

(D) Southern state community college shall submit an annual report to the director of education and workforce and the general assembly by the thirtieth day of June that includes all of the following:

- (1) The number of students and districts served by the Ohio code-scholar program;
- (2) Progress toward statewide implementation;
- (3) Regional economic and educational impact;
- (4) Use of funds for both programmatic and general operational support.

Sec. 3313.975. As used in this section and in sections 3313.976 to 3313.979 of the Revised Code, "the pilot project school district" or "the district" means any school district included in the pilot project scholarship program pursuant to this section.

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

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

The director shall award as many scholarships and tutorial assistance grants as can be funded given the amount appropriated for the program.

(C)(1) The pilot project program shall continue in effect each year that the general assembly has appropriated sufficient money to fund scholarships and tutorial assistance grants. In each year the program continues, new students may receive scholarships in grades kindergarten to twelve. A student who has received a scholarship may continue to receive one until the student has completed grade twelve.

(2) If the general assembly discontinues the scholarship program, all students who are attending an alternative school under the pilot project shall be entitled to continued admittance to that specific school through all grades that are provided in such school, under the same conditions as when they were participating in the pilot project. The director shall continue to make scholarship payments in accordance with section 3317.022 of the Revised Code for students who remain enrolled in an alternative school under this provision in any year that funds have been appropriated for this purpose.

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

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enrolled in such school may be increased by the same percentage.

(D) Notwithstanding sections 124.39 and 3311.83 of the Revised Code, if the pilot project school district experiences a decrease in enrollment due to participation in a state-sponsored scholarship program pursuant to sections 3313.974 to 3313.979 of the Revised Code, the district board of education may enter into an agreement with any teacher it employs to provide to that teacher severance pay or early retirement incentives, or both, if the teacher agrees to terminate the employment contract with the district board, provided any collective bargaining agreement in force pursuant to Chapter 4117. of the Revised Code does not prohibit such an agreement for termination of a teacher's employment contract.

(E) Except as provided for in division (C)(2) of section 3365.07 of the Revised Code, the director shall not require the parent of a student who applies for or receives a scholarship under the pilot project program to complete any kind of income verification regarding the student's family income.

(F) A student is not eligible to receive a scholarship under sections 3313.975 to 3313.979 of the Revised Code if the treasurer of state has established an educational savings account for the student under section 3310.23 of the Revised Code for the school year for which the scholarship is sought.

Sec. 3313.98. Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, the provisions of this section and sections 3313.981 to 3313.983 of the Revised Code that apply to a city school district do not apply to a joint vocational or cooperative education school district unless expressly specified.

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

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

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

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

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

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

(3) "Adjacent district" means a city, exempted village, or local school district having

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territory that abuts the territory of a district adopting a resolution under this section.

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

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

(6) "Poverty line" means the poverty line established by the director of the United States office of management and budget as revised by the secretary of health and human services in accordance with section 673(2) of the "Community Services Block Grant Act," 95 Stat. 1609, 42 U.S.C.A. 9902, as amended.

(7) "IEP" has the same meaning as in section 3323.01 of the Revised Code.

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

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

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

(11) "Active duty member" means a member of the armed forces of the United States who is on full-time duty.

(12) "Armed forces" means the United States army, navy, air force, space force, marine corps, and coast guard.

(B)(1) Subject to division (I) of this section, the board of education of each city, local, and exempted village school district shall adopt a resolution establishing for the school district one of the following policies:

(a) A policy that entirely prohibits the enrollment of students from adjacent districts or other districts, other than students for whom tuition is paid in accordance with section 3317.08 of the Revised Code;

(b) A policy that permits enrollment of students from all adjacent districts in accordance with policy statements contained in the resolution;

(c) A policy that permits enrollment of students from all other districts in accordance with policy statements contained in the resolution.

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

(a) Application procedures, including deadlines for application and for notification of

students and the superintendent of the applicable district whenever an adjacent or other district student's application is approved.

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

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

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

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

(C) Except as provided in section 3313.982 of the Revised Code, the procedures for admitting adjacent or other district students, as applicable, shall not include:

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

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

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

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

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

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

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

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

~~(a) A~~ a district may object to the enrollment of a native student in an adjacent or other

district in order to maintain an appropriate racial balance.

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

(2) If a board objects to enrollment of native students under this division, any adjacent or other district shall refuse to enroll such native students unless tuition is paid for the students in accordance with section 3317.08 of the Revised Code. An adjacent or other district enrolling such students may not receive funding for those students in accordance with section 3313.981 of the Revised Code.

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

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

(I) Notwithstanding anything to the contrary in this section or section 3313.981 of the Revised Code, all of the following apply:

(1) A policy adopted by a city, exempted village, or local school district board of education under division (B)(1)(a) or (b) of this section shall permit any student who is not a native student of the district to enroll in the district if both of the following apply:

(a) The student's parent is an active duty member of the armed forces stationed in the state.

(b) The student's parent provides to the district a copy of the parent's official written order verifying the parent's status as an active duty member of the armed forces.

(2) In enrolling a student pursuant to division (I) of this section, a district shall comply with procedures prescribed under divisions (B)(2) and (C) of this section, except as provided in division (I)(6) of this section. In addition, the district shall not require tuition to be paid for the student's enrollment in the district.

(3) A student who, pursuant to this division, enrolls in a district that has adopted a policy under division (B)(1)(a) of this section and who is not a native student of that district shall, for the purposes of sections 3313.981, 3315.18, 3317.03, and 3318.011 of the Revised Code, be considered as an "other district student" who enrolls in a district that has adopted a policy under division (B)(1)

(c) of this section. Such student also shall receive transportation services under section 3313.981 of the Revised Code in the same manner as an "other district student."

(4) A student who, pursuant to this division, enrolls in a district that has adopted a policy under division (B)(1)(b) of this section and who is not a native student of the district or an adjacent district shall, nevertheless, be considered an "adjacent district student" for the purposes of sections 3313.981, 3315.18, and 3317.03 of the Revised Code.

(5) A student who, pursuant to this division, enrolls in a district that has adopted a policy under division (B)(1)(b) of this section and whose parent is subsequently discharged or released from active duty shall be permitted to attend school in that district and receive transportation services under section 3313.981 of the Revised Code in the same manner as an "other district student" for the remainder of the school year in which the parent is discharged or released from active duty. After the conclusion of that school year, that student shall not be eligible under this division, as long as the student does not have a parent on active duty.

(6) A school district that enrolls a student under division (I) of this section, or that enrolls a student described in division (I)(1) of this section under division (B)(1)(c) of this section, shall not require the student to comply with any application deadline established under division (B)(2) of this section.

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

Sec. 3314.011. (A) Every community school established under this chapter shall have a designated fiscal officer. Except as provided for in division (C) of this section, the fiscal officer shall be employed by or engaged under a contract with the governing authority of the community school.

(B) Except as otherwise provided in section 3.061 of the Revised Code, the ~~auditor of state~~ department of education and workforce shall require that the fiscal officer of any community school, before entering upon duties as fiscal officer of the school, execute a bond in an amount and with surety to be approved by the governing authority of the school, payable to the state, conditioned for the faithful performance of all the official duties required of the fiscal officer. The bond shall be deposited with the governing authority of the school, and a copy thereof, certified by the governing authority, shall be filed with the county auditor.

(C) Prior to assuming the duties of fiscal officer, the fiscal officer designated under this section shall be licensed under section 3301.074 of the Revised Code. Any person serving as a fiscal officer of a community school on March 22, 2013, who is not licensed as a treasurer shall be permitted to serve as a fiscal officer for not more than one year following March 22, 2013. Beginning on that date and thereafter, no community school shall permit any individual to serve as a fiscal officer without a license as required by this section.

(D)(1) The governing authority of a community school may adopt a resolution waiving the requirement that the governing authority is the party responsible to employ or contract with the

designated fiscal officer, as prescribed by division (A) of this section, so long as the school's sponsor also approves the resolution. The resolution shall be valid for one year. A new resolution shall be adopted for each year that the governing authority wishes to waive this requirement, so long as the school's sponsor also approves the resolution.

No resolution adopted pursuant to this division may waive the requirement for a community school to have a designated fiscal officer.

(2) If the governing authority adopts a resolution pursuant to division (D)(1) of this section, the school's designated fiscal officer annually shall meet with the governing authority to review the school's financial status.

(3) The governing authority shall submit to the department of education and workforce a copy of each resolution adopted pursuant to division (D)(1) of this section.

Sec. 3314.013. (A) Until May 22, 2013, no internet- or computer-based community school shall operate unless the school was open for instruction as of May 1, 2005. No entity described in division (C)(1) of section 3314.02 of the Revised Code shall enter into a contract to sponsor an internet- or computer-based community school, including a conversion school, between May 1, 2005, and May 22, 2013, except as follows:

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

(2) The entity may assume sponsorship of an existing internet- or computer-based community school that was formerly sponsored by another entity and may enter into a contract with that community school in accordance with section 3314.03 of the Revised Code.

If a sponsor entered into a contract with an internet- or computer-based community school, including a conversion school, but the school was not open for operation as of May 1, 2005, the contract shall be void and the entity shall not enter into another contract with the school until May 22, 2013.

(B)(1) Beginning on July 1, 2013, up to five new internet- or computer-based community schools may open each year, subject to approval of the director of education and workforce under division (B)(2) of this section.

(2) The director shall approve applications for new internet- or computer-based community schools from only those applicants demonstrating experience and quality.

The department of education and workforce shall adopt rules prescribing measures to determine experience and quality of applicants in accordance with Chapter 119. of the Revised Code. The measures shall include, but not be limited to, the following considerations:

- (a) The sponsor's experience with online schools;
- (b) The operator's experience with online schools;
- (c) The sponsor's and operator's previous record for student performance;
- (d) A preference for operators with previous experience in Ohio.

(3) The department shall notify any new internet- or computer-based community school governed by division (B) of this section of whether the director has approved or disapproved the school's application to open for the 2013-2014 school year not later than July 1, 2013. Notwithstanding the dates prescribed for adoption and signing on sponsor contracts in division (D) of section 3314.02 of the Revised Code, or the date for opening a school for instruction required by division (A)(25) of section 3314.03 of the Revised Code, a new internet- or computer-based community school approved for opening for the 2013-2014 school year under division (B) of this section may open and operate in that school year regardless of whether it has complied with those contract and opening dates. For each school year thereafter, the school shall comply with all applicable provisions of this chapter.

(4) Notwithstanding divisions (B)(1) and (2) of this section, a sponsor rated "exemplary" on its most recent evaluation conducted under section 3314.016 of the Revised Code is permitted to open up to two new internet- or computer-based community schools that ~~will primarily serve students enrolled in a~~ are dropout prevention and recovery ~~program~~ community schools each year, not to exceed six new schools in a five-year period.

(C) Nothing in division (A) or (B) of this section prohibits an internet- or computer-based community school from increasing the number of grade levels it offers.

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

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

(2) Approve entities to be sponsors of community schools;

(3) Monitor and evaluate, as required under section 3314.016 of the Revised Code, the effectiveness of any and all sponsors in their oversight of the schools with which they have contracted;

(4) By December thirty-first of each year, issue a report to the governor, the speaker of the house of representatives, the president of the senate, and the chairpersons of the house and senate committees principally responsible for education matters regarding the effectiveness of academic programs, operations, and legal compliance and of the financial condition of all community schools established under this chapter and on the performance of community school sponsors;

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

(B)(1) Except as provided in sections 3314.021 and 3314.027 of the Revised Code, no entity shall enter into a preliminary agreement under division (C)(2) of section 3314.02 of the Revised

Code or renew an existing contract to sponsor a community school until it has received approval from the department to sponsor community schools under this chapter and has entered into a written agreement with the department regarding the manner in which the entity will conduct such sponsorship.

On and after July 1, 2017, each entity that sponsors a community school in this state, except for an entity described in sections 3314.021 and 3314.027 of the Revised Code, shall attain approval from the department in order to continue sponsoring schools regardless of whether that entity intends to enter into a preliminary agreement or renew an existing contract.

All new and renewed agreements between the department and a sponsor shall contain specific language addressing the parameters under which the department can intervene and potentially revoke sponsorship authority in the event that the sponsor is unwilling or unable to fulfill its obligations. Additionally, each agreement shall set forth any territorial restrictions and limits on the number of schools that entity may sponsor, provide for an annual evaluation process, and include a stipulation permitting the department to modify the agreement under the following circumstances:

- (a) Poor fiscal management;
- (b) Lack of academic progress.

(2) The initial term of a sponsor's agreement with the department shall be for up to five years.

(a) An agreement entered into with the department pursuant to this section may be renewed for a term of up to ten years using the following criteria:

(i) The academic performance of students enrolled in each community school the entity sponsors, as determined by the department pursuant to division (B)(1)(a) of section 3314.016 of the Revised Code;

(ii) The sponsor's adherence to quality practices, as determined by the department pursuant to division (B)(1)(b) of section 3314.016 of the Revised Code;

(iii) The sponsor's compliance with all applicable laws and administrative rules.

(b) Each agreement between the department and a sponsor shall specify that entities with an overall rating of "exemplary" for at least two consecutive years shall not be subject to the limit on the number of community schools the entity may sponsor or any territorial restrictions on sponsorship, for so long as that entity continues to be rated "exemplary."

(c) The department shall adopt in accordance with Chapter 119. of the Revised Code rules containing criteria, procedures, and deadlines for processing applications for approval of sponsors, for oversight of sponsors, for notifying a sponsor of noncompliance with applicable laws and administrative rules under division (F) of this section, for revocation of the approval of sponsors under division (C) of this section, and for entering into written agreements with sponsors. The rules shall require an entity to submit evidence of the entity's ability and willingness to comply with the provisions of division ~~(D)~~ (C) of section 3314.03 of the Revised Code. The rules also shall require all entities approved as sponsors to demonstrate a record of financial responsibility and successful

implementation of educational programs. If an entity seeking approval to sponsor community schools in this state sponsors or operates schools in another state, at least one of the schools sponsored or operated by the entity must be comparable to or better than the performance of Ohio schools in need of continuous improvement under section 3302.03 of the Revised Code, as determined by the department.

Subject to section 3314.016 of the Revised Code, an entity that sponsors community schools may enter into preliminary agreements and sponsor up to one hundred schools, provided each school and the contract for sponsorship meets the requirements of this chapter. A sponsor that was rated "exemplary" on its most recent rating under section 3314.016 of the Revised Code may sponsor up to two hundred such schools.

(3) The department shall determine, pursuant to criteria specified in rules adopted in accordance with Chapter 119. of the Revised Code, whether the mission proposed to be specified in the contract of a community school to be sponsored by a state university board of trustees or the board's designee under division (C)(1)(e) of section 3314.02 of the Revised Code complies with the requirements of that division. Such determination of the department is final.

(4) The department shall determine, pursuant to criteria specified in rules adopted in accordance with Chapter 119. of the Revised Code, if any tax-exempt entity under section 501(c)(3) of the Internal Revenue Code that is proposed to be a sponsor of a community school is an education-oriented entity for purpose of satisfying the condition prescribed in division (C)(1)(f)(iii) of section 3314.02 of the Revised Code. Such determination of the department is final.

