payment under division (D) of section 3317.022 of 1299
the Revised Code. 1300

A community school shall be paid under this division only for 1301
students who ~~live more than one mile from the school~~ are eligible 1302
as specified in section 3327.01 of the Revised Code or who are 1303
disabled and whose individualized education program requires 1304
transportation and whose transportation to and from school is 1305
actually provided or arranged or for whom a payment in lieu of 1306
transportation is made by the community school's governing 1307
authority. To qualify for the payments, the community school shall 1308
report to the department, in the form and manner required by the 1309
department, data on the number of students transported or whose 1310
transportation is arranged, the number of miles traveled, cost to 1311
transport, and any other information requested by the department. 1312

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A community school shall use payments received under this 1314
division solely to pay the costs of providing or arranging for the 1315
transportation of students who ~~live more than one mile from the~~ 1316
~~school~~ are eligible as specified in section 3327.01 of the Revised 1317
Code or who are disabled and whose individualized education 1318
program requires transportation, which may include payments to a 1319
parent, guardian, or other person in charge of a child in lieu of 1320
transportation. 1321

(2) The payment to a community school governing authority 1322
under this section for ~~each student who lives more than one mile~~ 1323
~~from the school or who is disabled and whose individualized~~ 1324
~~education program requires transportation and for whom the school~~ 1325
~~actually provides or arranges transportation or makes a payment in~~ 1326
~~lieu of providing transportation,~~ eligible students shall be made 1327
according to the following ~~schedule~~: 1328

~~(a) In fiscal year 2002, four hundred fifty dollars per~~ 1329
~~student;~~ 1330

~~(b) In fiscal year 2003 and every fiscal year thereafter, the~~ 1331
~~amount specified in division (C)(2)(a) of this section multiplied~~ 1332
~~by the negative or positive percentage of change reported in the~~ 1333
~~consumer price index (all urban consumers, transportation) by the~~ 1334
~~bureau of labor statistics of the United States department of~~ 1335
~~labor from the beginning of the calendar year that ended just~~ 1336
~~prior to the beginning of the fiscal year to the end of that~~ 1337
~~calendar year~~ terms of the agreement entered into under this 1338
section. 1339

(D) Except when arranged through payment to a parent, 1340
guardian, or person in charge of a child, transportation provided 1341
or arranged for by a community school pursuant to an agreement 1342
under this section is subject to all provisions of the Revised 1343
Code, and all rules adopted under the Revised Code, pertaining to 1344
the construction, design, equipment, and operation of school buses 1345

and other vehicles transporting students to and from school. The 1346
drivers and mechanics of the vehicles are subject to all 1347
provisions of the Revised Code, and all rules adopted under the 1348
Revised Code, pertaining to drivers and mechanics of such 1349
vehicles. The community school also shall comply with sections 1350
3313.201, 3327.09, and 3327.10 and division (B) of section 3327.16 1351
of the Revised Code as if it were a school district. For purposes 1352
of complying with section 3327.10 of the Revised Code, the 1353
educational service center that serves the county in which the 1354
community school is located shall be the certifying agency, unless 1355
the agreement designates the school district as the certifying 1356
agency. 1357

Sec. 3314.11. The department of education shall establish the 1358
state office of ~~school options~~ community schools to provide advice 1359
and services for the community schools program, established 1360
pursuant to Chapter 3314. of the Revised Code, ~~and the pilot~~ 1361
~~project scholarship program, established pursuant to sections~~ 1362
~~3313.974 to 3313.979 of the Revised Code.~~ The office shall provide 1363
services that facilitate the management of the community schools 1364
program ~~and the pilot project scholarship program~~, including 1365
providing technical assistance and information to persons or 1366
groups considering proposing a community school, to governing 1367
authorities of community schools, and to public entities 1368
sponsoring or considering sponsoring a community school. 1369

Sec. 3314.111. The department of education shall establish 1370
the state office of school options to provide advice and services 1371
for the pilot project scholarship program, established pursuant to 1372
sections 3313.974 to 3313.979 of the Revised Code that facilitate 1373
the management of that program. 1374

Sec. 3314.13. (A) As used in this section: 1375

(1) "All-day kindergarten" has the same meaning as in section 1376
3317.029 of the Revised Code. 1377

(2) "Formula amount" has the same meaning as in section 1378
3317.02 of the Revised Code. 1379

(B) The department of education annually shall pay each 1380
community school established under this chapter one-half of the 1381
formula amount for each student to whom both of the following 1382
apply: 1383

(1) The student is entitled to attend school under section 1384
3313.64 or 3313.65 of the Revised Code in a school district that 1385
is eligible to receive a payment under division (D) of section 1386
3317.029 of the Revised Code if it provides all-day kindergarten; 1387

(2) The student is reported by the community school ~~under~~ 1388
~~division (B)(3) of section 3314.08 of the Revised Code~~ as enrolled 1389
in all-day kindergarten at the community school. 1390

(C) If a student for whom payment is made under division (B) 1391
of this section is entitled to attend school in a district that 1392
receives any payment for all-day kindergarten under division (D) 1393
of section 3317.029 of the Revised Code, the department shall 1394
deduct the payment to the community school under this section from 1395
the amount paid that school district under that division. If that 1396
school district does not receive payment for all-day kindergarten 1397
under that division because it does not provide all-day 1398
kindergarten, the department shall pay the community school from 1399
state funds appropriated generally for disadvantaged pupil impact 1400
aid. 1401

(D) The department shall adjust the amounts deducted from 1402
school districts and paid to community schools under this section 1403
to reflect any enrollments of students in all-day kindergarten in 1404
community schools for less than the equivalent of a full school 1405
year. 1406

~~Sec. 3314.011~~ 3314.16. Every community school established 1407
under this chapter shall have a designated fiscal officer. The 1408
auditor of state may require by rule that the fiscal officer of 1409
any community school, before entering upon duties as fiscal 1410
officer of the school, execute a bond in an amount and with surety 1411
to be approved by the governing authority of the school, payable 1412
to the state, conditioned for the faithful performance of all the 1413
official duties required of the fiscal officer. Any such bond 1414
shall be deposited with the governing authority of the school, and 1415
a copy thereof, certified by the governing authority, shall be 1416
filed with the county auditor. 1417

The fiscal officer designated under this section shall be 1418
licensed under section 3301.074 of the Revised Code or shall 1419
complete not less than sixteen hours of continuing education 1420
classes, courses, or workshops in the area of school accounting as 1421
approved by the sponsor of the community school. 1422

Sec. 3314.17. (A) Each community school established under 1423
this chapter shall participate in the statewide education 1424
management information system established under section 3301.0714 1425
of the Revised Code. All provisions of that section and the rules 1426
adopted under that section apply to each community school as if it 1427
were a school district, except as modified for community schools 1428
under division (B) of this section. 1429

(B) The rules adopted by the state board of education under 1430
section 3301.0714 of the Revised Code may distinguish methods and 1431
timelines for community schools to annually report data, which 1432
methods and timelines differ from those prescribed for school 1433
districts. Any methods and timelines prescribed for community 1434
schools shall be appropriate to the academic schedule and 1435
financing of community schools. The guidelines, however, shall not 1436
modify the actual data required to be reported under that section. 1437

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1439 (C) Each financial officer appointed under section 3314.16 of
1440 the Revised Code is responsible for annually reporting the
1441 community school's data under section 3301.0714 of the Revised
1442 Code. If the superintendent of public instruction determines that
1443 a community school financial officer has willfully failed to
1444 report data or has willfully reported erroneous, inaccurate, or
1445 incomplete data in any year, or has negligently reported
1446 erroneous, inaccurate, or incomplete data in the current and any
1447 previous year, the superintendent may impose a civil penalty of
1448 one hundred dollars on the financial officer after providing the
1449 officer with notice and an opportunity for a hearing in accordance
1450 with Chapter 119. of the Revised Code. The superintendent's
1451 authority to impose civil penalties under this division does not
1452 preclude the state board of education from suspending or revoking
1453 the license of a community school employee under division (N) of
1454 section 3301.0714 of the Revised Code.

Sec. 3314.30. (A) As used in this section: 1455

(1) "Start-up community school" means a "new start-up school" 1456
as that term is defined in division (A) of section 3314.02 of the 1457
Revised Code. 1458

(2) A "school's contract" means the contract entered into 1459
between the governing authority and the sponsor of a community 1460
school under section 3314.03 of the Revised Code. 1461

(B) There is hereby created in the state treasury the 1462
community school revolving loan fund. The fund shall consist of 1463
federal moneys allocated to the state for development and 1464
operation of community schools and other moneys appropriated or 1465
transferred by the general assembly for such purpose. 1466

(C) The department of education may make a loan from the fund 1467
created in division (B) of this section to the governing authority 1468

or the sponsor of any start-up community school upon approval of 1469
the loan by the superintendent of public instruction. Moneys 1470
loaned from the fund shall be used only to pay the costs 1471
associated with any provision of the school's contract. A start-up 1472
community school may receive more than one loan from the fund; 1473
however, no school shall receive a cumulative loan amount 1474
throughout the term of the school's contract that is greater than 1475
two hundred fifty thousand dollars. 1476

(D) The superintendent of public instruction may consider all 1477
of the following when determining whether to approve a loan from 1478
the fund created in division (A) of this section: 1479

(1) Soundness of the school's business plan; 1480

(2) Availability of other sources of funding for the school; 1481
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(3) Geographic distribution of other such loans; 1483

(4) Impact of receipt of the loan on a school's ability to 1484
secure other public and private funding; 1485

(5) Plans for the creative use of the loan amounts to create 1486
further financing, such as loan guarantees or other types of 1487
credit enhancements; 1488

(6) Financial needs of the community school. 1489

(E) The superintendent of public instruction shall give 1490
priority for loans under this section to newly established 1491
community schools to pay start-up costs. 1492

(F) The rate of interest charged on any loan under this 1493
section shall be the rate that would be applicable to the same 1494
money if invested in the Ohio subdivision's fund created in 1495
section 135.45 of the Revised Code as of the date the loan is 1496
disbursed to the community school. 1497

(G) Commencing in the first fiscal year that next succeeds 1498

the fiscal year that a community school receives a loan under this 1499
section, the department shall deduct from the periodic payments 1500
made to the school under section 3314.08 of the Revised Code a 1501
prorated amount of the annual repayment amount due under the loan. 1502
The amount deducted from a school's periodic payments under this 1503
division that is attributed to the principal of the loan shall be 1504
deposited into the fund created in division (A) of this section. 1505
The amount deducted from a school's periodic payments under this 1506
division that is attributed to the interest on the loan shall be 1507
deposited into the fund created in section 3314.31 of the Revised 1508
Code. The repayment period for any loan made under this section 1509
shall not exceed five consecutive fiscal years. 1510
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(H) The office of budget and management and the department of 1512
education shall monitor the adequacy of moneys on hand in the fund 1513
created in division (A) of this section and shall report annually 1514
to the general assembly on any recommended appropriations, changes 1515
in the interest rate charged on loans under this section, or 1516
changes in default recovery procedures. 1517

Sec. 3314.31. There is hereby created in the state treasury 1518
the community school security fund. The fund shall consist of 1519
moneys paid into the fund under division (G) of section 3314.30 of 1520
the Revised Code and any other moneys that the general assembly 1521
appropriates for the fund. Moneys in the fund shall be paid into 1522
the fund created in division (A) of section 3314.30 of the Revised 1523
Code in the case of default on a loan made under section 3314.30 1524
of the Revised Code in an amount up to the amount of such default. 1525

Sec. 3317.03. Notwithstanding divisions (A)(1), (B)(1), and 1526
(C) of this section, any student enrolled in kindergarten more 1527
than half time shall be reported as one-half student under this 1528
section. 1529

(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, 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;	1560 1561 1562
(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;	1563 1564 1565 1566
(d) An adjacent or other school district under an open enrollment policy adopted pursuant to section 3313.98 of the Revised Code;	1567 1568 1569
(e) An educational service center or cooperative education district;	1570 1571
(f) Another school district under a cooperative education agreement, compact, or contract.	1572 1573
(3) One-fourth of the number of students enrolled in a joint vocational school district or under a vocational education compact, excluding any students entitled to attend school in the district under section 3313.64 or 3313.65 of the Revised Code who are enrolled in another school district through an open enrollment policy as reported under division (A)(2)(d) of this section and then enroll in a joint vocational school district or under a vocational education compact;	1574 1575 1576 1577 1578 1579 1580 1581
(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.	1582 1583 1584 1585 1586 1587 1588
(B) To enable the department of education to obtain the data needed to complete the calculation of payments pursuant to this	1589 1590

chapter, in addition to the formula ADM, each superintendent shall 1591
report separately the following student counts: 1592

(1) The total average daily membership in regular day classes 1593
included in the report under division (A)(1) or (2) of this 1594
section for kindergarten, and each of grades one through twelve in 1595
schools under the superintendent's supervision; 1596

(2) The number of all handicapped preschool children enrolled 1597
as of the first day of December in classes in the district that 1598
are eligible for approval by the state board of education under 1599
division (B) of section 3317.05 of the Revised Code and the number 1600
of those classes, which shall be reported not later than the 1601
fifteenth day of December, in accordance with rules adopted under 1602
that section; 1603

(3) The number of children entitled to attend school in the 1604
district pursuant to section 3313.64 or 3313.65 of the Revised 1605
Code who are participating in a pilot project scholarship program 1606
established under sections 3313.974 to 3313.979 of the Revised 1607
Code as described in division (I)(2)(a) or (b) of this section, 1608
are enrolled in a college under Chapter 3365. of the Revised Code, 1609
except when the student is enrolled in the college while also 1610
enrolled in a community school pursuant to Chapter 3314. of the 1611
Revised Code, are enrolled in an adjacent or other school district 1612
under section 3313.98 of the Revised Code, are enrolled in a 1613
community school established under Chapter 3314. of the Revised 1614
Code, including any participation in a college pursuant to Chapter 1615
3365. of the Revised Code while enrolled in such community school, 1616
or are participating in a program operated by a county MR/DD board 1617
or a state institution; 1618