(C) If at any time the department finds that a sponsor is not in compliance or is no longer willing to comply with its contract with any community school or with the department's rules for sponsorship, the department shall conduct a hearing in accordance with Chapter 119. of the Revised Code on that matter. If after the hearing, the department has confirmed the original finding, it may revoke the sponsor's approval to sponsor community schools. In that case, the department's office of Ohio school sponsorship, established under section 3314.029 of the Revised Code, may assume the sponsorship of any schools with which the sponsor has contracted until the earlier of the expiration of two school years or until a new sponsor as described in division (C)(1) of section 3314.02 of the Revised Code is secured by the school's governing authority. The office of Ohio school sponsorship may extend the term of the contract in the case of a school for which it has assumed sponsorship under this division as necessary to accommodate the term of the department's authorization to sponsor the school specified in this division. Community schools sponsored under this division shall not apply to the limit on directly authorized community schools under division (A)(3) of section 3314.029 of the Revised Code. However, nothing in this division shall preclude a community school affected by this division from applying for sponsorship under that section.

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

(E) The department shall adopt procedures for use by a community school governing authority and sponsor when the school permanently closes and ceases operation, which shall include at least procedures for data reporting to the department, handling of student records, distribution of assets in accordance with section 3314.074 of the Revised Code, and other matters related to ceasing operation of the school.

(F)(1) In lieu of revoking a sponsor's authority to sponsor community schools under division (C) of this section, if the department finds that a sponsor is not in compliance with applicable laws and administrative rules, the department shall declare in a written notice to the sponsor the specific laws or rules, or both, for which the sponsor is noncompliant. A sponsor notified under division (F)(1) of this section shall respond to the department not later than fourteen days after the notification with a proposed plan to remedy the conditions for which the sponsor was found to be noncompliant. The department shall approve or disapprove the plan not later than fourteen days after receiving it. If the plan is disapproved, the sponsor may submit a revised plan to the department not later than fourteen days after receiving notification of disapproval from the department or not later than sixty days after the date the sponsor received notification of noncompliance from the department, whichever is earlier. The department shall approve or disapprove the revised plan not later than fourteen days after receiving it or not later than sixty days after the date the sponsor received notification of noncompliance from the department, whichever is earlier. A sponsor may continue to make revisions by the deadlines prescribed in division (F)(1) of this section to any revised plan that is disapproved by the department until the sixtieth day after the date the sponsor received notification of noncompliance from the department.

If a plan or a revised plan is approved, the sponsor shall implement it not later than sixty days after the date the sponsor received notification of noncompliance from the department or not later than thirty days after the plan is approved, whichever is later. If a sponsor does not respond to the department or implement an approved compliance plan by the deadlines prescribed by division (F)(1) of this section, or if a sponsor does not receive approval of a compliance plan on or before the sixtieth day after the date the sponsor received notification of noncompliance from the department, the department shall declare in written notice to the sponsor that the sponsor is in probationary status, and may limit the sponsor's ability to sponsor additional schools.

(2) A sponsor that has been placed on probationary status under division (F)(1) of this section may apply to the department for its probationary status to be lifted. The application for a sponsor's probationary status to be lifted shall include evidence, occurring after the initial notification of noncompliance, of the sponsor's compliance with applicable laws and administrative rules. Not later than fourteen days after receiving an application from the sponsor, the department shall decide whether or not to remove the sponsor's probationary status.

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

(H) This section applies to entities that sponsor conversion community schools and new start-up schools.

(I) Nothing in divisions (C) to (F) of this section prohibits the department from taking any action permitted or required under the written agreement between the department and a sponsoring entity without a hearing on the matter, in the event that the sponsor is unwilling or unable to fulfill its obligations.

Sec. 3314.016. This section applies to any entity that sponsors a community school, regardless of whether section 3314.021 or 3314.027 of the Revised Code exempts the entity from the requirement to be approved for sponsorship under divisions (A)(2) and (B)(1) of section 3314.015 of the Revised Code. The office of Ohio school sponsorship established under section 3314.029 of the Revised Code shall be rated under division (B) of this section, but divisions (A) and (C) of this section do not apply to the office.

(A) An entity that sponsors a community school shall be permitted to enter into contracts under section 3314.03 of the Revised Code to sponsor additional community schools only if the entity meets all of the following criteria:

(1) The entity is in compliance with all provisions of this chapter requiring sponsors of community schools to report data or information to the department of education and workforce.

(2) The entity is not rated as "ineffective" under division ~~(B)(6)~~ (B)(5) of this section.

(3) Except as set forth in sections 3314.021 and 3314.027 of the Revised Code, the entity has received approval from and entered into an agreement with the department pursuant to section 3314.015 of the Revised Code.

(B)(1) The department shall develop and implement an evaluation system that annually rates and assigns an overall rating to each entity that sponsors a community school. The department, not later than the first day of February of each year, shall post on the department's web site the framework for the evaluation system, including technical documentation that the department intends to use to rate sponsors for the next school year. The department shall solicit public comment on the evaluation system for thirty consecutive days. Not later than the first day of April of each year, the department shall compile and post on the department's web site all public comments that were received during the public comment period. The evaluation system shall be posted on the department's web site by the fifteenth day of July of each school year. Any changes to the evaluation system after that date shall take effect the following year. The evaluation system shall be based on the following components:

(a) Academic performance of students enrolled in community schools sponsored by the same entity. The academic performance component shall be derived from the performance measures prescribed for the state report cards under section 3302.03 or 3314.017 of the Revised Code, and shall be based on the performance of the schools for the school year for which the evaluation is conducted. In addition to the academic performance for a specific school year, the academic performance component shall also include year-to-year changes in the overall sponsor portfolio. For

a community school for which no graded performance measures are applicable or available, the department shall use nonreport card performance measures specified in the contract between the community school and the sponsor under division (A)(4) of section 3314.03 of the Revised Code.

(b) Adherence by a sponsor to the quality practices prescribed by the department under division (B)(3) of this section. ~~For a sponsor that was rated "effective" or "exemplary" on its most recent rating, the department may evaluate that sponsor's adherence to quality practices once over a period of three years. If the department elects to evaluate a sponsor once over a period of three years, the most recent rating for a sponsor's adherence to quality practices shall be used when determining an annual overall rating conducted under this section.~~

(c) Compliance with all applicable laws and administrative rules by an entity that sponsors a community school.

Under the evaluation system prescribed under division (B)(1) of this section, the department shall not assign an overall rating of "ineffective" or lower to an entity that sponsors a community school solely because that entity received no points on one of the components prescribed under that division.

(2) In calculating an academic performance component, the department shall exclude all community schools that have been in operation for not more than two full school years, all community schools whose contracts were not renewed or terminated by the sponsor pursuant to section 3314.07 of the Revised Code before the evaluation, and all community schools described in division (B)(2) of section 3314.35 of the Revised Code. However, the academic performance of the community schools described in division (B)(2) of section 3314.35 of the Revised Code shall be reported, but shall not be used as a factor when determining a sponsoring entity's rating under this section.

(3) The department, in consultation with entities that sponsor community schools, shall prescribe quality practices for community school sponsors and develop an instrument to measure adherence to those quality practices. The quality practices shall be based on standards developed by the national association of charter school authorizers or any other nationally organized community school organization.

~~(4)(a) The department may permit peer review of a sponsor's adherence to the quality practices prescribed under division (B)(3) of this section. Peer reviewers shall be limited to individuals employed by sponsors rated "effective" or "exemplary" on the most recent ratings conducted under this section.~~

~~(b) The department shall require individuals participating in peer review under division (B)(4)(a) of this section to complete training approved or established by the department.~~

~~(c) The department may enter into an agreement with another entity to provide training to individuals conducting peer review of sponsors. Prior to entering into an agreement with an entity, the department shall review and approve of the entity's training program.~~

~~(5)~~(4) The director of education and workforce shall adopt rules in accordance with Chapter

119. of the Revised Code prescribing standards for measuring compliance with applicable laws and rules under division (B)(1)(c) of this section.

~~(6)~~(5) The department annually shall rate all entities that sponsor community schools as either "exemplary," "effective," "ineffective," or "poor," based on the components prescribed by division (B) of this section, where each component is weighted equally. A separate rating shall be given by the department for each component of the evaluation system.

The department shall publish the ratings between the first day of October and the fifteenth day of November.

Prior to the publication of the final ratings, the department shall designate and provide notice of a period of at least ten business days during which each sponsor may review the information used by the department to determine the sponsor's rating on the components prescribed by division (B)(1) of this section. If the sponsor believes there is an error in the department's evaluation, the sponsor may request adjustments to the rating of any of those components based on documentation previously submitted as part of an evaluation. The sponsor shall provide to the department any necessary evidence or information to support the requested adjustments. The department shall review the evidence and information, determine whether an adjustment is valid, and promptly notify the sponsor of its determination and reasons. If any adjustments to the data could result in a change to the rating on the applicable component or to the overall rating, the department shall recalculate the ratings prior to publication.

The department shall provide training on an annual basis regarding the evaluation system prescribed under this section. The training shall, at a minimum, describe methodology, timelines, and data required for the evaluation system. The first training session shall occur not later than March 2, 2016. Beginning in 2018, the training shall be made available to each entity that sponsors a community school by the fifteenth day of July of each year and shall include guidance on any changes made to the evaluation system.

~~(7)(a)~~(6)(a) Entities with an overall rating of "exemplary" ~~for the two most recent years in which the entity was evaluated~~ may take advantage of the following incentives:

(i) Renewal of the written agreement with the department, not to exceed ten years, provided that the entity consents to continued evaluation of adherence to quality practices as described in division (B)(1)(b) of this section;

(ii) The ability to extend the term of the contract between the sponsoring entity and the community school beyond the term described in the written agreement with the department;

(iii) An exemption from the preliminary agreement and contract adoption and execution deadline requirements prescribed in division (D) of section 3314.02 of the Revised Code;

(iv) An exemption from the automatic contract expiration requirement, should a new community school fail to open by the thirtieth day of September of the calendar year in which the community school contract is executed;

(v) No limit on the number of community schools the entity may sponsor;

(vi) No territorial restrictions on sponsorship.

An entity may continue to sponsor any community schools with which it entered into agreements under division ~~(B)(7)(a)~~(B)(6)(a) (v) or (vi) of this section while rated "exemplary," notwithstanding the fact that the entity later receives a lower overall rating.

(b) Entities with an overall rating of "exemplary" shall not be evaluated by the department for five full school years following the school year for which the entity received the "exemplary" rating. Entities with an overall rating of "exemplary" or "effective" for the three most recent years in which the entity was evaluated shall not be evaluated by the department once every for three full school years following the school year for which the entity received the "effective" rating.

(c)(i) Entities that receive an overall rating of "ineffective" shall be prohibited from sponsoring any new or additional community schools during the time in which the sponsor is rated as "ineffective" and shall be subject to a quality improvement plan based on correcting the deficiencies that led to the "ineffective" rating, with timelines and benchmarks that have been established by the department.

(ii) Entities that receive an overall rating of "ineffective" on their three most recent ratings shall have all sponsorship authority revoked. Within thirty days after receiving its third rating of "ineffective," the entity may appeal the revocation of its sponsorship authority to the director, who shall appoint an independent hearing officer to conduct a hearing in accordance with Chapter 119. of the Revised Code. The hearing shall be conducted within thirty days after receipt of the notice of appeal. Within forty-five days after the hearing is completed, the director shall determine whether the revocation is appropriate based on the hearing conducted by the independent hearing officer, and if determined appropriate, the revocation shall be confirmed.

(d) Entities that receive an overall rating of "poor" shall have all sponsorship authority revoked. Within thirty days after receiving a rating of "poor," the entity may appeal the revocation of its sponsorship authority to the director, who shall appoint an independent hearing officer to conduct a hearing in accordance with Chapter 119. of the Revised Code. The hearing shall be conducted within thirty days after receipt of the notice of appeal. Within forty-five days after the hearing is completed, the director shall determine whether the revocation is appropriate based on the hearing conducted by the independent hearing officer, and if determined appropriate, the revocation shall be confirmed.

~~(8)(7)~~ For the 2014-2015 school year and each school year thereafter, student academic performance prescribed under division (B)(1)(a) of this section shall include student academic performance data from dropout prevention and recovery community schools ~~that primarily serve students enrolled in a dropout prevention and recovery program.~~

(8) The department shall publish annually academic performance data for each sponsor in accordance with division (B)(1)(a) of this section, regardless of whether the sponsor is being evaluated under this section for that school year.

(C) If the governing authority of a community school enters into a contract with a sponsor

prior to the date on which the sponsor is prohibited from sponsoring additional schools under division (A) of this section and the school has not opened for operation as of that date, that contract shall be void and the school shall not open until the governing authority secures a new sponsor by entering into a contract with the new sponsor under section 3314.03 of the Revised Code. However, the department's office of Ohio school sponsorship, established under section 3314.029 of the Revised Code, may assume the sponsorship of the school until the earlier of the expiration of two school years or until a new sponsor is secured by the school's governing authority. A community school sponsored by the department under this division shall not be included when calculating the maximum number of directly authorized community schools permitted under division (A)(3) of section 3314.029 of the Revised Code.

(D) When an entity's authority to sponsor schools is revoked pursuant to division ~~(B)(7)(e)~~ ~~(B)(6)(c)~~ or (d) of this section, the office of Ohio school sponsorship shall assume sponsorship of any schools with which the original sponsor has contracted for the remainder of that school year. The office may continue sponsoring those schools until the earlier of:

(1) The expiration of two school years from the time that sponsorship is revoked;

(2) When a new sponsor is secured by the governing authority pursuant to division (C)(1) of section 3314.02 of the Revised Code.

Any community school sponsored under this division shall not be counted for purposes of directly authorized community schools under division (A)(3) of section 3314.029 of the Revised Code.

(E) The department shall recalculate the rating for the 2017-2018 school year for each sponsor of a community school that receives recalculated ratings pursuant to division (I) of section 3314.017 of the Revised Code.

Sec. 3314.017. (A) The department of education and workforce shall prescribe by rules, adopted in accordance with Chapter 119. of the Revised Code, an academic performance rating and report card system that satisfies the requirements of this section for dropout prevention and recovery community schools ~~that primarily serve students enrolled in dropout prevention and recovery programs as described in division (B)(1) of section 3314.35 of the Revised Code~~, to be used in lieu of the system prescribed under sections 3302.03 and 3314.012 of the Revised Code beginning with the 2012-2013 school year. Each such school shall comply with the testing and reporting requirements of the system as prescribed by the department.

(B) Nothing in this section shall at any time relieve a school from its obligations under the "No Child Left Behind Act of 2001" to make "adequate yearly progress," as both that act and that term are defined in section 3302.01 of the Revised Code, or a school's amenability to the provisions of section 3302.04 or 3302.041 of the Revised Code. The department shall continue to report each school's performance as required by the act and to enforce applicable sanctions under section 3302.04 or 3302.041 of the Revised Code.