(4) The number of pupils enrolled in joint vocational 1619
schools; 1620

(5) The average daily membership of handicapped children 1621

reported under division (A)(1) or (2) of this section receiving	1622
special education services for the category one handicap described	1623
in division (A) of section 3317.013 of the Revised Code;	1624
(6) The average daily membership of handicapped children	1625
reported under division (A)(1) or (2) of this section receiving	1626
special education services for category two handicaps described in	1627
division (B) of section 3317.013 of the Revised Code;	1628
(7) The average daily membership of handicapped children	1629
reported under division (A)(1) or (2) of this section receiving	1630
special education services for category three handicaps described	1631
in division (C) of section 3317.013 of the Revised Code;	1632
(8) The average daily membership of handicapped children	1633
reported under division (A)(1) or (2) of this section receiving	1634
special education services for category four handicaps described	1635
in division (D) of section 3317.013 of the Revised Code;	1636
(9) The average daily membership of handicapped children	1637
reported under division (A)(1) or (2) of this section receiving	1638
special education services for the category five handicap	1639
described in division (E) of section 3317.013 of the Revised Code;	1640
(10) The average daily membership of handicapped children	1641
reported under division (A)(1) or (2) of this section receiving	1642
special education services for category six handicaps described in	1643
division (F) of section 3317.013 of the Revised Code;	1644
(11) The average daily membership of pupils reported under	1645
division (A)(1) or (2) of this section enrolled in category one	1646
vocational education programs or classes, described in division	1647
(A) of section 3317.014 of the Revised Code, operated by the	1648
school district or by another district, other than a joint	1649
vocational school district, or by an educational service center;	1650
(12) The average daily membership of pupils reported under	1651
division (A)(1) or (2) of this section enrolled in category two	1652

vocational education programs or services, described in division 1653
(B) of section 3317.014 of the Revised Code, operated by the 1654
school district or another school district, other than a joint 1655
vocational school district, or by an educational service center; 1656

(13) The average number of children transported by the school 1657
district on board-owned or contractor-owned and -operated buses, 1658
reported in accordance with rules adopted by the department of 1659
education; 1660

(14)(a) The number of children, other than handicapped 1661
preschool children, the district placed with a county MR/DD board 1662
in fiscal year 1998; 1663

(b) The number of handicapped children, other than 1664
handicapped preschool children, placed with a county MR/DD board 1665
in the current fiscal year to receive special education services 1666
for the category one handicap described in division (A) of section 1667
3317.013 of the Revised Code; 1668

(c) The number of handicapped children, other than 1669
handicapped preschool children, placed with a county MR/DD board 1670
in the current fiscal year to receive special education services 1671
for category two handicaps described in division (B) of section 1672
3317.013 of the Revised Code; 1673

(d) The number of handicapped children, other than 1674
handicapped preschool children, placed with a county MR/DD board 1675
in the current fiscal year to receive special education services 1676
for category three handicaps described in division (C) of section 1677
3317.013 of the Revised Code; 1678

(e) The number of handicapped children, other than 1679
handicapped preschool children, placed with a county MR/DD board 1680
in the current fiscal year to receive special education services 1681
for category four handicaps described in division (D) of section 1682
3317.013 of the Revised Code; 1683

(f) The number of handicapped children, other than 1684
handicapped preschool children, placed with a county MR/DD board 1685
in the current fiscal year to receive special education services 1686
for the category five handicap described in division (E) of 1687
section 3317.013 of the Revised Code; 1688

(g) The number of handicapped children, other than 1689
handicapped preschool children, placed with a county MR/DD board 1690
in the current fiscal year to receive special education services 1691
for category six handicaps described in division (F) of section 1692
3317.013 of the Revised Code. 1693

(C)(1) Except as otherwise provided in this section for 1694
kindergarten students, the average daily membership in divisions 1695
(B)(1) to (12) of this section shall be based upon the number of 1696
full-time equivalent students. The state board of education shall 1697
adopt rules defining full-time equivalent students and for 1698
determining the average daily membership therefrom for the 1699
purposes of divisions (A), (B), and (D) of this section. ~~No~~ 1700

(2) A student enrolled in a community school established 1701
under Chapter 3314. of the Revised Code shall be counted in the 1702
formula ADM and, if applicable, the category one, two, three, 1703
four, five, or six special education ADM of the school district in 1704
which the student is entitled to attend school under section 1705
3313.64 or 3313.65 of the Revised Code for the same proportion of 1706
the school year that the student is counted in the enrollment of 1707
the community school for purposes of section 3314.08 of the 1708
Revised Code. 1709

(3) No child shall be counted as more than a total of one 1710
child in the sum of the average daily memberships of a school 1711
district under division (A), divisions (B)(1) to (12), or division 1712
(D) of this section, except as follows: 1713

~~(1)~~(a) A child with a handicap described in section 3317.013 1714

of the Revised Code may be counted both in formula ADM and in 1715
category one, two, three, four, five, or six special education ADM 1716
and, if applicable, in category one or two vocational education 1717
ADM. As provided in division (C) of section 3317.02 of the Revised 1718
Code, such a child shall be counted in category one, two, three, 1719
four, five, or six special education ADM in the same proportion 1720
that the child is counted in formula ADM. 1721

~~(2)~~(b) A child enrolled in vocational education programs or 1722
classes described in section 3314.014 of the Revised Code may be 1723
counted both in formula ADM and category one or two vocational 1724
education ADM and, if applicable, in category one, two, three, 1725
four, five, or six special education ADM. Such a child shall be 1726
counted in category one or two vocational education ADM in the 1727
same proportion as the percentage of time that the child spends in 1728
the vocational education programs or classes. 1729

(4) Based on the information reported under this section, the 1730
department of education shall determine the total student count, 1731
as defined in section 3301.011 of the Revised Code, for each 1732
school district. 1733

(D)(1) The superintendent of each joint vocational school 1734
district shall certify to the superintendent of public instruction 1735
on or before the fifteenth day of October in each year for the 1736
first full school week in October the formula ADM, which shall 1737
consist of the average daily membership during such week, on an 1738
FTE basis, of the number of students receiving any educational 1739
services from the district, except that the following categories 1740
of students shall not be included in the determination: 1741

(a) Students enrolled in adult education classes; 1742

(b) Adjacent or other district joint vocational students 1743
enrolled in the district under an open enrollment policy pursuant 1744
to section 3313.98 of the Revised Code; 1745

(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 special education services for the category one handicap described in division (A) of section 3317.013 of the Revised Code;

(c) Handicapped children receiving special education services for the category two handicaps described in division (B) of section 3317.013 of the Revised Code;

(d) Handicapped children receiving special education services for category three handicaps described in division (C) of section 3317.013 of the Revised Code;

(e) Handicapped children receiving special education services for category four handicaps described in division (D) of section 3317.013 of the Revised Code;

(f) Handicapped children receiving special education services for the category five handicap described in division (E) of section 3317.013 of the Revised Code;

(g) Handicapped children receiving special education services 1776
for category six handicaps described in division (F) of section 1777
3317.013 of the Revised Code; 1778

(h) Students receiving category one vocational education 1779
services, described in division (A) of section 3317.014 of the 1780
Revised Code; 1781

(i) Students receiving category two vocational education 1782
services, described in division (B) of section 3317.014 of the 1783
Revised Code. 1784