(C) The rules adopted by the department shall prescribe the following performance

indicators for the rating and report card system required by this section:

(1) Graduation rate for each of the following student cohorts:

(a) The number of students who graduate in four years or less with a regular high school diploma divided by the number of students who form the adjusted cohort for the graduating class;

(b) The number of students who graduate in five years with a regular high school diploma divided by the number of students who form the adjusted cohort for the four-year graduation rate;

(c) The number of students who graduate in six years with a regular high school diploma divided by the number of students who form the adjusted cohort for the four-year graduation rate;

(d) The number of students who graduate in seven years with a regular high school diploma divided by the number of students who form the adjusted cohort for the four-year graduation rate;

(e) The number of students who graduate in eight years with a regular high school diploma divided by the number of students who form the adjusted cohort for the four-year graduation rate.

(2) The percentage of twelfth-grade students currently enrolled in the school who have attained the designated passing score on all of the state high school achievement assessments required under division (B)(1) of section 3301.0710 of the Revised Code or the cumulative performance score on the end-of-course examinations prescribed under division (B)(2) of section 3301.0712 of the Revised Code, whichever applies, and other students enrolled in the school, regardless of grade level, who are within three months of their twenty-second birthday and have attained the designated passing score on all of the state high school achievement assessments or the cumulative performance score on the end-of-course examinations, whichever applies, by their twenty-second birthday;

(3) Annual measurable objectives as defined in section 3302.01 of the Revised Code;

(4) Growth in student achievement in reading, or mathematics, or both as measured by separate nationally norm-referenced assessments that have developed appropriate standards for students enrolled in dropout prevention and recovery programs, adopted or approved by the department.

(D)(1) The department's rules shall prescribe the expected performance levels and benchmarks for each of the indicators prescribed by division (C) of this section based on the data gathered by the department under division (G) of this section and simulations created by the department. Based on a school's level of attainment or nonattainment of the expected performance levels and benchmarks for each of the indicators, the department shall rate each school in one of the following categories:

(a) Exceeds standards;

(b) Meets standards;

(c) Does not meet standards.

(2) The department's rules shall establish all of the following:

(a) Performance levels and benchmarks for the indicators described in divisions (C)(1) to (3) of this section;

(b) Both of the following:

(i) Performance levels and benchmarks for the indicator described in division (C)(4) of this section;

(ii) Standards for awarding a dropout prevention and recovery community school ~~described in division (B)(1) of section 3314.35 of the Revised Code~~ an overall designation, which shall be calculated as follows:

(I) Thirty per cent of the score shall be based on the indicators described in division (C)(1) of this section that are applicable to the school year for which the overall designation is granted.

(II) Thirty per cent of the score shall be based on the indicators described in division (C)(4) of this section.

(III) Twenty per cent of the score shall be based on the indicators described in division (C)(2) of this section.

(IV) Twenty per cent of the score shall be based on the indicators described in division (C)(3) of this section.

(3) If both of the indicators described in divisions (C)(1) and (2) of this section improve by ten per cent for two consecutive years, a school shall be rated not less than "meets standards."

The rating and the relevant performance data for each school shall be posted on the department's web site, and a copy of the rating and data shall be provided to the governing authority of the community school.

~~(E)(1) For the 2012-2013 school year, the department shall issue a report card including the following performance measures, but without a performance rating as described in divisions (D)(1)(a) to (e) of this section, for each community school described in division (B)(1) of section 3314.35 of the Revised Code:-~~

~~(a) The graduation rates as described in divisions (C)(1)(a) to (e) of this section;~~

~~(b) The percentage of twelfth grade students and other students who have attained a designated passing score on high school achievement assessments as described in division (C)(2) of this section;-~~

~~(c) The statewide average for the graduation rates and assessment passage rates described in divisions (C)(1)(a) to (e) and (C)(2) of this section;-~~

~~(d) Annual measurable objectives described in division (C)(3) of this section.~~

~~(2) For the 2013-2014 school year, the department shall issue a report card including the following performance measures for each community school described in division (B)(1) of section 3314.35 of the Revised Code:-~~

~~(a) The graduation rates described in divisions (C)(1)(a) to (d) of this section, including a performance rating as described in divisions (D)(1)(a) to (e) of this section;~~

~~(b) The percentage of twelfth grade students and other students who have attained a designated passing score on high school achievement assessments as described in division (C)(2) of this section, including a performance rating as described in divisions (D)(1)(a) to (e) of this section;~~

~~(e) Annual measurable objectives described in division (C)(3) of this section, including a performance rating as described in divisions (D)(1)(a) to (e) of this section;~~

~~(d) Both of the following without an assigned rating:-~~

~~(i) Growth in annual student achievement in reading and mathematics described in division (C)(4) of this section, if available;~~

~~(ii) Student outcome data, including postsecondary credit earned, nationally recognized career or technical certification, military enlistment, job placement, and attendance rate.~~

~~(3) Beginning with the 2014-2015 school year, and annually thereafter, the (E) The~~ department annually shall issue a report card for each dropout prevention and recovery community school ~~described in division (B)(1) of section 3314.35 of the Revised Code~~ that includes all of the following performance measures, including a performance rating for each measure as described in divisions (D)(1)(a) to (c) of this section:

~~(a)(1)~~ The graduation rates as described in division (C)(1) of this section;

~~(b)(2)~~ The percentage of twelfth-grade students and other students who have attained a designated passing score on high school achievement assessments as described in division (C)(2) of this section;

~~(e)(3)~~ Annual measurable objectives described in division (C)(3) of this section, including a performance rating as described in divisions (D)(1)(a) to (c) of this section;

~~(d)(4)~~ Growth in annual student achievement in reading and mathematics as described in division (C)(4) of this section;

~~(e)(5)~~ An overall performance designation for the school calculated under rules adopted under division (D)(2) of this section.

The department shall also include student outcome data, including postsecondary credit earned, nationally recognized career or technical certification, military enlistment, job placement, attendance rate, and progress on closing achievement gaps for each school. This information shall not be included in the calculation of a school's performance rating.

(F) Not later than the thirty-first day of July of each year, the department shall submit preliminary report card data for overall academic performance for each performance measure prescribed in division ~~(E)(3)(E)~~ of this section for each community school to which this section applies.

(G) For the purposes of prescribing performance levels and benchmarks under division (D) of this section, the department shall gather and analyze data from prior school years for each dropout prevention and recovery community school ~~described in division (B)(1) of section 3314.35 of the Revised Code~~. Each such school shall cooperate with the department. The department shall consult with stakeholder groups in performing its duties under this division.

(H) The department shall review the performance levels and benchmarks for performance indicators in the report card issued under this section and may revise them based on the data collected under division (G) of this section.

(I) For the purposes of division (F) of section 3314.351 of the Revised Code, the department shall recalculate the ratings for each school under division (E)(3) of this section for the 2017-2018 school year and calculate the ratings under that division for the 2018-2019 school year using the indicators prescribed by division (C) of this section, as it exists on and after July 18, 2019.

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

(1) "Sponsor" means the board of education of a school district or the governing board of an educational service center that agrees to the conversion of all or part of a school or building under division (B) of this section, or an entity listed in division (C)(1) of this section, which has been approved by the department of education and workforce to sponsor community schools or is exempted by section 3314.021 or 3314.027 of the Revised Code from obtaining approval, and with which the governing authority of a community school enters into a contract under section 3314.03 of the Revised Code.

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

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

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

(b) A school district that meets one of the following conditions:

(i) On March 22, 2013, the district was in a state of academic emergency or in a state of academic watch under section 3302.03 of the Revised Code, as that section existed prior to March 22, 2013;

(ii) For two of the 2012-2013, 2013-2014, 2014-2015, and 2015-2016 school years, the district received a grade of "D" or "F" for the performance index score and a grade of "F" for the value-added progress dimension under section 3302.03 of the Revised Code;

(iii) For the 2016-2017, 2017-2018, 2018-2019, 2019-2020, and 2020-2021 school years, the district has received an overall grade of "D" or "F" under division (C)(3) of section 3302.03 of the Revised Code, or, for at least two of the three most recent school years, the district received a grade of "F" for the value-added progress dimension under division (C)(1)(e) of that section;

(iv) For the 2021-2022 school year and for any school year thereafter, the district has received an overall performance rating of less than three stars under division (D)(3) of section 3302.03 of the Revised Code, or, for at least two of the three most recent school years, the district received one star for progress under division (D)(3)(c) of that section.

(c) A big eight school district;

(d) A school district ranked in the lowest five per cent of school districts according to performance index score under section 3302.21 of the Revised Code.

(4) "Big eight school district" means a school district that for fiscal year 1997 had both of the following:

(a) A percentage of children residing in the district and participating in the predecessor of

Ohio works first greater than thirty per cent, as reported pursuant to section 3317.10 of the Revised Code;

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

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

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

(7) "Internet- or computer-based community school" means a community school established under this chapter in which the enrolled students work primarily from their residences on assignments in nonclassroom-based learning opportunities provided via an internet- or other computer-based instructional method that does not rely on regular classroom instruction or via comprehensive instructional methods that include internet-based, other computer-based, and noncomputer-based learning opportunities unless a student receives career-technical education under section 3314.086 of the Revised Code.

A community school that operates mainly as an internet- or computer-based community school and provides career-technical education under section 3314.086 of the Revised Code shall be considered an internet- or computer-based community school, even if it provides some classroom-based instruction, so long as it provides instruction via the methods described in this division.

(8) "Operator" or "management company" means either of the following:

(a) An individual or organization that manages the daily operations of a community school pursuant to a contract between the operator or management company and the school's governing authority;

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

(9) "Alliance municipal school district" has the same meaning as in section 3311.86 of the Revised Code.

(10) "Dropout prevention and recovery community school" means a community school that enrolls only students who are at least fourteen years of age and not older than twenty-one years of age and who, at the time of their initial enrollment, are at least one grade level behind their cohort age groups or experience crises that significantly interfere with their academic progress such that they are prevented from continuing their traditional educational programs.

(B)(1) Any person or group of individuals may initially propose under this division the conversion of all or a portion of a public school to a community school. The proposal shall be made

to the board of education of the city, local, exempted village, or joint vocational school district in which the public school is proposed to be converted.

(2) Any person or group of individuals may initially propose under this division the conversion of all or a portion of a building operated by an educational service center to a community school. The proposal shall be made to the governing board of the service center.

On or after July 1, 2017, except as provided in section 3314.027 of the Revised Code, any educational service center that sponsors a community school shall be approved by and enter into a written agreement with the department as described in section 3314.015 of the Revised Code.

(3) Upon receipt of a proposal, and after an agreement has been entered into pursuant to section 3314.015 of the Revised Code, a board may enter into a preliminary agreement with the person or group proposing the conversion of the public school or service center building, indicating the intention of the board to support the conversion to a community school. A proposing person or group that has a preliminary agreement under this division may proceed to finalize plans for the school, establish a governing authority for the school, and negotiate a contract with the board. Provided the proposing person or group adheres to the preliminary agreement and all provisions of this chapter, the board shall negotiate in good faith to enter into a contract in accordance with section 3314.03 of the Revised Code and division (C) of this section.

(4) The sponsor of a conversion community school proposed to open in an alliance municipal school district shall be subject to approval by the department of education and workforce for sponsorship of that school using the criteria established under division (A) of section 3311.87 of the Revised Code.

Division (B)(4) of this section does not apply to a sponsor that, on or before September 29, 2015, was exempted under section 3314.021 or 3314.027 of the Revised Code from the requirement to be approved for sponsorship under divisions (A)(2) and (B)(1) of section 3314.015 of the Revised Code.

(5) A school established in accordance with division (B) of this section that later enters into a sponsorship contract with an entity that is not a school district or educational service center shall, at the time of entering into the new contract, be deemed a community school established in accordance with division (C) of this section.

(C)(1) Provided all other conditions of sponsorship and governance are satisfied, any person or group of individuals may propose under this division the establishment of a new start-up school regardless of the school's proposed location. The proposal may be made to any of the following entities:

- (a) The board of education of the district in which the school is proposed to be located;
- (b) The board of education of any joint vocational school district with territory in the county in which is located the majority of the territory of the district in which the school is proposed to be located;
- (c) The board of education of any other city, local, or exempted village school district having

territory in the same county where the district in which the school is proposed to be located has the major portion of its territory;

(d) The governing board of any educational service center, regardless of the location of the proposed school, may sponsor a new start-up school if all of the following are satisfied:

(i) If applicable, it satisfies the requirements of division (E) of section 3311.86 of the Revised Code;

(ii) It is approved to do so by the department;

(iii) It enters into an agreement with the department under section 3314.015 of the Revised Code.

(e) A sponsoring authority designated by the board of trustees of any of the thirteen state universities listed in section 3345.011 of the Revised Code or the board of trustees itself as long as a mission of the proposed school to be specified in the contract under division (A)(2) of section 3314.03 of the Revised Code and as approved by the department under division (B)(3) of section 3314.015 of the Revised Code will be the practical demonstration of teaching methods, educational technology, or other teaching practices that are included in the curriculum of the university's teacher preparation program approved by the chancellor of higher education;

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

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

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

(iii) The department has determined that the entity is an education-oriented entity under division (B)(4) of section 3314.015 of the Revised Code and the entity has a demonstrated record of successful implementation of educational programs.

(iv) The entity is not a community school.

(g) The mayor of a city in which the majority of the territory of a school district to which section 3311.60 of the Revised Code applies is located, regardless of whether that district has created the position of independent auditor as prescribed by that section. The mayor's sponsorship authority under this division is limited to community schools that are located in that school district. Such mayor may sponsor community schools only with the approval of the city council of that city, after establishing standards with which community schools sponsored by the mayor must comply, and after entering into a sponsor agreement with the department as prescribed under section 3314.015 of the Revised Code. The mayor shall establish the standards for community schools sponsored by the mayor not later than one hundred eighty days after July 15, 2013, and shall submit them to the department upon their establishment. The department shall approve the mayor to sponsor community schools in the district, upon receipt of an application by the mayor to do so. Not later than ninety days after the department's approval of the mayor as a community school sponsor, the

department shall enter into the sponsor agreement with the mayor.

Any entity described in division (C)(1) of this section may enter into a preliminary agreement pursuant to division (C)(2) of this section with the proposing person or group, provided that entity has been approved by and entered into a written agreement with the department pursuant to section 3314.015 of the Revised Code.

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

(3) A new start-up school that is established in a school district described in either division (A)(3)(b) or (d) of this section may continue in existence once the school district no longer meets the conditions described in either division, provided there is a valid contract between the school and a sponsor.

(4) A copy of every preliminary agreement entered into under this division shall be filed with the director of education and workforce.

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

(E)(1) As used in this division, "immediate relatives" are limited to spouses, children, parents, grandparents, and siblings, as well as in-laws residing in the same household as the person serving on the governing authority.

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.

(2)(a) No person shall serve on the governing authority or operate the community school under contract with the governing authority under any of the following circumstances:

(i) The person owes the state any money or is in a dispute over whether the person owes the state any money concerning the operation of a community school that has closed.

(ii) The person would otherwise be subject to division (B) of section 3319.31 of the Revised

Code with respect to refusal, limitation, or revocation of a license to teach, if the person were a licensed educator.

(iii) The person has pleaded guilty to or been convicted of theft in office under section 2921.41 of the Revised Code, or has pleaded guilty to or been convicted of a substantially similar offense in another state.

(b) No person shall serve on the governing authority or engage in the financial day-to-day management of the community school under contract with the governing authority unless and until that person has submitted to a criminal records check in the manner prescribed by section 3319.39 of the Revised Code.

(c) Each sponsor of a community school shall annually verify that a finding for recovery has not been issued by the auditor of state against any individual or individuals who propose to create a community school or any member of the governing authority, the operator, or any employee of each community school with responsibility for fiscal operations or authorization to expend money on behalf of the school.

(3) No person shall serve on the governing authorities of more than five start-up community schools at the same time unless both of the following apply:

(a) The person serves in a volunteer capacity and receives no compensation under division (E)(5) of this section from any governing authority on which the person serves.

(b) For any school that has an operator, the operator is a nonprofit organization.

(4)(a) For a community school established under this chapter that is not sponsored by a school district or an educational service center, no present or former member, or immediate relative of a present or former member, of the governing authority shall be an owner, employee, or consultant of the community school's sponsor or operator, unless at least one year has elapsed since the conclusion of the person's membership on the governing authority.

(b) For a community school established under this chapter that is sponsored by a school district or an educational service center, no present or former member, or immediate relative of a present or former member, of the governing authority shall:

(i) Be an officer of the district board or service center governing board that serves as the community school's sponsor, unless at least one year has elapsed since the conclusion of the person's membership on the governing authority;

(ii) Serve as an employee of, or a consultant for, the department, division, or section of the sponsoring district or service center that is directly responsible for sponsoring community schools, or have supervisory authority over such a department, division, or section, unless at least one year has elapsed since the conclusion of the person's membership on the governing authority.

(5) The governing authority of a start-up or conversion community school may provide by resolution for the compensation of its members. However, no individual who serves on the governing authority of a start-up or conversion community school shall be compensated more than one hundred twenty-five dollars per meeting of that governing authority and no such individual shall

be compensated more than a total amount of five thousand dollars per year for all governing authorities upon which the individual serves. Each member of the governing authority may be paid compensation for attendance at an approved training program, provided that such compensation shall not exceed sixty dollars a day for attendance at a training program three hours or less in length and one hundred twenty-five dollars a day for attendance at a training program longer than three hours in length.

(6) No person who is the employee of a school district or educational service center shall serve on the governing authority of any community school sponsored by that school district or service center.

(7) Each member of the governing authority of a community school shall annually file a disclosure statement setting forth the names of any immediate relatives or business associates employed by any of the following within the previous three years:

- (a) The sponsor or operator of that community school;
- (b) A school district or educational service center that has contracted with that community school;
- (c) A vendor that is or has engaged in business with that community school.

(8) No person who is a member of a school district board of education shall serve on the governing authority of any community school.

(F)(1) A new start-up school that is established prior to August 15, 2003, in an urban school district that is not also a big-eight school district may continue to operate after that date and the contract between the school's governing authority and the school's sponsor may be renewed, as provided under this chapter, after that date.

(2) A community school that was established prior to June 29, 1999, and is located in a county contiguous to the pilot project area and in a school district that was not a challenged school district may continue to operate after that date, provided the school complies with all provisions of this chapter. The contract between the school's governing authority and the school's sponsor may be renewed.

(3) Any educational service center that, on June 30, 2007, sponsors a community school that is not located in a county within the territory of the service center or in a county contiguous to such county may continue to sponsor that community school on and after June 30, 2007, and may renew its contract with the school.

(4) The department of education and workforce shall not restrict the establishment of a new start-up community school to those located in a challenged school district as was required by this section prior to September 30, 2021.

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

(B) Notwithstanding division (C)(1)(f)(i) of section 3314.02 of the Revised Code, and subject to division (D)(2) of this section, an entity described in division (A) of this section may do both of the following without obtaining the department of education and workforce's initial approval of its sponsorship under divisions (A)(2) and (B)(1) of section 3314.015 of the Revised Code:

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

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

(C) The entity that succeeds the board of trustees or the board's designee as sponsor of a community school under division (B) of this section also may enter into contracts to sponsor other community schools regardless of the proposed school's location, without obtaining the department's initial approval of its sponsorship of those schools under divisions (A)(2) and (B)(1) of section 3314.015 of the Revised Code as long as the contracts conform with and the entity complies with all other requirements of this chapter.

(D)(1) Regardless of the entity's authority to sponsor community schools without the initial approval of the department, the entity is under the continuing oversight of the department in accordance with rules adopted under section 3314.015 of the Revised Code.

(2) If an entity described in division (A) of this section receives a rating below "effective" under division (B) of section 3314.016 of the Revised Code for two or more consecutive years, that entity shall receive approval from the department to sponsor community schools and enter into a written agreement with the department in accordance with division (B)(1) of section 3314.015 of the Revised Code prior to entering into any further preliminary agreements under division (C)(2) of section 3314.02 of the Revised Code or renewing any existing contract to sponsor a community school.

(E)(1) As used in division (E) of this section:

(a) "Board of trustees" means a board of trustees of a state university located in the pilot project area.

(b) "Rating" means a sponsor rating under section 3314.016 of the Revised Code.

(2) Notwithstanding anything to the contrary in division ~~(B)(7)(b)~~(B)(6)(b) of section 3314.016 of the Revised Code, for the purposes of that division, the department shall consider an entity that succeeded a board of trustees as the sponsor of a community school in accordance with division (B)(1) of this section to have received the same rating for the 2016-2017 school year as the board of trustees, provided all of the following apply:

(a) The department assigned the board of trustees a rating of either "effective" or "exemplary" for the 2016-2017 school year.

(b) The department did not assign the entity its own rating for the 2016-2017 school year.

(c) The department assigned the entity its own rating for the 2017-2018 school year.

Sec. 3314.03. A copy of every contract entered into under this section shall be filed with the director of education and workforce. The department of education and workforce shall make available on its web site a copy of every approved, executed contract filed with the director under this section.

(A) Each contract entered into between a sponsor and the governing authority of a community school shall specify the following:

(1) That the school shall be established as either of the following:

(a) A nonprofit corporation established under Chapter 1702. of the Revised Code, if established prior to April 8, 2003;

(b) A public benefit corporation established under Chapter 1702. of the Revised Code, if established after April 8, 2003.

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

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

(4) Performance standards, including but not limited to all applicable report card measures set forth in section 3302.03 or 3314.017 of the Revised Code, by which the success of the school will be evaluated by the sponsor;

(5) The admission standards of section 3314.06 of the Revised Code and, if applicable, section 3314.061 of the Revised Code;

(6)(a) Dismissal procedures;

(b) A requirement that the governing authority adopt an attendance policy that includes a procedure for automatically withdrawing a student from the school if the student without a legitimate excuse fails to participate in seventy-two consecutive hours of the learning opportunities offered to the student.

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

(8) Requirements for financial audits by the auditor of state. The contract shall require financial records of the school to be maintained in the same manner as are financial records of school districts, pursuant to rules of the auditor of state. Audits shall be conducted in accordance with section 117.10 of the Revised Code.

(9) An addendum to the contract outlining the facilities to be used that contains at least the following information:

(a) A detailed description of each facility used for instructional purposes;

(b) The annual costs associated with leasing each facility that are paid by or on behalf of the school;

(c) The annual mortgage principal and interest payments that are paid by the school;

(d) The name of the lender or landlord, identified as such, and the lender's or landlord's relationship to the operator, if any.

(10) Qualifications of employees, including both of the following:

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

(b) A prohibition against the school employing an individual described in section 3314.104 of the Revised Code in any position.

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

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

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

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

(d) The school will comply with sections 9.90, 9.91, 109.65, 121.22, 149.43, 2151.357, 2151.421, 2313.19, 3301.0710, 3301.0711, 3301.0712, 3301.0715, 3301.0729, 3301.24, 3301.948, 3302.037, 3313.472, 3313.473, 3313.474, 3313.50, 3313.539, 3313.5310, 3313.5318, 3313.5319, 3313.608, 3313.609, 3313.6012, 3313.6013, 3313.6014, 3313.6020, 3313.6024, 3313.6026, 3313.6028, 3313.6029, 3313.6031, 3313.643, 3313.648, 3313.6411, 3313.6413, 3313.66, 3313.661, 3313.662, 3313.666, 3313.667, 3313.668, 3313.669, 3313.6610, 3313.67, 3313.671, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 3313.718, 3313.719, 3313.7112, 3313.7117, 3313.721, 3313.753, 3313.80, 3313.814, 3313.816, 3313.817, 3313.818, 3313.819, 3313.86, 3313.89, 3313.96, 3319.073, 3319.077, 3319.078, 3319.0812, 3319.238, 3319.318, 3319.321, 3319.324, 3319.39, 3319.391, 3319.393, 3319.41, 3319.46, 3319.90, 3319.614, 3320.01, 3320.02, 3320.03, 3320.04, 3321.01, 3321.041, 3321.13, 3321.14, 3321.141, 3321.17, 3321.18, 3321.19, 3322.20, 3322.24, 3323.251, 3327.10, 4111.17, 4113.52, 5502.262, 5502.703, and 5705.391 and Chapters 117., 1347., 2744., 3365., 3742., 4112., 4123., 4141., and 4167. of the Revised Code as if it were a school district and will comply with section 3301.0714 of the Revised Code in the manner specified in section 3314.17 of the Revised Code.

(e) The school shall comply with Chapter 102. and section 2921.42 of the Revised Code.

(f) The school will comply with sections 3313.61, 3313.611, 3313.614, 3313.617, 3313.618, and 3313.6114 of the Revised Code, except that for students who enter ninth grade for the first time before July 1, 2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma may be met by completing the curriculum adopted by the governing authority of the

community school rather than the curriculum specified in Title XXXIII of the Revised Code or any rules of the department. Beginning with students who enter ninth grade for the first time on or after July 1, 2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum of a high school prior to receiving a high school diploma shall be met by completing the requirements prescribed in section 3313.6027 and division (C) of section 3313.603 of the Revised Code, unless the person qualifies under division (D) or (F) of that section. Each school shall comply with the plan for awarding high school credit based on demonstration of subject area competency, and beginning with the 2017-2018 school year, with the updated plan that permits students enrolled in seventh and eighth grade to meet curriculum requirements based on subject area competency adopted by the department under divisions (J)(1) and (2) of section 3313.603 of the Revised Code. Beginning with the 2018-2019 school year, the school shall comply with the framework for granting units of high school credit to students who demonstrate subject area competency through work-based learning experiences, internships, or cooperative education developed by the department under division (J)(3) of section 3313.603 of the Revised Code.

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

(h) The school, unless it is an internet- or computer-based community school, will comply with section 3313.801 of the Revised Code as if it were a school district.

(i) If the school is the recipient of moneys from a grant awarded under the federal race to the top program, Division (A), Title XIV, Sections 14005 and 14006 of the "American Recovery and Reinvestment Act of 2009," Pub. L. No. 111-5, 123 Stat. 115, the school will pay teachers based upon performance in accordance with section 3317.141 and will comply with section 3319.111 of the Revised Code as if it were a school district.

(j) If the school operates a preschool program that is licensed by the department under sections 3301.52 to 3301.59 of the Revised Code, the school shall comply with sections 3301.50 to 3301.59 of the Revised Code and the minimum standards for preschool programs prescribed in rules adopted by the department of children and youth under section 3301.53 of the Revised Code.

(k) The school will comply with sections 3313.6021 and 3313.6023 of the Revised Code as if it were a school district unless it is either of the following:

(i) An internet- or computer-based community school;

(ii) A community school in which a majority of the enrolled students are children with disabilities as described in division (B)(2) of section 3314.35 of the Revised Code.

(l) The school will comply with section 3321.191 of the Revised Code, unless it is an internet- or computer-based community school that is subject to section 3314.261 of the Revised Code.

(m) The school will comply with section 3313.7118 of the Revised Code if it serves elementary school students.

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

(13) The length of the contract, which shall begin at the beginning of an academic year. No contract shall exceed five years unless such contract has been renewed pursuant to division ~~(E)~~(D) of this section.

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

(15) A financial plan detailing an estimated school budget for each year of the period of the contract and specifying the total estimated per pupil expenditure amount for each such year.

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

(17) Whether the school is to be created by converting all or part of an existing public school or educational service center building or is to be a new start-up school, and if it is a converted public school or service center building, specification both of the following:

(a) Specification of any duties or responsibilities of an employer that the board of education or service center governing board that operated the school or building before conversion is delegating to the governing authority of the community school with respect to all or any specified group of employees provided the delegation is not prohibited by a collective bargaining agreement applicable to such employees;

(b) Alternative arrangements for current public school students who choose not to attend the converted school and for teachers who choose not to teach in the school or building after conversion.

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

(19) A provision requiring the governing authority to adopt a policy regarding the admission of students who reside outside the district in which the school is located. That policy shall comply with the admissions procedures specified in sections 3314.06 and 3314.061 of the Revised Code and, at the sole discretion of the authority, shall do one of the following:

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

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

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

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

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

(22) A provision recognizing both of the following:

(a) The authority of public health and safety officials to inspect the facilities of the school and to order the facilities closed if those officials find that the facilities are not in compliance with health and safety laws and regulations;

(b) The authority of the department as the community school oversight body to suspend the operation of the school under section 3314.072 of the Revised Code if the department has evidence of conditions or violations of law at the school that pose an imminent danger to the health and safety of the school's students and employees and the sponsor refuses to take such action.

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

(24) The school will comply with sections 3302.04 and 3302.041 of the Revised Code, except that any action required to be taken by a school district pursuant to those sections shall be taken by the sponsor of the school.

(25) Beginning in the 2006-2007 school year, the school will open for operation not later than the thirtieth day of September each school year, unless the mission of the school as specified under division (A)(2) of this section is solely to serve dropouts. In its initial year of operation, if the school fails to open by the thirtieth day of September, or within one year after the adoption of the contract pursuant to division (D) of section 3314.02 of the Revised Code if the mission of the school is solely to serve dropouts, the contract shall be void.

(26) Whether the school's governing authority is planning to seek designation for the school as a STEM school equivalent under section 3326.032 of the Revised Code;

(27) That the school's attendance and participation policies will be available for public inspection;

(28) That the school's attendance and participation records shall be made available to the department, auditor of state, and school's sponsor to the extent permitted under and in accordance with the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232g, as amended, and any regulations promulgated under that act, and section 3319.321 of the Revised Code;

(29) If a school operates using the blended learning model, as defined in section 3301.079 of the Revised Code, all of the following information:

(a) An indication of what blended learning model or models will be used;

(b) A description of how student instructional needs will be determined and documented;

(c) The method to be used for determining competency, granting credit, and promoting students to a higher grade level;

(d) The school's attendance requirements, including how the school will document participation in learning opportunities;

- (e) A statement describing how student progress will be monitored;
- (f) A statement describing how private student data will be protected;
- (g) A description of the professional development activities that will be offered to teachers.