The superintendent of each joint vocational school district 1785
shall also indicate the city, local, or exempted village school 1786
district in which each joint vocational district pupil is entitled 1787
to attend school pursuant to section 3313.64 or 3313.65 of the 1788
Revised Code. 1789

(E) In each school of each city, local, exempted village, 1790
joint vocational, and cooperative education school district there 1791
shall be maintained a record of school membership, which record 1792
shall accurately show, for each day the school is in session, the 1793
actual membership enrolled in regular day classes. For the purpose 1794
of determining average daily membership, the membership figure of 1795
any school shall not include any pupils except those pupils 1796
described by division (A) of this section. The record of 1797
membership for each school shall be maintained in such manner that 1798
no pupil shall be counted as in membership prior to the actual 1799
date of entry in the school and also in such manner that where for 1800
any cause a pupil permanently withdraws from the school that pupil 1801
shall not be counted as in membership from and after the date of 1802
such withdrawal. There shall not be included in the membership of 1803
any school any of the following: 1804

(1) Any pupil who has graduated from the twelfth grade of a 1805
public high school; 1806

(2) Any pupil who is not a resident of the state; 1807

(3) Any pupil who was enrolled in the schools of the district 1808
during the previous school year when tests were administered under 1809
section 3301.0711 of the Revised Code but did not take one or more 1810
of the tests required by that section and was not excused pursuant 1811
to division (C)(1) of that section; 1812

(4) Any pupil who has attained the age of twenty-two years, 1813
except for veterans of the armed services whose attendance was 1814
interrupted before completing the recognized twelve-year course of 1815
the public schools by reason of induction or enlistment in the 1816
armed forces and who apply for reenrollment in the public school 1817
system of their residence not later than four years after 1818
termination of war or their honorable discharge. 1819

If, however, any veteran described by division (E)(4) of this 1820
section elects to enroll in special courses organized for veterans 1821
for whom tuition is paid under the provisions of federal laws, or 1822
otherwise, that veteran shall not be included in average daily 1823
membership. 1824

Notwithstanding division (E)(3) of this section, the 1825
membership of any school may include a pupil who did not take a 1826
test required by section 3301.0711 of the Revised Code if the 1827
superintendent of public instruction grants a waiver from the 1828
requirement to take the test to the specific pupil. The 1829
superintendent may grant such a waiver only for good cause in 1830
accordance with rules adopted by the state board of education. 1831

Except as provided in ~~division~~ divisions (B)(2) and (F) of 1832
this section, the average daily membership figure of any local, 1833
city, exempted village, or joint vocational school district shall 1834
be determined by dividing the figure representing the sum of the 1835
number of pupils enrolled during each day the school of attendance 1836
is actually open for instruction during the first full school week 1837

in October by the total number of days the school was actually 1838
open for instruction during that week. For purposes of state 1839
funding, "enrolled" persons are only those pupils who are 1840
attending school, those who have attended school during the 1841
current school year and are absent for authorized reasons, and 1842
those handicapped children currently receiving home instruction. 1843

The average daily membership figure of any cooperative 1844
education school district shall be determined in accordance with 1845
rules adopted by the state board of education. 1846

(F)(1) If the formula ADM for the first full school week in 1847
February is at least three per cent greater than that certified 1848
for the first full school week in the preceding October, the 1849
superintendent of schools of any city, exempted village, or joint 1850
vocational school district or educational service center shall 1851
certify such increase to the superintendent of public instruction. 1852
Such certification shall be submitted no later than the fifteenth 1853
day of February. For the balance of the fiscal year, beginning 1854
with the February payments, the superintendent of public 1855
instruction shall use the increased formula ADM in calculating or 1856
recalculating the amounts to be allocated in accordance with 1857
section 3317.022 or 3317.16 of the Revised Code. In no event shall 1858
the superintendent use an increased membership certified to the 1859
superintendent after the fifteenth day of February. 1860

(2) If on the first school day of April the total number of 1861
classes or units for handicapped preschool children that are 1862
eligible for approval under division (B) of section 3317.05 of the 1863
Revised Code exceeds the number of units that have been approved 1864
for the year under that division, the superintendent of schools of 1865
any city, exempted village, or cooperative education school 1866
district or educational service center shall make the 1867
certifications required by this section for that day. If the state 1868
board of education determines additional units can be approved for 1869

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 3317.052 or 3317.19 and section 3317.053 of
the Revised Code.

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

(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. 1902

(2) The superintendent of each county MR/DD board that 1903
maintains special education classes under section 3317.20 of the 1904
Revised Code or units approved by the state board of education 1905
pursuant to section 3317.05 of the Revised Code shall do both of 1906
the following: 1907

(a) Certify to the state board, in the manner prescribed by 1908
the board, the average daily membership in classes under section 1909
3317.20 of the Revised Code for each school district that has 1910
placed children in the classes; 1911

(b) Certify to the state board, in the manner prescribed by 1912
the board, the number of all handicapped preschool children 1913
enrolled as of the first day of December in classes eligible for 1914
approval under division (B) of section 3317.05 of the Revised 1915
Code, and the number of those classes. 1916

(3)(a) If on the first school day of April the number of 1917
classes or units maintained for handicapped preschool children by 1918
the county MR/DD board that are eligible for approval under 1919
division (B) of section 3317.05 of the Revised Code is greater 1920
than the number of units approved for the year under that 1921
division, the superintendent shall make the certification required 1922
by this section for that day. 1923

(b) If the state board determines that additional classes or 1924
units can be approved for the fiscal year within any limitations 1925
set forth in the acts appropriating moneys for the funding of the 1926
classes and units described in division (G)(3)(a) of this section, 1927
the board shall approve and fund additional units for the fiscal 1928
year on the basis of such average daily membership. For each unit 1929
so approved, the department of education shall pay an amount 1930
computed in the manner prescribed in sections 3317.052 and 1931
3317.053 of the Revised Code. 1932

(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 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. 3318.38. (A) As used in this section, "big-eight school district" has the same meaning as in section ~~3314.02~~ 3313.534 of the Revised Code.

(B) There is hereby established the accelerated urban school building assistance program. Under the program, notwithstanding section 3318.02 of the Revised Code, any big-eight school district that has not been approved to receive assistance under sections 3318.01 to 3318.20 of the Revised Code by July 1, 2002, may beginning on that date apply for approval of and be approved for such assistance. Except as otherwise provided in this section, any project approved and undertaken pursuant to this section shall comply with all provisions of sections 3318.01 to 3318.20 of the Revised Code.

The Ohio school facilities commission shall provide assistance to any big-eight school district eligible for assistance under this section in the following manner:

(1) Notwithstanding section 3318.02 of the Revised Code:

(a) Not later than June 30, 2002, the commission shall conduct an on-site visit and shall assess the classroom facilities needs of each big-eight school district eligible for assistance under this section;

(b) Beginning July 1, 2002, any big-eight school district

eligible for assistance under this section may apply to the
commission for conditional approval of its project as determined
by the assessment conducted under division (B)(1)(a) of this
section. The commission may conditionally approve that project and
submit it to the controlling board for approval pursuant to
section 3318.04 of the Revised Code.

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(2) If the controlling board approves the project of a
big-eight school district eligible for assistance under this
section, the commission and the school district shall enter into
an agreement as prescribed in section 3318.08 of the Revised Code.
Any agreement executed pursuant to this division shall include any
applicable segmentation provisions as approved by the commission
under division (B)(3) of this section.

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(3) Notwithstanding any provision to the contrary in sections
3318.05, 3318.06, and 3318.08 of the Revised Code, a big-eight
school district eligible for assistance under this section may
with the approval of the commission opt to divide the project as
approved under division (B)(1)(b) of this section into discrete
segments to be completed sequentially. Any project divided into
segments shall comply with all other provisions of sections
3318.05, 3318.06, and 3318.08 of the Revised Code except as
otherwise specified in this division.

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If a project is divided into segments under this division:

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(a) The school district need raise only the amount equal to
its proportionate share, as determined under section 3318.032 of
the Revised Code, of each segment at any one time and may seek
voter approval of each segment separately;

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(b) The state's proportionate share, as determined under
section 3318.032 of the Revised Code, of only the segment which
has been approved by the school district electors or for which the
district has applied a local donated contribution under section

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3318.084 of the Revised Code shall be encumbered at any one time. 2025
Encumbrance of additional amounts to cover the state's 2026
proportionate share of later segments shall be approved separately 2027
as they are approved by the school district electors or as the 2028
district applies a local donated contribution to the segments 2029
under section 3318.084 of the Revised Code. If the state's share 2030
of any one segment exceeds twenty-five million dollars, 2031
encumbrance of that share is subject to the provisions of section 2032
3318.11 of the Revised Code. 2033

(c) If it is necessary to levy the additional tax for 2034
maintenance under division (B) of section 3318.05 of the Revised 2035
Code with respect to any segment of the project, the district may 2036
utilize the provisions of section 3318.061 of the Revised Code to 2037
ensure that the maintenance tax extends for twenty-three years 2038
after the last segment of the project is undertaken. 2039

Sec. 3318.50. (A) As used in this section and in section 2040
3318.52 of the Revised Code+ 2041

~~(1) "Start-up community school" means a "new start-up school" 2042
as that term is defined in division (A) of section 3314.02 of the 2043
Revised Code. 2044~~

~~(2) "Classroom, "classroom facilities" has the same meaning 2045
as in section 3318.01 means buildings, land, grounds, equipment, 2046
and furnishings used by a community school in furtherance of its 2047
mission and contract entered into by the school's governing 2048
authority under Chapter 3314. of the Revised Code. 2049~~

(B) There is hereby established the community school 2050
classroom facilities loan guarantee program. Under the program, 2051
the Ohio school facilities commission may guarantee for up to 2052
fifteen years up to eighty-five per cent of the sum of the 2053
principal and interest on a loan made to the governing authority 2054
of a ~~start-up~~ community school established under Chapter 3314. of 2055

the Revised Code for the sole purpose of assisting the governing board authority in acquiring, improving, or replacing classroom facilities for the community school by lease, purchase, remodeling of existing facilities, or any other means ~~except by~~ including new construction.

The commission shall not make any loan guarantee under this section unless the commission has determined both that the applicant is creditworthy and that the classroom facilities ~~meet specifications established by the commission under section 3318.51 of the Revised Code~~ that have been acquired, improved, or replaced under the loan meet applicable health and safety standards established by law for school buildings or those facilities that will be acquired, improved, or replaced under the loan will meet such standards.

The commission shall not guarantee any loan under this section unless the loan is obtained from a financial institution regulated by the United States or this state.

~~(C) At no time shall the commission exceed an aggregate liability of ten million dollars to repay loans guaranteed under this section.~~

~~(D)~~ Any payment made to a lending institution as a result of default on a loan guaranteed under this section shall be made from moneys in the community school classroom facilities loan guarantee fund established under section 3318.52 of the Revised Code.

~~(E)~~(D) The commission may assess a fee of up to five hundred dollars for each loan guaranteed under this section.

~~(F)~~(E) Not later than ninety days after ~~the effective date of this section~~ September 5, 2001, the commission shall adopt rules that prescribe loan standards and procedures consistent with this section that are designed to protect the state's interest in any loan guaranteed by this section and to ensure that the state has a

reasonable chance of recovering any payments made by the state in 2087
the event of a default on any such loan. 2088

Sec. 3318.53. There is hereby established the community 2089
school classroom facilities support program. Under the program, in 2090
any fiscal year that the general assembly appropriates moneys 2091
specifically for such purpose, the Ohio school facilities 2092
commission shall pay a stipend to each start-up community school 2093
then currently chartered under Chapter 3314. of the Revised Code. 2094
The stipend to each school shall be an amount equal to four 2095
hundred fifty dollars times the number of students served by the 2096
school in the year that the stipend is paid. The governing 2097
authority of each community school may use the moneys paid under 2098
this section to help defray any rental or loan payments the 2099
authority makes for classroom facilities used by the community 2100
school. 2101

Sec. 3327.01. Notwithstanding division (D) of section 3311.19 2102
and division (D) of section 3311.52 of the Revised Code, this 2103
section and sections 3327.011 ~~and~~, 3327.012, and 3327.02 of the 2104
Revised Code do not apply to any joint vocational or cooperative 2105
education school district. 2106

In all city, local, and exempted village school districts 2107
where resident school pupils in grades kindergarten through eight 2108
live more than two miles from the school for which the state board 2109
of education prescribes minimum standards pursuant to division (D) 2110
of section 3301.07 of the Revised Code and to which they are 2111
assigned by the board of education of the district of residence or 2112
to and from the nonpublic or community school which they attend 2113
the board of education shall provide transportation for such 2114
pupils to and from such school ~~except when, in the judgment of~~ 2115
~~such board, confirmed by the state board of education, such~~ 2116
~~transportation is unnecessary or unreasonable as provided in~~ 2117

section 3327.02 of the Revised Code. 2118

In all city, local, and exempted village school districts the 2119
board may provide transportation for resident school pupils in 2120
grades nine through twelve to and from the high school to which 2121
they are assigned by the board of education of the district of 2122
residence or to and from the ~~non-public~~ nonpublic or community 2123
high school which they attend for which the state board of 2124
education prescribes minimum standards pursuant to division (D) of 2125
section 3301.07 of the Revised Code. 2126

~~In determining the necessity for transportation, availability 2127
of facilities and distance to the school shall be considered.~~ 2128

A board of education shall not be required to transport 2129
elementary or high school pupils to and from a ~~non-public~~ 2130
nonpublic or community school where such transportation would 2131
require more than thirty minutes of direct travel time as measured 2132
by school bus from the collection point as designated by the 2133
coordinator of school transportation, appointed under section 2134
3327.011 of the Revised Code, for the attendance area of the 2135
district of residence. 2136

Where it is impractical to transport a pupil by school 2137
conveyance, a board of education may offer payment, in lieu of 2138
providing such transportation, ~~pay a parent, guardian, or other 2139
person in charge of such child, an amount per pupil which shall in 2140
no event exceed the average transportation cost per pupil, such 2141
average cost to be based on the cost of transportation of children 2142
by all boards of education in this state during the next preceding 2143
year~~ in accordance with section 3327.02 of the Revised Code. 2144

In all city, local, and exempted village school districts the 2145
board shall provide transportation for all children who are so 2146
crippled that they are unable to walk to and from the school for 2147
which the state board of education prescribes minimum standards 2148
pursuant to division (D) of section 3301.07 of the Revised Code 2149

and which they attend. In case of dispute whether the child is
able to walk to and from the school, the health commissioner shall
be the judge of such ability. In all city, exempted village, and
local school districts the board shall provide transportation to
and from school or special education classes for educable mentally
retarded children in accordance with standards adopted by the
state board of education.