(30) A provision requiring that all moneys the school's operator loans to the school, including facilities loans or cash flow assistance, must be accounted for, documented, and bear interest at a fair market rate;

(31) A provision requiring that, if the governing authority contracts with an attorney, accountant, or entity specializing in audits, the attorney, accountant, or entity shall be independent from the operator with which the school has contracted.

(32) A provision requiring the governing authority to adopt an enrollment and attendance policy that requires a student's parent to notify the community school in which the student is enrolled when there is a change in the location of the parent's or student's primary residence.

(33) A provision requiring the governing authority to adopt a student residence and address verification policy for students enrolling in or attending the school.

(34) A provision establishing the process by which the governing authority of the school will be selected in the future.

(35) A description of the management and administration of the school.

(36) A provision requiring the governing authority to adopt policies and procedures to establish internal financial controls for the school.

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

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

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

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

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

~~(5) Internal financial controls.~~

~~When submitting the plan under this division, the school shall also submit copies of all policies and procedures regarding internal financial controls adopted by the governing authority of the school.~~

~~(C)~~ A contract entered into under section 3314.02 of the Revised Code between a sponsor and the governing authority of a community school may provide for the community school governing authority to make payments to the sponsor, which is hereby authorized to receive such payments as set forth in the contract between the governing authority and the sponsor. The total amount of such payments for monitoring, oversight, and technical assistance of the school shall not exceed three per cent of the total amount of payments for operating expenses that the school receives

from the state.

~~(D)-(C)~~ The contract shall specify the duties of the sponsor which shall be in accordance with the written agreement entered into with the department under division (B) of section 3314.015 of the Revised Code and shall include the following:

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

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

(3) Provide technical assistance to the community school in complying with laws applicable to the school and terms of the contract;

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

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

~~(E)-(D)~~ Upon the expiration of a contract entered into under this section, the sponsor of a community school may, with the approval of the governing authority of the school, renew that contract for a period of time determined by the sponsor, but not ending earlier than the end of any school year, if the sponsor finds that the school's compliance with applicable laws and terms of the contract and the school's progress in meeting the academic goals prescribed in the contract have been satisfactory. Any contract that is renewed under this division remains subject to the provisions of sections 3314.07, 3314.072, and 3314.073 of the Revised Code.

~~(F)-(E)~~ If a community school fails to open for operation within one year after the contract entered into under this section is adopted pursuant to division (D) of section 3314.02 of the Revised Code or permanently closes prior to the expiration of the contract, the contract shall be void and the school shall not enter into a contract with any other sponsor. A school shall not be considered permanently closed because the operations of the school have been suspended pursuant to section 3314.072 of the Revised Code.

Sec. 3314.034. (A) Subject to division (B) of this section, and except as described in division (E) of this section, any community school to which either of the following conditions apply shall be prohibited from entering into a contract with a new sponsor:

(1) The community school has received, on the most recent report card issued for that school under section 3302.03 of the Revised Code, either of the following:

(a) A grade of "D" or "F" for the performance index score, under division (C)(1)(b) of section 3302.03 of the Revised Code, and an overall grade of "D" or "F" for the value-added progress dimension or another measure of student academic progress if adopted by the department of

education and workforce, under division (C)(1)(e) of that section;

(b) A performance rating of less than three stars for achievement under division (D)(3)(b) of section 3302.03 of the Revised Code and a performance rating of less than three stars for progress under division (D)(3)(c) of that section.

(2) The community school is ~~one in which a majority of the students are enrolled in a dropout prevention and recovery program~~ community school, and it has received a rating of "does not meet standards" for the annual student growth measure and combined graduation rates on the most recent report card issued for the school under section 3314.017 of the Revised Code.

(B) A community school to which division (A) of this section applies may enter into a contract with a new sponsor if all of the following conditions are satisfied:

(1) The proposed sponsor received a rating of "effective" or higher pursuant to division ~~(B)~~ (6)(B)(5) of section 3314.016 of the Revised Code on its most recent evaluation conducted according to that section, or the proposed sponsor is the office of Ohio school sponsorship established in section 3314.029 of the Revised Code.

(2) The community school submits a request to enter into a new contract with a sponsor.

(3) The community school has not submitted a prior request that was granted.

(4) The department grants the school's request pursuant to division (C) of this section.

(C)(1) A school shall submit a request to change sponsors under this section not later than on the fifteenth day of February of the year in which the school wishes to do so. If a community school to which division (A)(1) of this section applies submits a request to the department to enter into a contract with a new sponsor and a majority of the school's students are children with disabilities receiving special education and related services under Chapter 3323. of the Revised Code, the department shall at least consider the school's performance as measured against the average performance of all other community schools that primarily serve children with disabilities.

(2) The department shall grant or deny the request not later than thirty days after the department receives it. If the department denies the request, the community school may submit an appeal to the director of education and workforce who shall hold a hearing in accordance with Chapter 119. of the Revised Code. The community school shall file its notice of appeal to the director not later than ten days after receiving the decision from the department. The director shall conduct the hearing not later than thirty days after receiving the school's notice of appeal and act upon the determination of the hearing officer not later than the twenty-fifth day of June of the year in which the school wishes to change sponsors.

(D) Factors to be considered during a hearing held pursuant to division (C) of this section include, but are not limited to, the following:

(1) The school's impact on the students and the community or communities it serves;

(2) The quality and quantity of academic and administrative support the school receives from its current sponsor to help the school to improve;

(3) The sponsor's annual evaluations of the community school under division ~~(D)(2)(c)(2)~~ of

section 3314.03 of the Revised Code for the previous three years;

(4) The academic performance of the school, taking into account the demographic information of the students enrolled in the school;

(5) The academic performance of alternative schools that serve comparable populations of students as those served by the community school;

(6) The fiscal stability of the school;

(7) The results of any audits of the school by the auditor of state;

(8) The length of time the school has been under the oversight of its current sponsor;

(9) The number of times the school has changed sponsors prior to the current request;

(10) Parent and student satisfaction rates as demonstrated by surveys, if available.

(E) Notwithstanding anything to the contrary in this section, if a community school in which a majority of the enrolled students are children with disabilities receiving special education and related services in accordance with Chapter 3323. of the Revised Code meets both of the following criteria, the school may enter into a contract with a new sponsor, provided that the new sponsor satisfies the criteria in division (B)(1) of this section:

(1) The school received, on its most recent report card issued under section 3302.03 of the Revised Code, a performance rating of at least three stars for progress under division (D)(3)(c) of that section.

(2) As calculated for the most recent school year under section 3302.035 of the Revised Code, the school's performance index score for students with disabilities was higher than the performance index score for students with disabilities of the school district in which the school is located.

Sec. 3314.038. Each community school shall annually submit to the department of education and workforce ~~and auditor of state~~ a report of each instance under which a student who is enrolled in that community school resides in a children's residential center as defined under section 5103.05 of the Revised Code.

Sec. 3314.05. (A) The contract between the community school and the sponsor shall specify the facilities to be used for the community school and the method of acquisition. ~~Except as provided in divisions (B)(3) and (4) of this section, no community school shall be established in more than one school district under the same contract.~~

(B) Division (B) of this section shall not apply to internet- or computer-based community schools.

(1) A community school may be located in multiple facilities under the same contract ~~only if the limitations on availability of space prohibit serving all the grade levels specified in the contract in a single facility or division (B)(2), (3), or (4) of this section applies to the school. The school shall not offer the same grade-level classrooms in more than one facility.~~

~~(2) A community school may be located in multiple facilities under the same contract and, notwithstanding division (B)(1) of this section, may assign students in the same grade level to~~

multiple facilities, as long as all of the following apply:

(a) ~~The governing authority has entered into and maintains a contract with an operator of the type described in division (A)(8)(b) of section 3314.02 of the Revised Code.~~

(b) ~~The contract with that operator qualified the school to be established pursuant to division (A) of former section 3314.016 of the Revised Code.~~

(c) ~~The school's rating under section 3302.03 of the Revised Code does not fall below a combination of any of the following for two or more consecutive years:~~

(i) ~~A rating of "in need of continuous improvement" under section 3302.03 of the Revised Code, as that section existed prior to March 22, 2013;~~

(ii) ~~For the 2012-2013, 2013-2014, 2014-2015, and 2015-2016 school years, a rating of "C" for both the performance index score under division (A)(1)(b) or (B)(1)(b) and the value-added dimension under division (A)(1)(e) or (B)(1)(e) of section 3302.03 of the Revised Code; or if the building serves only grades ten through twelve, the building received a grade of "C" for the performance index score under division (A)(1)(b) or (B)(1)(b) of section 3302.03 of the Revised Code;~~

(iii) ~~For the 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021 school years, an overall grade of "C" under division (C)(3) of section 3302.03 of the Revised Code or an overall performance designation of "meets standards" under division (E)(3)(e) of section 3314.017 of the Revised Code;~~

(iv) ~~For the 2021-2022 school year and any school year thereafter, an overall performance rating of three stars under division (D)(3) of section 3302.03 of the Revised Code or an overall performance designation of "meets standards" under division (E)(3)(e) of section 3314.017 of the Revised Code.~~

(3) ~~On and after September 30, 2021, a new start-up community school may be established in two school districts under the same contract regardless of the proposed location of either district if both of the following apply:~~

(a) ~~The school operates not more than one facility in each school district and, in accordance with division (B)(1) of this section, the school does not offer the same grade level classrooms in both facilities; and~~

(b) ~~Transportation between the two facilities does not require more than thirty minutes of direct travel time as measured by school bus.~~

(4) ~~A community school may be located in multiple facilities under the same contract and, notwithstanding division (B)(1) of this section, may assign students in the same grade level to multiple facilities, as long as both of the following apply:~~

(a) ~~The facilities are all located in the same county or in any county adjacent to the county in which the community school's primary facility is located.~~

(b) ~~Either of the following conditions are satisfied:~~

(i) ~~The community school is sponsored by a board of education of a city, local, or exempted~~

~~village school district having territory in the same county where the facilities of the community school are located or in any county adjacent to the county in which the community school's primary facility is located;~~

~~(ii) The community school is managed by an operator.~~

(2) In the case of a community school ~~to which division (B)(4) of this section applies and~~ that maintains facilities in more than one school district, the school's governing authority shall designate one of those districts to be considered the school's primary location and the district in which the school is located for the purposes of division (A)(19) of section 3314.03 and divisions (C) and (H) of section 3314.06 of the Revised Code and for all other purposes of this chapter and shall notify the department of that designation.

A community school governing authority that elects to modify a community school's primary location shall notify the department of that modification.

~~(5)-(3)~~ Any facility used for a community school shall meet all health and safety standards established by law for school buildings.

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

(D) Two or more separate community schools may be located in the same facility.

(E) In the case of a community school that is located in multiple facilities, beginning July 1, 2012, the department shall assign a unique identification number to the school and to each facility maintained by the school. Each number shall be used for identification purposes only. Nothing in this division shall be construed to require the department to calculate the amount of funds paid under this chapter, or to compute any data required for the report cards issued under section 3314.012 of the Revised Code, for each facility separately. The department shall make all such calculations or computations for the school as a whole.

~~(F)(1) In the case of a community school that exists prior to September 30, 2021, to which division (B)(3) of this section applies, if only one of the school districts in which the school is established was located in a challenged school district prior to September 30, 2021, that district continues to be considered the school's primary location and the district in which the school is located for the purposes of division (A)(19) of section 3314.03 and divisions (C) and (H) of section 3314.06 of the Revised Code and for all other purposes of this chapter unless and until the school's governing authority designates a different school district as the school's primary location in accordance with division (F)(2) of this section. If both of the school districts in which the school is established were challenged school districts on that date, and the primary location was already designated by the school's governing authority pursuant to the requirements of this section as it existed prior to September 30, 2021, that designation remains unless and until the school's governing~~

authority designates a different primary location.

~~(2)(a) On and after September 30, 2021, when a new start-up community school is established in two school districts under the same contract, the school's governing authority shall designate one of those districts to be considered the school's primary location and the district in which the school is located for the purposes of division (A)(19) of section 3314.03 and divisions (C) and (H) of section 3314.06 of the Revised Code and for all other purposes of this chapter and shall notify the department of education and workforce of that designation.~~

~~(b) A community school governing authority that elects to modify a community school's primary location, whether in accordance with division (F)(1) of this section or otherwise, shall notify the department of that modification.~~

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 pursuant to division ~~(E)~~ (D) of section 3314.03 of the Revised Code unless the contract is terminated or not renewed pursuant to this section.

(B)(1) A sponsor may choose not to renew a contract at its expiration or may choose to terminate a contract prior to its expiration for any of the following reasons:

- (a) Failure to meet student performance requirements stated in the contract;
- (b) Failure to meet generally accepted standards of fiscal management;
- (c) Violation of any provision of the contract or applicable state or federal law;
- (d) Other good cause.

(2) A sponsor may choose to terminate a contract prior to its expiration if the sponsor has suspended the operation of the contract under section 3314.072 of the Revised Code.

(3) Not later than the fifteenth day of January in the year in which the sponsor intends to terminate or take actions not to renew the community school's contract, the sponsor shall notify the school of the proposed action in writing. The notice shall include the reasons for the proposed action in detail, the effective date of the termination or nonrenewal, and a statement that the school may, within fourteen days of receiving the notice, request an informal hearing before the sponsor. Such request must be in writing. The informal hearing shall be held within fourteen days of the receipt of a request for the hearing. Not later than fourteen days after the informal hearing, the sponsor shall issue a written decision either affirming or rescinding the decision to terminate or not renew the contract.

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

(a) 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.

(5) Any community school whose contract is terminated or not renewed under division (B)(1)(a) or (b) of this section shall close permanently at the end of the current school year or on a date specified in the notification of termination or nonrenewal under division (B)(3) of this section. Any community school whose contract is terminated or not renewed for failure to meet student performance requirements stated in the contract, or for failure to meet generally accepted standards of fiscal management under this division shall not enter into a contract with any other sponsor.

(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 of the Revised Code shall be waived for students to whom this division pertains.

(D) If a community school does not intend to renew a contract with its sponsor, the community school shall notify its sponsor in writing of that fact at least one hundred eighty days prior to the expiration of the contract. Such a community school may enter into a contract with a new sponsor in accordance with section 3314.03 of the Revised Code upon the expiration of the previous contract.

(E) A sponsor of a community school and the officers, directors, or employees of such a sponsor are immune from civil liability for any action authorized under this chapter or the contract entered into with the school under section 3314.03 of the Revised Code that is taken to fulfill the sponsor's responsibility to oversee and monitor the school. The sponsor and its officers, directors, or employees are not liable in damages in a tort or other civil action for harm allegedly arising from any 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.