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When transportation of pupils is provided the conveyance
shall be run on a time schedule that shall be adopted and put in
force by the board not later than ten days after the beginning of
the school term.

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The cost of any transportation service authorized by this
section shall be paid first out of federal funds, if any,
available for the purpose of pupil transportation, and secondly
out of state appropriations, in accordance with regulations
adopted by the state board of education.

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No transportation of any pupils shall be provided by any
board of education to or from any school which in the selection of
pupils, faculty members, or employees, practices discrimination
against any person on the grounds of race, color, religion, or
national origin.

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~~Sec. 3327.02. If the board of education of a local school
district deems the transportation, required under any law, of
certain children to school by school conveyances impracticable and
if it is unable to secure a reasonable offer for the
transportation of such children the local board shall so report to
the county board (A) After considering each of the following
factors, the board of education of a city, exempted village, or
local school district may determine that it is impractical to
transport a pupil who is eligible for transportation to and from a
school under section 3327.01 of the Revised Code:~~

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<u>(1) The time and distance required to provide the transportation;</u>	2181
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<u>(2) The number of pupils to be transported;</u>	2183
<u>(3) The cost of providing transportation in terms of equipment, maintenance, personnel, and administration;</u>	2184
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<u>(4) Whether similar or equivalent service is provided to other pupils eligible for transportation;</u>	2186
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<u>(5) Whether and to what extent the additional service unavoidably disrupts current transportation schedules;</u>	2188
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<u>(6) Whether other reimbursable types of transportation are available.</u>	2190
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<u>(B)(1) Based on its consideration of the factors established in division (A) of this section, the board may pass a resolution declaring the impracticality of transportation. The resolution shall include each pupil's name and the reason for impracticality.</u>	2192
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<u>(2) The board shall report its determination to the state board of education in a manner determined by the state board.</u>	2197
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<u>(3) The board of education of a local school district additionally shall submit the resolution for concurrence to the educational service center that contains the local district's territory. If the county educational service center governing board deems such <u>considers</u> transportation by school conveyance practicable or the offers reasonable, it shall so inform the local board and transportation shall be provided by such local board. If the county educational service center board agrees with the view of the local board it is compliance with section 3327.01 of the Revised Code, by such local board if such board agrees to pay the parent or other person in charge of the child for the transportation of such child to school at a rate determined for</u>	2199
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~~the particular case by, the local board for each day of actual may 2211
offer payment in lieu of transportation as provided in this 2212
section. 2213~~

~~The teachers in charge of such children shall keep an 2214
accurate account of the days the children are transported to and 2215
from school. A failure of a parent or guardian to arrange to have 2216
his child transported to school, or his failure to have the child 2217
attend on the ground that the transportation is not supplied 2218
cannot be pleaded as an excuse for the failure of such parent or 2219
guardian to send such child to school or for the failure of the 2220
child to attend school. 2221~~

~~(C) After passing the resolution declaring the impracticality 2222
of transportation, the district board shall offer to provide 2223
payment in lieu of transportation by doing the following: 2224~~

~~(1) In accordance with guidelines established by the 2226
department of education, informing the pupil's parent, guardian, 2227
or other person in charge of the pupil of both of the following: 2228~~

~~(a) The board's resolution; 2229~~

~~(b) The right of the pupil's parent, guardian, or other 2230
person in charge of the pupil to accept the offer of payment in 2231
lieu of transportation or to reject the offer and instead request 2232
the department to initiate mediation procedures. 2233~~

~~(2) Issue the pupil's parent, guardian, or other person in 2234
charge of the pupil a contract or other form on which the parent, 2235
guardian, or other person in charge of the pupil is given the 2236
option to accept or reject the board's offer of payment in lieu of 2237
transportation. 2238~~

~~(D) If the parent, guardian, or other person in charge of the 2239
pupil accepts the offer of payment in lieu of providing 2240
transportation, the board shall pay the parent, guardian, or other 2241~~

person in charge of the child an amount that shall be no less than 2242
the amount determined by the department of education as the 2243
minimum for payment in lieu of transportation, and no more than 2244
the amount determined by the department as the average cost of 2245
pupil transportation for the previous school year. Payment may be 2246
prorated if the time period involved is only a part of the school 2247
year. 2248

(E)(1)(a) Upon the request of a parent, guardian, or other 2249
person in charge of the pupil who rejected the payment in lieu of 2250
transportation, the department shall conduct mediation procedures. 2251

(b) If the mediation does not resolve the dispute, the state 2252
board of education shall conduct a hearing in accordance with 2253
Chapter 119. of the Revised Code. The state board may approve the 2254
payment in lieu of transportation or may order the board of 2255
education to provide transportation. The decision of the state 2256
board is binding in subsequent years and on future parties in 2257
interest provided the facts of the determination remain 2258
comparable. 2259

(2) The school district shall provide transportation for the 2260
pupil from the time the parent, guardian, or other person in 2261
charge of the pupil requests mediation until the matter is 2262
resolved under division (E)(1)(a) or (b) of this section. 2263

(F)(1) If the department determines that a school district 2264
board has failed or is failing to provide transportation as 2265
required by division (E)(2) of this section or as ordered by the 2266
state board under division (E)(1)(b) of this section, the 2267
department shall order the school district board to pay to the 2268
pupil's parent, guardian, or other person in charge of the pupil, 2269
an amount equal to the state average daily cost of transportation 2270
as determined by the state board of education for the previous 2271
year. The school district board shall make payments on a schedule 2272
ordered by the department. 2273

(2) If the department subsequently finds that a school district board is not in compliance with an order issued under division (F)(1) of this section and the affected pupils are enrolled in a nonpublic or community school, the department shall deduct the amount that the board is required to pay under that order from any payments the department makes to the school district board under division (D) of section 3317.022 of the Revised Code. The department shall use the moneys so deducted to make payments to the nonpublic or community school attended by the pupil. The department shall continue to make the deductions and payments required under this division until the school district board either complies with the department's order issued under division (F)(1) of this section or begins providing transportation.

(G) A nonpublic or community school that receives payments from the department under division (F)(2) of this section shall do either of the following:

(1) Disburse the entire amount of the payments to the parent, guardian, or other person in control of the pupil affected by the failure of the school district of residence to provide transportation;

(2) Use the entire amount of the payments to provide acceptable transportation for the affected pupil.

Sec. 3365.08. (A) A college that expects to receive or receives reimbursement under section 3365.07 of the Revised Code shall furnish to a participant all textbooks and materials directly related to a course taken by the participant under division (B) of section 3365.04 of the Revised Code. No college shall charge such participant for tuition, textbooks, materials, or other fees directly related to any such course.