(3) A failure of the community school or any of its officers, directors, or employees to meet the obligations of any contract or other obligation entered into on behalf of the community school and another party.

(F) As used in this section:

(1) "Harm" means injury, death, or loss to person or property.

(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.

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

(1) "IEP" has the same meaning as in section 3323.01 of the Revised Code.

(2) "Resident district" means the school district in which a student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

(B) The department of education and workforce shall adopt rules requiring the governing authority of each community school established under this chapter to annually report all of the following:

(1) The number of students enrolled in grades one through twelve and the full-time equivalent number of students enrolled in kindergarten in the school who are not receiving special education and related services pursuant to an IEP;

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

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

(4) The full-time equivalent number of students reported under divisions (B)(1) and (2) of this section who are enrolled in career-technical education programs or classes described in each of divisions (A)(1) to (5) of section 3317.014 of the Revised Code that are provided by the community school;

(5) The number of students reported under divisions (B)(1) and (2) of this section who are not reported under division (B)(4) of this section but who are enrolled in career-technical education programs or classes described in each of divisions (A)(1) to (5) of section 3317.014 of the Revised Code at a joint vocational school district or another district in the career-technical planning district to which the school is assigned;

(6) The number of students reported under divisions (B)(1) and (2) of this section who are category one to three English learners described in each of divisions (A) to (C) of section 3317.016 of the Revised Code;

(7) The number of students reported under divisions (B)(1) and (2) of this section who are economically disadvantaged, as defined by the department. A student shall not be categorically excluded from the number reported under division (B)(7) of this section based on anything other than family income.

(8) For each student, the city, exempted village, or local school district in which the student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

(9) The number of students enrolled in a preschool program operated by the school that is licensed under sections 3301.52 to 3301.59 of the Revised Code who are not receiving special education and related services pursuant to an IEP.

A school district board and a community school governing authority shall include in their respective reports under division (B) of this section any child admitted in accordance with division (A)(2) of section 3321.01 of the Revised Code.

A governing authority of a community school shall not include in its report under divisions (B)(1) to (9) of this section any student for whom tuition is charged under division (F) of this

section.

(C)(1)(a) If a community school's costs for a fiscal year for a student receiving special education and related services pursuant to an IEP for a disability described in divisions (B) to (F) of section 3317.013 of the Revised Code exceed the threshold cost for serving the student as specified in division (B) of section 3317.0214 of the Revised Code, the school may submit to the director of education and workforce documentation, as prescribed by the director, of all its costs for that student. Upon submission of documentation for a student of the type and in the manner prescribed, the department shall pay to the community school an amount equal to the school's costs for the student in excess of the threshold costs.

(b) The community school shall report under division (C)(1)(a) of this section, and the department shall pay for, only 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.

(2) In any fiscal year, a community school receiving funds under division (A)(7) of section 3317.022 of the Revised Code shall spend those funds only for the purposes that the department designates as approved for career-technical education expenses. Career-technical education expenses approved by the department shall include only expenses connected to the delivery of career-technical programming to career-technical students. The department shall require the school to report data annually so that the department may monitor the school's compliance with the requirements regarding the manner in which funding received under division (A)(7) of section 3317.022 of the Revised Code may be spent.

(3) Notwithstanding anything to the contrary in section 3313.90 of the Revised Code, except as provided in division (C)(5) of this section, all funds received under division (A)(7) of section 3317.022 of the Revised Code shall be spent in the following manner:

(a) At least seventy-five per cent of the funds shall be spent on curriculum development, purchase, and implementation; instructional resources and supplies; industry-based program certification; student assessment, credentialing, and placement; curriculum specific equipment purchases and leases; career-technical student organization fees and expenses; home and agency linkages; work-based learning experiences; professional development; and other costs directly associated with career-technical education programs including development of new programs.

(b) Not more than twenty-five per cent of the funds shall be used for personnel expenditures.

(4) A community school shall spend the funds it receives under division (A)(4) of section 3317.022 of the Revised Code in accordance with section 3317.25 of the Revised Code.

(5) The department may waive the requirement in division (C)(3) of this section for any community school that exclusively provides one or more career-technical workforce development programs in arts and communications that are not equipment-intensive, as determined by the department.

(6) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, a community school shall spend the funds it receives under division (A)(5) of section 3317.022 of the Revised Code only for services for English learners.

(D) 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.

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

(F) No community school shall charge tuition for the enrollment of any student who is a resident of this state. A community school may charge tuition for the enrollment of any student who is not a resident of this state.

(G)(1)(a) 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 section 3317.022 of the Revised Code. The school may issue notes to evidence such borrowing. The proceeds of the notes shall be used only for the purposes for which the anticipated receipts may be lawfully expended by the school.

(b) A school may also borrow money for a term not to exceed fifteen years for the purpose of acquiring facilities.

(2) The state is not liable for debt incurred by the governing authority of a community school.

(H) The department shall adjust the amounts paid under section 3317.022 of the Revised Code to reflect any enrollment of students in community schools for less than the equivalent of a full school year. The department shall adopt in accordance with Chapter 119. of the Revised Code rules governing the payments to community schools under section 3317.022 of the Revised Code including initial payments in a school year and adjustments and reductions made in subsequent periodic payments to community schools as provided under section 3317.022 of the Revised Code. For purposes of this division:

(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.

(2) A student shall be considered to be enrolled in a community school for the period of time beginning on the later of the date on which the school both has received documentation of the student's enrollment from a parent and the student has commenced participation in learning opportunities as defined in the contract with the sponsor, or thirty days prior to the date on which the student is entered into the education management information system established under section 3301.0714 of the Revised Code. For purposes of applying this division and divisions (H)(3) and (4) of this section 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 requirements for student participation which shall be established by the department. Any student's instruction time in non-classroom-based

learning opportunities shall be certified by an employee of the community school. A student's enrollment shall be considered to cease on the date on which any of the following occur:

(a) The community school receives documentation from a parent terminating enrollment of the student.

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

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

Except as otherwise specified in this paragraph, beginning in the 2011-2012 school year, any student who completed the prior school year in an internet- or computer-based community school shall be considered to be enrolled in the same school in the subsequent school year until the student's enrollment has ceased as specified in division (H)(2) of this section. The department shall continue paying amounts for the student under section 3317.022 of the Revised Code without interruption at the start of the subsequent school year. However, if the student without a legitimate excuse fails to participate in the first seventy-two consecutive hours of learning opportunities offered to the student in that subsequent school year, the student shall be considered not to have re-enrolled in the school for that school year and the department shall recalculate the payments to the school for that school year to account for the fact that the student is not enrolled.

(3) The department shall determine each community school student's percentage of full-time equivalency based on the percentage of learning opportunities offered by the community school to that student, reported either as number of hours or number of days, is of the total learning opportunities offered by the community school to a student who attends for the school's entire school year. However, no internet- or computer-based community school shall be credited for any time a student spends participating in learning opportunities beyond ten hours within any period of twenty-four consecutive hours. Whether it reports hours or days of learning opportunities, each community school shall offer not less than nine hundred twenty hours of learning opportunities during the school year.

(4) With respect to the calculation of full-time equivalency under division (H)(3) of this section, the department shall waive the number of hours or days of learning opportunities not offered to a student because the community school was closed during the school year due to disease epidemic, hazardous weather conditions, law enforcement emergencies, inoperability of school buses or other equipment necessary to the school's operation, damage to a school building, or other temporary circumstances due to utility failure rendering the school building unfit for school use, so long as the school was actually open for instruction with students in attendance during that school year for not less than the minimum number of hours required by this chapter. The department shall treat the school as if it were open for instruction with students in attendance during the hours or days waived under this division.

(I) The department of education and workforce shall reduce the amounts paid under section

3317.022 of the Revised Code to reflect payments made to colleges under section 3365.07 of the Revised Code.

(J)(1) No student shall be considered enrolled in any internet- or computer-based community school or, if applicable to the student, in any community school that is required to provide the student with a computer pursuant to division (C) of section 3314.22 of the Revised Code, unless both of the following conditions are satisfied:

(a) The student possesses or has been provided with all required hardware and software materials and all such materials are operational so that the student is capable of fully participating in the learning opportunities specified in the contract between the school and the school's sponsor as required by division (A)(23) of section 3314.03 of the Revised Code;

(b) The school is in compliance with division (A) of section 3314.22 of the Revised Code, relative to such student.

(2) In accordance with policies adopted by the department of education and workforce, ~~in consultation with the auditor of state~~, the department shall reduce the amounts otherwise payable under section 3317.022 of the Revised Code to any community school that includes in its program the provision of computer hardware and software materials to any student, if such hardware and software materials have not been delivered, installed, and activated for each such student in a timely manner or other educational materials or services have not been provided according to the contract between the individual community school and its sponsor.

~~The director and the auditor of state shall jointly establish a method for auditing any community school to which this division pertains to ensure compliance with this section.~~

~~The director, auditor of state, and the governor shall jointly make recommendations to the general assembly for legislative changes that may be required to assure fiscal and academic accountability for such schools.~~

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

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

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

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

(a) Within ten business days of the receipt of the notice of findings, the community school may appeal the department's determination to the director.

(b) The director 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.

(c) Any decision made by the director under this division is final.

(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 director.

(L) The department shall not pay to a community school under section 3317.022 of the Revised Code any amount for any of the following:

(1) Any student who has graduated from the twelfth grade of a public or nonpublic high school;

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

(3) Any student who was enrolled in the community school during the previous school year when assessments were administered under section 3301.0711 of the Revised Code but did not take one or more of the assessments required by that section and was not excused pursuant to division (C) (1) or (3) of that section, unless the director grants the student a waiver from the requirement to take the assessment and a parent is not paying tuition for the student pursuant to section 3314.26 of the Revised Code. The director may grant a waiver only for good cause in accordance with rules adopted by the department.

(4) Any student who has attained the age of twenty-two years, except for veterans of the armed services whose attendance was interrupted before completing the recognized twelve-year course of the public schools by reason of induction or enlistment in the armed forces and who apply for enrollment in a community school not later than four years after termination of war or their honorable discharge. If, however, any such veteran elects to enroll in special courses organized for veterans for whom tuition is paid under federal law, or otherwise, the department shall not pay to a community school under section 3317.022 of the Revised Code any amount for that veteran.

Sec. 3314.093. (A) The governing authorities of two or more community schools may enter into an agreement to establish a consortium to provide or arrange transportation to and from school for students enrolled in participating schools. A consortium shall act on behalf of each participating school with regard to student transportation and shall comply with any law regarding student transportation in the same manner as a community school, including sections 3314.091 and 3327.02 of the Revised Code. Each consortium shall designate one of its participating schools as its fiscal agent.

(B) A consortium may do both of the following as if it were a community school:

(1) Enter into an agreement under division (A) of section 3314.091 of the Revised Code with a school district that has native students, as defined in section 3314.09 of the Revised Code, enrolled in a community school participating in the consortium;

(2) Unilaterally accept responsibility for the transportation of students enrolled in participating schools under division (B) of section 3314.091 of the Revised Code.

(C) The department of education and workforce shall calculate and make payments to a consortium under division (I) of section 3317.0212 of the Revised Code as if it were a community

school.

(D) The consortium's fiscal agent shall report to the department, on behalf of all of the consortium's participating schools, the combined data necessary for the department to calculate payments under section 3317.0212 of the Revised Code. The fiscal agent shall report that data using the department's data collection system.

Sec. 3314.19. The sponsor of each community school shall provide the ~~following~~ assurances required under this section in writing to the department of education and workforce not later than ~~ten~~ five business days prior to the opening of the school's first year of operation or, if the school is not an internet- or computer-based community school and it ~~changes the~~ relocates to a different building from which it operates or opens a satellite location, not later than five business days prior to the opening of the first year it operates from the new ~~building;~~ facility. In cases where a school adds a facility to the existing school location or the school is an internet or computer-based community school and changes its location or adds a satellite location, the sponsor shall provide the assurances not later than one day prior to the operation in the new facility. The assurances shall include the following statements:

(A) That a current copy of the contract between the sponsor and the governing authority of the school entered into under section 3314.03 of the Revised Code has been filed with the department and that any subsequent modifications to that contract will be filed with the department;

(B) That the school has submitted to the sponsor a plan for providing special education and related services to students with disabilities and has demonstrated the capacity to provide those services in accordance with Chapter 3323. of the Revised Code and federal law;

(C) That the school has a plan and procedures for administering the achievement and diagnostic assessments prescribed by sections 3301.0710, 3301.0712, and 3301.0715 of the Revised Code;

(D) That school personnel have the necessary training, knowledge, and resources to properly use and submit information to all databases maintained by the department for the collection of education data, including the education management information system established under section 3301.0714 of the Revised Code in accordance with methods and timelines established under section 3314.17 of the Revised Code;

(E) That all required information about the school has been submitted to the Ohio education directory system or any successor system;

(F) That the school will enroll at least the minimum number of students required by division (A)(11)(a) of section 3314.03 of the Revised Code in the school year for which the assurances are provided;

(G) That all classroom teachers are licensed in accordance with sections 3319.22 to 3319.31 of the Revised Code, except for noncertificated persons engaged to teach up to twelve hours or forty hours per week pursuant to section 3319.301 of the Revised Code;

(H) That the school's fiscal officer is in compliance with section 3314.011 of the Revised

Code;

(I) That the school has complied with sections 3319.39 and 3319.391 of the Revised Code with respect to all employees and that the school has conducted a criminal records check of each of its governing authority members;

(J) That the school holds all of the following:

(1) Proof of property ownership or a lease for the facilities used by the school;

(2) A certificate of occupancy;

(3) Liability insurance for the school, as required by division (A)(11)(b) of section 3314.03 of the Revised Code, that the sponsor considers sufficient to indemnify the school's facilities, staff, and governing authority against risk;

(4) A satisfactory health and safety inspection;

(5) A satisfactory fire inspection;

(6) A valid food permit, if applicable.

(K) That the sponsor has conducted a pre-opening site visit to the school for the school year for which the assurances are provided;

(L) That the school has designated a date it will open for the school year for which the assurances are provided that is in compliance with division (A)(25) of section 3314.03 of the Revised Code;

(M) That the school has met all of the sponsor's requirements for opening and any other requirements of the sponsor.

(N) That, for any school that operates using the blended learning model, as defined in section 3301.079 of the Revised Code, the sponsor has reviewed the following information, submitted by the school:

(1) An indication of what blended learning model or models will be used;

(2) A description of how student instructional needs will be determined and documented;

(3) The method to be used for determining competency, granting credit, and promoting students to a higher grade level;

(4) The school's attendance requirements, including how the school will document participation in learning opportunities;

(5) A statement describing how student progress will be monitored;

(6) A statement describing how private student data will be protected;

(7) A description of the professional development activities that will be offered to teachers.

Sec. 3314.191. Notwithstanding any provision to the contrary in the Revised Code, the department of education and workforce shall make no payment under section 3317.022 of the Revised Code to a community school opening for its first year of operation until the sponsor of that school confirms all of the following:

(A) The school is in compliance with the provisions described in divisions (A), (H), (I), and (J)(3) of section 3314.19 of the Revised Code.

(B) The sponsor has approved the financial controls required by the ~~comprehensive plan for the school~~ contract the sponsor enters into with the governing authority of the community school under ~~division (B)(5) of~~ section 3314.03 of the Revised Code.

(C) The school facilities will be ready and open for use by the date prescribed in the contract entered into under section 3314.03 of the Revised Code, and the sponsor has reviewed any lease, purchase agreement, permits required by statute or contract, and construction plans.

(D) The chief administrator of the community school actively is managing daily operations at the school.

(E) The projected enrollment reported to the department is accurate.

Sec. 3314.261. This section shall not apply to an internet- or computer-based community school ~~in which a majority of the students are enrolled in a dropout prevention and recovery program that is a dropout prevention and recovery community school.~~

(A) For purposes of this section, "instructional activities" means the following classroom-based or nonclassroom-based activities that a student is expected to complete, participate in, or attend during any given school day:

- (1) Online logins to curriculum or programs;
- (2) Offline activities;
- (3) Completed assignments within a particular program, curriculum, or class;
- (4) Testing;
- (5) Face-to-face communications or meetings with school staff or service providers;
- (6) Telephone or video conferences with school staff or service providers;
- (7) Other documented communication with school staff or service providers related to school curriculum or programs.

(B)(1) Each internet- or computer-based community school's attendance policy adopted in accordance with division (A)(6)(b) of section 3314.03 of the Revised Code shall specify that a student is considered in attendance at the school when the student satisfies either of the following conditions:

(a) The student participates in at least ninety per cent of the hours of instructional activities offered by the school in that school year;

(b) The student is on pace for on-time completion of any course in which the student is enrolled. The school's attendance policy shall define "on pace for on-time completion" for purposes of division (B)(1)(b) of this section.

(2) If a student is not considered in attendance under division (B)(1) of this section, the student shall be considered absent for those hours of instructional activities offered by the school in that school year in which the student does not participate.

(3) In the event that a student has thirty or more hours of unexcused absences in any semester, the internet- or computer-based community school in which the student is enrolled shall submit a written report to the student's parent, guardian, or custodian.

(C) Notwithstanding section 3321.191 of the Revised Code, each internet- or computer-based community school shall develop and adopt a policy regarding failure to participate in instructional activities. The policy shall state that a student shall become subject to certain consequences, including disenrollment from the school, if both of the following conditions are satisfied:

(1) After the student's parent, guardian, or custodian receives a written report under division (B)(2) of this section, the student fails to comply with the policy adopted under division (C) of this section within a reasonable period of time specified by the school;

(2) Other intervention strategies contained in the policy adopted under division (C) of this section fail to cause a student's attendance to comply with the policy.

(D) If an internet- or computer-based community school disenrolled a student pursuant to a policy adopted under division (C) of this section, the student shall not be eligible to re-enroll in that school for the remainder of the school year in which the student is disenrolled. This division does not prohibit a disenrolled student from enrolling in another internet- or computer-based community school.

(E) If an internet- or computer-based community school disenrolls a student pursuant to a policy adopted under division (C) of this section, the school shall do both of the following:

(1) Provide the student's parent, guardian, or custodian with a list of alternative educational options available to the student;

(2) Within forty-eight hours of the student's disenrollment, notify the student's resident school district in writing.

(F) Nothing in this section shall be construed to affect the procedure for automatically withdrawing a student from school that must be adopted as part of a school's attendance policy in accordance with division (A)(6)(b) of section 3314.03 of the Revised Code.

Sec. 3314.29. (A) This section applies to any internet- or computer-based community school that meets all of the following conditions:

(1) Serves all of grades kindergarten through twelve;

(2) Has an enrollment of at least two thousand students;

(3) Has a sponsor that was not rated ineffective or poor on its most recent evaluation under section 3314.016 of the Revised Code.

(B) Beginning with the 2018-2019 school year, the governing authority of a community school to which this section applies may adopt a resolution to divide the school into two or three separate schools as follows:

(1) If the school is divided into two schools, one school shall serve grades kindergarten through eight and one school shall serve grades nine through twelve.

(2) If the school is divided into three schools, one school shall serve grades kindergarten through five, one school shall serve grades six through eight, and one school shall serve grades nine through twelve.

(C) The resolution adopted by the governing authority shall not be effective unless approved by the school's sponsor. Following approval of the resolution by the sponsor, and by the fifteenth day of March prior to the school year in which it will take effect, the governing authority shall file the resolution with the department of education and workforce. The division of the schools shall be effective on the first day of July succeeding the date the resolution is filed with the department.

(D) All of the following shall apply to each new school created as a result of the resolution authorized by this section and to the school that is divided as a result of the resolution:

(1) Each school shall have the same governing authority.

(2) The sponsor and governing authority shall enter into a separate contract under section 3314.03 of the Revised Code for each school.

(3) No school shall ~~primarily serve students enrolled in~~ be a dropout prevention and recovery ~~program operated by the school~~ community school.

(4) No school shall be permitted to divide again under this section.

(5) Notwithstanding anything to the contrary in division (B)(2) of section 3314.016 of the Revised Code, each school shall be included in the calculation of the academic performance component for purposes of rating the schools' sponsor under the evaluation system prescribed by that section.

(6) Each school shall be subject to the laws contained in Chapter 3314. of the Revised Code, except as otherwise specified in this section.

(E) The department shall issue a report card under section 3314.012 of the Revised Code for each new school created as a result of the resolution authorized by this section and for the school that is divided as a result of the resolution. For purposes of the report cards and other reporting requirements under this chapter, the department shall assign the school that serves the highest grades the same internal retrieval number previously used by the school that is divided under this section. The department shall assign a new internal retrieval number to each other school resulting from the division.

Notwithstanding division (A) of section 3314.012 of the Revised Code, the ratings a school receives on its report card for the first two full school years after the division under this section shall count toward closure of the school under section 3314.35 of the Revised Code and any other matter that is based on report card ratings or measures.

Sec. 3314.35. (A) Except as provided in division (B) of this section and section 3314.355 of the Revised Code, this section applies to any community school that meets one of the following criteria:

(1) The school does not offer a grade level higher than three and, for the three most recent school years, satisfies either of the following criteria:

(a) The school has received a performance rating of one star for early literacy under division (D)(3)(e) of section 3302.03 of the Revised Code;

(b) The school has received an overall performance rating of less than two stars under

division (D)(3) of section 3302.03 of the Revised Code.

(2) The school offers any of grade levels four to eight but does not offer a grade level higher than nine and, for the three most recent school years, satisfies either of the following criteria:

(a) The school has received a performance rating of one star for both achievement under division (D)(3)(b) of section 3302.03 of the Revised Code and progress under division (D)(3)(c) of that section;

(b) The school has received an overall performance rating of less than two stars under division (D) of section 3302.03 of the Revised Code and a performance rating of one star for progress under division (D)(3)(c) of that section.

(3) The school offers any of grade levels ten to twelve and, for the three most recent school years, satisfies either of the following criteria:

(a) The school has received a performance rating of "one star" for achievement under division (D)(3)(b) of section 3302.03 of the Revised Code and has not met annual measurable objectives for gap closing under division (D)(3)(a) of that section, as determined by the department of education and workforce;

(b) The school has received an overall performance rating of less than two stars under division (D) of section 3302.03 of the Revised Code and a performance rating of one star for progress under division (D)(1)(b) of that section.

For purposes of division (A) of this section only, the department shall calculate the value-added progress dimension for a community school using assessment scores for only those students to whom the school has administered the achievement assessments prescribed by section 3301.0710 of the Revised Code for at least the two most recent school years but using value-added data from only the most recent school year.

(B) This section does not apply to either of the following:

(1) Any dropout prevention and recovery community school ~~in which a majority of the students are enrolled in a dropout prevention and recovery program that is operated by the school.~~ Rather, such schools shall be subject to closure only as provided in section 3314.351 of the Revised Code. However, prior to July 1, 2014, a community school in which a majority of the students are enrolled in a dropout prevention and recovery program shall be exempt from this section only if it has been granted a waiver under section 3314.36 of the Revised Code.

(2) Any community school in which a majority of the enrolled students are children with disabilities receiving special education and related services in accordance with Chapter 3323. of the Revised Code.

(C) Any community school to which this section applies shall permanently close at the conclusion of the school year in which the school first becomes subject to this section. The sponsor and governing authority of the school shall comply with all procedures for closing a community school adopted by the department under division (E) of section 3314.015 of the Revised Code. The governing authority of the school shall not enter into a contract with any other sponsor under section

3314.03 of the Revised Code after the school closes.

(D) Nothing in this section or in any other provision of the Revised Code prohibits the sponsor of a community school from exercising its option not to renew a contract for any reason or from terminating a contract prior to its expiration for any of the reasons set forth in section 3314.07 of the Revised Code.

Sec. 3314.351. (A) This section applies to any dropout prevention and recovery community school ~~in which a majority of the students are enrolled in a dropout prevention and recovery program~~. Except as provided in division (F) of this section, any such community school that has received a designation of "does not meet standards," as described in division (D)(1) of section 3314.017 of the Revised Code on the report card issued under that section, for the three most recent school years shall be subject to closure in accordance with this section.

(B) Not later than the first day of September in each school year, the department of education and workforce shall notify each school subject to closure under this section that the school must close not later than the thirtieth day of the following June.

A school so notified shall close as required.

(C) A school that opens on or after July 1, 2014, shall not be subject to closure under this section for its first two years of operation. A school that is in operation prior to July 1, 2014, shall not be subject to closure under this section until after August 31, 2016.

(D) The sponsor and governing authority of the school shall comply with all procedures for closing a community school adopted by the department under division (E) of section 3314.015 of the Revised Code. The governing authority of the school shall not enter into a contract with any other sponsor under section 3314.03 of the Revised Code after the school closes.

(E) Nothing in this section or in any other provision of the Revised Code prohibits the sponsor of a community school from exercising its option not to renew a contract for any reason or from terminating a contract prior to its expiration for any of the reasons set forth in section 3314.07 of the Revised Code.

(F) Beginning in the 2019-2020 school year, no school shall be subject to closure under this section based on the report card issued for that school for the 2017-2018 or 2018-2019 school year if the school received an overall rating of "meets standards" or "exceeds standards" for the 2017-2018 or 2018-2019 school year pursuant to division (I) of section 3314.017 of the Revised Code. However, no school permanently closed under this section prior to the 2019-2020 school year shall be eligible to reopen based on the calculated or recalculated ratings under division (I) of section 3314.017 of the Revised Code.

Sec. 3314.36. (A) Section 3314.35 of the Revised Code does not apply to any dropout prevention and recovery community school ~~in which a majority of the students are enrolled in a dropout prevention and recovery program that is operated by the school and that has been granted a waiver by the former department of education prior to July 1, 2014.~~

(B) All dropout prevention and recovery community schools ~~in which a majority of the~~

~~students are enrolled in a dropout prevention and recovery program~~ are subject to the provisions of section 3314.351 of the Revised Code, regardless of whether a waiver has been granted under this section prior to July 1, 2014. Thereafter, no waivers shall be granted under this section.

Sec. 3314.361. ~~Notwithstanding anything to the contrary in this chapter, a~~ A community school that operates a drug recovery program in cooperation with a court shall be considered a dropout prevention and recovery ~~program~~ community school for purposes of this chapter, ~~regardless of the ages of students or grade levels served by the school and shall comply with all enrollment restrictions applicable to such a school.~~

Sec. 3314.362. Notwithstanding division (A)(10) of section 3314.02 of the Revised Code, a community school that primarily serves students enrolled in a dropout prevention and recovery program may continue to operate in the 2025-2026 and 2026-2027 school years without complying with that division and shall be considered a dropout prevention and recovery community school for the purposes of Title XXXIII of the Revised Code for those school years.

Notwithstanding anything in the Revised Code to the contrary, beginning July 1, 2027, any community school that primarily serves students enrolled in a dropout prevention and recovery program is a dropout prevention and recovery community school, as defined in division (A)(10) of section 3314.02 of the Revised Code. Prior to that date, the school, upon approval of the school's sponsor, shall do one or both of the following with any grades that do not comply with division (A)(10) of section 3314.02 of the Revised Code:

(A) Transfer those grades to a separate community school. The department of education and workforce shall assign the separate community school its own internal retrieval number.

(B) Cease offering those grades.

The school shall assist students who are not eligible to enroll in the dropout prevention and recovery community school to transfer to a separate community school or enroll in a different school, as applicable.

Sec. 3314.38. (A) As used in this section:

(1) "Competency-based educational program" and "eligible individual" have the same meanings as in section 3313.902 of the Revised Code.

(2) "Eligible provider" means a community school that operates a dropout prevention and recovery program.

(B) An eligible provider may establish a competency-based educational program that complies with standards adopted by the department of education and workforce and may enroll eligible individuals in the program for up to three consecutive school years for the purpose of earning a high school diploma. The provider shall establish a career plan for each individual enrolled in the program that specifies the individual's career goals and describes how the individual will demonstrate competency or earn course credits under division (C) of section 3313.902 of the Revised Code to earn a diploma and attain the individual's career goals. Notwithstanding sections 3313.61, 3313.611, 3313.613, 3313.614, 3313.618, and 3313.619 of the Revised Code, the

department shall award a high school diploma to an individual enrolled in a program who satisfies one of the conditions specified in division (C) of section 3313.902 of the Revised Code.

(C) An eligible provider shall report each individual enrolled in a program under division (B) of this section to the department. This report shall be in addition to the report required under division (B) of section 3314.08 of the Revised Code. The department annually shall certify the enrollment and attendance of each individual reported under this division and shall pay the provider up to \$7,500 per school year, as determined by the department based on the extent of the individual's successful completion of the diploma requirements prescribed in division (C) of section 3313.902 of the Revised Code.

(D) An eligible provider that enrolls individuals under division (B) of this section is subject to the requirements of section 3313.902 of the Revised Code, as applicable.

Sec. 3314.381. (A) ~~As used in this section, "dropout recovery community school" has the same meaning as in section 3319.301 of the Revised Code.~~

~~(B)~~ The department of education and workforce shall establish the dropout prevention and recovery advisory council. The council shall provide a forum for communication and collaboration between the department and parties involved in the establishment and operation of dropout prevention and recovery community schools, including sponsors and operators.

~~(C)~~(B) The advisory council shall consist of the following members appointed by the director of education and workforce:

- (1) Two members of the state board of education;
- (2) One employee of the department who works directly with dropout prevention and recovery community schools, including any employee who works as a liaison with such schools;
- (3) Seven individuals with experience in dropout prevention and recovery community schools, their operators, and their sponsors. In appointing these individuals, the director shall ensure they represent a diverse array of schools in terms of enrollment, programs, learning models, and methods of instruction.

~~(D)~~(C) The advisory council shall, in collaboration with the director, review all existing rules and guidance previously developed or adopted by the department pursuant to division ~~(D)~~(C) of section 3314.382 of the Revised Code.