(B) No student enrolled under this chapter in a course for

which credit toward high school graduation is awarded shall 2305
receive direct financial aid through any state or federal program. 2306

(C) If a school district provides transportation for resident 2307
school students in grades eleven and twelve under section 3327.01 2308
of the Revised Code, a parent of a pupil enrolled in a course 2309
under division (B) of section 3365.04 of the Revised Code may 2310
apply to the board of education for full or partial reimbursement 2311
for the necessary costs of transporting the student between the 2312
secondary school the student attends and the college in which the 2313
student is enrolled. Reimbursement may be paid solely from funds 2314
received by the district under division (D) of section 3317.022 of 2315
the Revised Code. The state board of education shall establish 2316
guidelines, based on financial need, under which a district may 2317
provide such reimbursement. 2318

(D) If a community school provides or arranges transportation 2319
for its pupils in grades nine through twelve under section 2320
3314.091 of the Revised Code, a parent of a pupil of the community 2321
school who is enrolled in a course under division (B) of section 2322
3365.04 of the Revised Code may apply to the governing authority 2323
of the community school for full or partial reimbursement of the 2324
necessary costs of transporting the student between the community 2325
school and the college. The governing authority may pay the 2326
reimbursement in accordance with the state board's rules adopted 2327
under division (C) of this section solely from funds paid to it 2328
under section 3314.091 of the Revised Code. 2329

Sec. 4117.101. Notwithstanding sections 4117.08 and 4117.10 2330
of the Revised Code, no agreement entered into under this chapter 2331
may contain any provision that in any way limits the effect or 2332
operation of Chapter 3314. of the Revised Code or limits the 2333
authority of a school district board of education, or the 2334
governing board of an educational service center described in 2335

division (C)(1)(e)(d) of section 3314.02 of the Revised Code, to 2336
enter into a contract with a community school under that chapter. 2337
However, nothing in this section shall be construed to prohibit an 2338
agreement entered into under this chapter from containing 2339
requirements and procedures governing the reassignment of teachers 2340
who are employed in a school at the time it is converted to a 2341
community school pursuant to Chapter 3314. of the Revised Code and 2342
who do not choose or are not chosen to teach in that community 2343
school. 2344

Section 2. That existing sections 3313.375, 3313.534, 2345
3314.011, 3314.013, 3314.02, 3314.03, 3314.06, 3314.07, 3314.072, 2346
3314.08, 3314.09, 3314.091, 3314.11, 3314.13, 3317.03, 3318.38, 2347
3318.50, 3327.01, 3327.02, 3365.08, and 4117.101, and section 2348
3314.021 of the Revised Code are hereby repealed. 2349

Section 3. That Section 44.05 of Am. Sub. H.B. 94 of the 2350
124th General Assembly be amended to read as follows: 2351

"Sec. 44.05. VOCATIONAL EDUCATION MATCH 2352

The foregoing appropriation item 200-416, Vocational 2353
Education Match, shall be used by the Department of Education to 2354
provide vocational administration matching funds pursuant to 20 2355
U.S.C. 2311. 2356

TECHNICAL SYSTEMS DEVELOPMENT 2357

The foregoing appropriation item 200-420, Technical Systems 2358
Development, shall be used to support the development and 2359
implementation of information technology solutions designed to 2360
improve the performance and customer service of the Department of 2361
Education. Funds may be used for personnel, maintenance, and 2362
equipment costs related to the development and implementation of 2363
these technical system projects. Implementation of these systems 2364

shall allow the department to provide greater levels of assistance 2365
to school districts and to provide more timely information to the 2366
public, including school districts, administrators, and 2367
legislators. 2368

ALTERNATIVE EDUCATION PROGRAMS 2369

There is hereby created the Alternative Education Advisory 2370
Council, which shall consist of one representative from each of 2371
the following agencies: the Ohio Department of Education; the 2372
Department of Youth Services; the Ohio Department of Alcohol and 2373
Drug Addiction Services; the Department of Mental Health; the 2374
Office of the Governor or, at the Governor's discretion, the 2375
Office of the Lieutenant Governor; ~~and~~ the Office of the Attorney 2376
General; and, beginning January 1, 2003, the Office of the Auditor 2377
of State. 2378

Of the foregoing appropriation item 200-421, Alternative 2379
Education Programs, not less than \$8,253,031 in each fiscal year 2380
shall be used for the renewal of successful implementation grants 2381
and for competitive matching grants to the 21 urban school 2382
districts as defined in division (0) of section 3317.02 of the 2383
Revised Code as it existed prior to July 1, 1998, and not less 2384
than \$8,163,031 in each fiscal year shall be used for the renewal 2385
of successful implementation of grants and for competitive 2386
matching grants to rural and suburban school districts for 2387
alternative educational programs for existing and new at-risk and 2388
delinquent youth. Programs shall be focused on youth in one or 2389
more of the following categories: those who have been expelled or 2390
suspended, those who have dropped out of school or who are at risk 2391
of dropping out of school, those who are habitually truant or 2392
disruptive, or those on probation or on parole from a Department 2393
of Youth Services facility. Grants shall be awarded according to 2394
the criteria established by the Alternative Education Advisory 2395
Council in 1999. Grants shall be awarded only to programs where 2396

the grant would not serve as the program's primary source of 2397
funding. These grants shall be administered by the Department of 2398
Education. 2399

The Department of Education may waive compliance with any 2400
minimum education standard established under section 3301.07 of 2401
the Revised Code for any alternative school that receives a grant 2402
under this section on the grounds that the waiver will enable the 2403
program to more effectively educate students enrolled in the 2404
alternative school. 2405

Of the foregoing appropriation item 200-421, Alternative 2406
Education Programs, up to \$480,552 in each fiscal year may be used 2407
for program administration, monitoring, technical assistance, 2408
support, research, and evaluation. Any unexpended balance may be 2409
used to provide additional matching grants to urban, suburban, or 2410
rural school districts as outlined above. 2411

Of the foregoing appropriation item 200-421, Alternative 2412
Education Programs, \$313,386 in each fiscal year shall be used to 2413
contract with the Center for Learning Excellence at The Ohio State 2414
University to provide technical support for the project and the 2415
completion of formative and summative evaluation of the grants. 2416

Of the foregoing appropriation item 200-421, Alternative 2417
Education Programs, up to \$700,000 in each fiscal year shall be 2418
used to support Amer-I-Can. Of this set aside, no funds shall be 2419
disbursed without approval of the Controlling Board. Amer-I-Can 2420
programs shall submit to the Controlling Board a biennial spending 2421
plan that delineates how these funds will be spent. Amer-I-can 2422
programs also shall demonstrate to the Controlling Board that they 2423
have hired an independent evaluator and have selected valid and 2424
reliable instruments to assess pre and post changes in student 2425
behavior. 2426

Of the foregoing appropriation item 200-421, Alternative 2427

Education Programs, \$75,000 in each fiscal year shall be used to 2428
support the Turning Point Applied Learning Center. 2429

Of the foregoing appropriation item 200-421, Alternative 2430
Education Programs, \$15,000 in each fiscal year shall be used to 2431
support the Bucyrus After School Enrichment Program. 2432

SCHOOL MANAGEMENT ASSISTANCE 2433

Of the foregoing appropriation item 200-422, School 2434
Management Assistance, \$700,000 in fiscal year 2002 and \$400,000 2435
in fiscal year 2003 shall be used by the Auditor of State for 2436
expenses incurred in the Auditor of State's role relating to 2437
fiscal caution activities as defined in Chapter 3316. of the 2438
Revised Code. Expenses include duties related to the completion of 2439
performance audits for school districts that the Superintendent of 2440
Public Instruction determines are employing fiscal practices or 2441
experiencing budgetary conditions that could produce a state of 2442
fiscal watch or fiscal emergency. 2443

The remainder of foregoing appropriation item 200-422, School 2444
Management Assistance, shall be used by the Department of 2445
Education to provide fiscal technical assistance and inservice 2446
education for school district management personnel and to 2447
administer, monitor, and implement the fiscal watch and fiscal 2448
emergency provisions under Chapter 3316. of the Revised Code. 2449

POLICY ANALYSIS 2450

The foregoing appropriation item 200-424, Policy Analysis, 2451
shall be used by the Department of Education to support a system 2452
of administrative, statistical, and legislative education 2453
information to be used for policy analysis. Staff supported by 2454
this appropriation shall administer the development of reports, 2455
analyses, and briefings to inform education policymakers of 2456
current trends in education practice, efficient and effective use 2457
of resources, and evaluation of programs to improve education 2458

results. The database shall be kept current at all times. These 2459
research efforts shall be used to supply information and analysis 2460
of data to the General Assembly and other state policymakers, 2461
including the Office of Budget and Management and the Legislative 2462
Service Commission. 2463

The Department of Education may use funding from this 2464
appropriation item to purchase or contract for the development of 2465
software systems or contract for policy studies that will assist 2466
in the provision and analysis of policy-related information. 2467
Funding from this appropriation item also may be used to monitor 2468
and enhance quality assurance for research-based policy analysis 2469
and program evaluation to enhance the effective use of education 2470
information to inform education policymakers. 2471

TECH PREP ADMINISTRATION 2472

The foregoing appropriation item 200-425, Tech Prep 2473
Administration, shall be used by the Department of Education to 2474
support state-level activities designed to support, promote, and 2475
expand tech prep programs. Use of these funds shall include, but 2476
not be limited to, administration of grants, program evaluation, 2477
professional development, curriculum development, assessment 2478
development, program promotion, communications, and statewide 2479
coordination of tech prep consortia. 2480

OHIO EDUCATIONAL COMPUTER NETWORK 2481

The foregoing appropriation item 200-426, Ohio Educational 2482
Computer Network, shall be used by the Department of Education to 2483
maintain a system of information technology throughout Ohio and to 2484
provide technical assistance for such a system in support of the 2485
State Education Technology Plan pursuant to section 3301.07 of the 2486
Revised Code. 2487

Of the foregoing appropriation item 200-426, Ohio Educational 2488
Computer Network, up to \$20,571,198 in fiscal year 2002 and up to 2489

\$21,188,334 in fiscal year 2003 shall be used by the Department of Education to support connection of all public school buildings to the state's education network, to each other, and to the Internet. 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 this connectivity. 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. 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, or any educational service center building used for instructional purposes.

Of the foregoing appropriation item 200-426, Ohio Educational Computer Network, up to \$2,043,938 in fiscal year 2002 and up to \$2,095,037 in fiscal year 2003 shall be used for the Union Catalog and InfoOhio Network.

The Department of Education shall use up to \$4,590,000 in fiscal year 2002 and up to \$4,727,700 in fiscal year 2003 to assist designated data acquisition sites with operational costs associated with the increased use of the state's education 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.

The remainder in each fiscal year of appropriation item 200-426, Ohio Educational Computer Network, shall be used to support 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, 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 2522
department, to subsidize the activities of not more than 24 2523
designated data acquisition sites, as defined by State Board of 2524
Education rules, to provide school districts and chartered 2525
nonpublic schools with computer-based student and teacher 2526
instructional and administrative information services, including 2527
approved computerized financial accounting, and to ensure the 2528
effective operation of local automated administrative and 2529
instructional systems. To broaden the scope of the use of 2530
technology for education, the department may use up to \$250,000 in 2531
each fiscal year to coordinate the activities of the computer 2532
network with other agencies funded by the department or the state. 2533
In order to improve the efficiency of network activities, the 2534
department and data acquisition sites may jointly purchase 2535
equipment, materials, and services from funds provided under this 2536
appropriation for use by the network and, when considered 2537
practical by the department, may utilize the services of 2538
appropriate state purchasing agencies. 2539

ACADEMIC STANDARDS 2540

The foregoing appropriation item 200-427, Academic Standards, 2541
shall be used by the Department of Education to develop and 2542
disseminate academic content standards. These funds shall be used 2543
to develop academic content standards and curriculum models and to 2544
fund communication of expectations to teachers, school districts, 2545
parents, and communities." 2546

Section 4. That existing Section 44.05 of Am. Sub. H.B. 94 of 2547
the 124th General Assembly is hereby repealed. 2548

Section 5. The Legislative Office of Education Oversight 2549
shall conduct a study of the methodologies and statutory systems 2550
used in other states to fund independent public charter schools 2551

that are similar to the community schools established under 2552
Chapter 3314. of the Revised Code and determine how those 2553
methodologies and systems compare to those codified in Chapter 2554
3314. of the Revised Code. The Office shall issue a written report 2555
to the General Assembly not later than January 31, 2003. 2556

Section 6. The State Board of Education shall continue to 2557
sponsor any community school for which it has entered into a 2558
contract at the time of the effective date of this section until 2559
the earlier of the expiration of two school years or until a new 2560
sponsor, as described in division (C)(1) of section 3314.02 of the 2561
Revised Code, as amended by this act, is secured by the school's 2562
governing authority. The State Board shall not thereafter sponsor 2563
any community school except as provided in division (C) of section 2564
3314.015 of the Revised Code. The State Board may extend the term 2565
of any existing contract with a community school governing 2566
authority only as necessary to accommodate the term of the Board's 2567
authorization to sponsor the school as specified in this section. 2568

Any other entity who has contracted to sponsor a community 2569
school on the effective date of this section shall continue to 2570
sponsor such school in conformance with the contract and Chapter 2571
3314. of the Revised Code, as amended by this act, except that 2572
such sponsor need not be approved by the Department of Education 2573
as otherwise provided by division (B) of section 3314.015 of the 2574
Revised Code. In addition, such an entity may sponsor additional 2575
new start-up schools in accordance with the provisions of division 2576
(C)(1) of section 3314.02 of the Revised Code, as amended by this 2577
act, without the approval of the Department of Education provided 2578
that the entity complies with all other provisions of Chapter 2579
3314. of the Revised Code, as amended by this act. 2580

Section 7. Not later than ninety days after the effective 2581

date of this section, the Department of Education shall adopt 2582
rules for the procedures, criteria, and deadlines for the 2583
approval, oversight, and revocation of approval of sponsors of new 2584
start-up community schools and for entering into written 2585
agreements with sponsors as provided for under section 3314.015 of 2586
the Revised Code. The rules may require sponsors to respond in a 2587
timely manner to reasonable requests from the Department for 2588
information, data, and documents. In developing the rules, the 2589
Department shall consult with the other entities that on the 2590
effective date of this section have existing contracts to sponsor 2591
community schools. 2592