Sec. 3314.382. (A) ~~As used in this section, "dropout recovery community school" has the same meaning as in section 3319.301 of the Revised Code.~~

~~(B)~~ Notwithstanding anything to the contrary in the Revised Code, the department of education and workforce shall only adopt rules in accordance with Chapter 119. of the Revised Code for any requirement to be imposed on a dropout prevention and recovery community school. The department shall not develop guidelines that impose requirements on the general and uniform operation of a dropout prevention and recovery community school.

~~(C)~~(B) Pursuant to section 119.035 of the Revised Code, prior to adoption, the dropout prevention and recovery advisory council established under section 3314.381 of the Revised Code

shall review any proposed rule described in division ~~(B)~~(A) of this section.

~~(D)~~(C) Any guidance document previously developed by the department that establishes general and uniform operations regarding a dropout recovery community school in effect on ~~the effective date of this section~~ October 3, 2023, is void after that date.

Sec. 3315.063. No board of education of any school district shall expend more than fifteen per cent of the board's annual operating budget on administrative salaries and benefits and other costs associated with the district's administrative offices.

Sec. 3315.18. (A) The board of education of each city, exempted village, local, and joint vocational school district shall establish a capital and maintenance fund. Each board annually shall deposit into that fund an amount derived from revenues received by the district that would otherwise have been deposited in the general fund that is equal to three per cent of the statewide average base cost per pupil for the preceding fiscal year, as defined in section 3317.02 of the Revised Code, ~~or another percentage if established by the auditor of state under division (B) of this section~~, multiplied by the district's student population for the preceding fiscal year, except that money received from a permanent improvement levy authorized by section 5705.21 of the Revised Code may replace general revenue moneys in meeting the requirements of this section. Money in the fund shall be used solely for acquisition, replacement, enhancement, maintenance, or repair of permanent improvements, as that term is defined in section 5705.01 of the Revised Code. Any money in the fund that is not used in any fiscal year shall carry forward to the next fiscal year.

(B) The director of education and workforce and the auditor of state jointly shall adopt rules in accordance with Chapter 119. of the Revised Code defining what constitutes expenditures permitted by division (A) of this section. ~~The auditor of state may designate a percentage, other than three per cent, of the statewide average base cost per pupil multiplied by the district's student population that must be deposited into the fund.~~

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

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

(2) Notwithstanding division (A) of this section, in any fiscal year that a school district is either in fiscal watch status, as declared pursuant to section 3316.03 of the Revised Code, or in fiscal

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

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

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

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

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

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

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

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

Sec. 3315.181. As used in this section, "securities" has the same meaning as in section 133.01 of the Revised Code.

Notwithstanding division (A) of section 3315.18 of the Revised Code, the board of education

of a city, exempted village, local, or joint vocational school district, in meeting the amount required by that division to be deposited in the district's capital and maintenance fund, may replace general fund revenues with proceeds received from a permanent improvement levy authorized by section 5705.21 of the Revised Code only to the extent the proceeds are available to be used for the acquisition, replacement, enhancement, maintenance, or repair of permanent improvements as defined in section 5705.01 of the Revised Code. In addition, the board may replace general fund revenues with proceeds received from any of the following sources in meeting the amount required by that division to be deposited in the fund:

(A) Proceeds received from any securities whose use is limited to the acquisition, replacement, enhancement, maintenance, or repair of permanent improvements;

(B) Insurance proceeds received as a result of the damage to or theft or destruction of a permanent improvement to the extent a board of education places the proceeds in a separate fund for the acquisition, replacement, enhancement, maintenance, or repair of permanent improvements;

(C) Proceeds received from the sale of a permanent improvement to the extent the proceeds are paid into a separate fund for the construction or acquisition of permanent improvements;

(D) Proceeds received from a tax levy authorized by section 3318.06 of the Revised Code to the extent the proceeds are available to be used for the maintenance of capital facilities;

(E) Proceeds of certificates of participation issued as part of a lease-purchase agreement entered into under section 3313.375 of the Revised Code;

(F) Proceeds of any school district income tax levied under Chapter 5748. of the Revised Code for permanent improvements, to the extent the proceeds are available for the acquisition, replacement, enhancement, maintenance, or repair of permanent improvements;

~~(G) Any other revenue source identified by the auditor of state, in consultation with the department of education and workforce, in rules adopted by the auditor of state.~~

Sec. 3316.031. (A) The director of education and workforce, in consultation with the auditor of state, shall develop guidelines for identifying fiscal practices and budgetary conditions that, if uncorrected, could result in a future declaration of a fiscal watch or fiscal emergency within a school district.

The guidelines shall not include a requirement that a school district submit financial statements according to generally accepted accounting principles.

(B)(1) If the director determines from a school district's five-year current budget information and three-year forecast submitted under section 5705.391 of the Revised Code that a district is engaging in any of those practices or that any of those conditions exist within the district, after consulting with the district board of education concerning the practices or conditions, the director may declare the district to be under a fiscal caution.

(2) If the auditor of state finds that a district is engaging in any of those practices or that any of those conditions exist within the district, the auditor of state shall report that finding to the director and, after consulting with the district board of education concerning the practices or

conditions, the director may declare the district to be under a fiscal caution.

(3) Unless the auditor of state has elected to declare a state of fiscal watch under division (A)(4) of section 3316.03 of the Revised Code, the director shall declare a school district to be under a fiscal caution if the conditions described in divisions (A)(4)(a) and (b) of that section are both satisfied with respect to the school district.

(C) When the director declares a district to be under fiscal caution, the director shall promptly notify the district board of education of that declaration and shall request the board to provide written proposals for discontinuing or correcting the fiscal practices or budgetary conditions that prompted the declaration and for preventing the district from experiencing further fiscal difficulties that could result in the district being declared to be in a state of fiscal watch or fiscal emergency.

(D) The director, or a designee, may visit and inspect any district that is declared to be under a fiscal caution. The department of education and workforce shall provide technical assistance to the district board in implementing proposals to eliminate the practices or budgetary conditions that prompted the declaration of fiscal caution and may make recommendations concerning the board's proposals.

(E) If the director finds that a school district declared to be under a fiscal caution has not made reasonable proposals or otherwise taken action to discontinue or correct the fiscal practices or budgetary conditions that prompted the declaration of fiscal caution, and if the director considers it necessary to prevent further fiscal decline, the director may determine that the district should be in a state of fiscal watch. As provided in division (A)(3) of section 3316.03 of the Revised Code, the auditor of state shall declare the district to be in a state of fiscal watch if the auditor of state finds the director's determination to be reasonable.

Rm Sec. 3316.041. (A) Notwithstanding any provision of Chapter 133. or sections 3313.483 to 3313.4810 of the Revised Code, and subject to the approval of the director of education and workforce, a school district that is in a state of fiscal watch declared under section 3316.03 of the Revised Code may restructure or refinance loans obtained or in the process of being obtained under section 3313.483 of the Revised Code if all of the following requirements are met:

(1) The operating deficit certified for the school district for the current or preceding fiscal year under section 3313.483 of the Revised Code exceeds fifteen per cent of the district's general revenue fund for the fiscal year preceding the year for which the certification of the operating deficit is made.

(2) The school district voters have, during the period of the fiscal watch, approved the levy of a tax under section 718.09, 718.10, 5705.194, 5705.21, 5748.02, or 5748.09 of the Revised Code that is not a renewal or replacement levy, or a levy under section 5705.199 of the Revised Code, and that will provide new operating revenue.

(3) The board of education of the school district has adopted or amended the financial plan required by section 3316.04 of the Revised Code to reflect the restructured or refinanced loans, and

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disapproved.

JUNE 30, 2025
Date: _____

Mike DeWine

Mike DeWine, Governor

sets forth the means by which the district will bring projected operating revenues and expenditures, and projected debt service obligations, into balance for the life of any such loan.

(B) Subject to the approval of the director, the school district may issue securities to evidence the restructuring or refinancing authorized by this section. Such securities may extend the original period for repayment not to exceed ten years, and may alter the frequency and amount of repayments, interest or other financing charges, and other terms or agreements under which the loans were originally contracted, provided the loans received under sections 3313.483 of the Revised Code are repaid from funds the district would otherwise receive under Chapter 3317. of the Revised Code, as required under division (E)(3) of section 3313.483 of the Revised Code. Securities issued for the purpose of restructuring or refinancing under this section shall be repaid in equal payments and at equal intervals over the term of the debt and are not eligible to be included in any subsequent proposal to restructure or refinance.

(C) Unless the district is declared to be in a state of fiscal emergency under division (D) of section 3316.04 of the Revised Code, a school district shall remain in a state of fiscal watch for the duration of the repayment period of any loan restructured or refinanced under this section.

Sec. 3316.043. Upon the approval by the director of education and workforce of an initial financial plan under section 3316.04 of the Revised Code or a financial recovery plan under section 3316.06 of the Revised Code, the board of education of the school district for which the plan was approved shall revise the district's five-year current budget information and three-year projection of revenues and expenditures in accordance with rules adopted under section 5705.391 of the Revised Code so that the five-year current budget information and -three-year projection is-are consistent with the financial plan or financial recovery plan. In the case of a school district declared to be in a state of fiscal emergency, the five-year current budget information and -three-year projection shall be revised by the financial planning and supervision commission for that district.

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

(1) Actions to be taken to:

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

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

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

(d) Restore to special funds any moneys from such funds that were used for purposes not

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disapproved.

JUNE 30, 2025

Date:



Mike DeWine, Governor

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

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

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

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

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

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

(4) The amount and purpose of any issue of debt obligations that will be issued, together with assurances that any such debt obligations that will be issued will not exceed debt limits supported by appropriate certifications by the fiscal officer of the school district and the county auditor. If the commission considers it necessary in order to maintain or improve educational opportunities of pupils in the school district, the plan may include a proposal to restructure or refinance outstanding debt obligations incurred by the board under section 3313.483 of the Revised Code contingent upon the approval, during the period of the fiscal emergency, by district voters of a tax levied under section 718.09, 718.10, 5705.194, 5705.21, 5748.02, 5748.08, or 5748.09 of the Revised Code that is not a renewal ~~or replacement~~ levy, or a levy under section 5705.199 of the Revised Code, and that will provide new operating revenue. Notwithstanding any provision of Chapter 133. or sections 3313.483 to 3313.4810 of the Revised Code, following the required approval of the district voters and with the approval of the commission, the school district may issue securities to evidence the restructuring or refinancing. Those securities may extend the original period for repayment, not to exceed ten years, and may alter the frequency and amount of repayments, interest or other financing charges, and other terms of agreements under which the debt originally was contracted, at the discretion of the commission, provided that any loans received pursuant to section 3313.483 of the Revised Code shall be paid from funds the district would

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otherwise receive under Chapter 3317. of the Revised Code, as required under division (E)(3) of section 3313.483 of the Revised Code. The securities issued for the purpose of restructuring or refinancing the debt shall be repaid in equal payments and at equal intervals over the term of the debt and are not eligible to be included in any subsequent proposal for the purpose of restructuring or refinancing debt under this section.

(5) An evaluation of the feasibility of entering into shared services agreements with other political subdivisions for the joint exercise of any power, performance of any function, or rendering of any service, if so authorized by statute.

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

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

Sec. 3316.08. During a school district's fiscal emergency period, the auditor of state shall determine annually, or at any other time upon request of the financial planning and supervision commission, whether the school district will incur an operating deficit. If the auditor of state determines that a school district will incur an operating deficit, the auditor of state shall certify that determination to the director of education and workforce, the financial planning and supervision commission, and the board of education of the school district. Upon receiving the auditor of state's certification, the commission shall adopt a resolution requesting that the board of education work with the county auditor or tax commissioner to estimate the amount and rate of a tax levy that is needed under section 5705.194, 5705.199, or 5705.21 or Chapter 5748. of the Revised Code to produce a positive fund balance not later than the ~~five~~^{third} year of the ~~five-year~~^{three-year} forecast submitted under section 5705.391 of the Revised Code.

The board of education shall recommend to the commission whether the board supports or opposes a tax levy under section 5705.194, 5705.199, or 5705.21 or Chapter 5748. of the Revised Code and shall provide supporting documentation to the commission of its recommendation.

After considering the board of education's recommendation and supporting documentation, the commission shall adopt a resolution to either submit a ballot question proposing a tax levy or not to submit such a question.

Except as otherwise provided in this division, the tax shall be levied in the manner prescribed for a tax levied under section 5705.194, 5705.199, or 5705.21 or under Chapter 5748. of the Revised Code. If the commission decides that a tax should be levied, the tax shall be levied for the purpose of paying current operating expenses of the school district. The rate of a property tax

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levied under section 5705.194, 5705.199, 5705.21, or 5748.09 of the Revised Code shall be determined by the county auditor, and the rate of an income tax levied under section 5748.02, 5748.08, or 5748.09 of the Revised Code shall be determined by the tax commissioner, upon the request of the commission. The commission, in consultation with the board of education, shall determine the election at which the question of the tax shall appear on the ballot, and the commission shall submit a copy of its resolution to the board of elections not later than ninety days prior to the day of that election. The board of elections conducting the election shall certify the results of the election to the board of education and to the financial planning and supervision commission.

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

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

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

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

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

(B) The determination that all conditions listed in division (A) of this section for the termination of the existence of the commission and its functions exist may be made either by the auditor of state or by the commission and shall be certified to the commission, the auditor of state, the governor, the director of budget and management, and the budget commission, whereupon such commission and its functions under this chapter shall terminate. This determination shall be made by the auditor of state upon the filing with the auditor of state of a written request for such a determination by the school district board, the governor, or the commission, or may be made by the auditor of state upon the auditor of state's own initiative.

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

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

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

Sec. 3317.01. As used in this section, "school district," unless otherwise specified, means any city, local, exempted village, joint vocational, or cooperative education school district and any educational service center.

This chapter shall be administered by the department of education and workforce. The department of education and workforce shall calculate the amounts payable to each school district and shall certify the amounts payable to each eligible district to the treasurer of the district as provided by this chapter. Certification of moneys pursuant to this section shall include the amounts payable to each school building, at a frequency determined by the department, for each subgroup of students, as defined in section 3317.40 of the Revised Code, receiving services, provided for by state funding, from the district or school. No moneys shall be distributed pursuant to this chapter without the approval of the controlling board.

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

Moneys distributed to school districts pursuant to this chapter shall be calculated based on the annual enrollment calculated from the three reports required under ~~sections~~ section 3317.03 and 3317.036 of the Revised Code and paid on a fiscal year basis, beginning with the first day of July and extending through the thirtieth day of June. In any given fiscal year, prior to school districts submitting the first report required under section 3317.03 of the Revised Code, enrollment for the districts shall be calculated based on the third report submitted by the districts for the previous fiscal year. The moneys appropriated for each fiscal year shall be distributed periodically to each school district unless otherwise provided for. The department, in June of each year, shall submit to the controlling board the department's year-end distributions pursuant to this chapter.

Except as otherwise provided, payments under this chapter shall be made only to those school districts in which:

(A) The school district, except for any educational service center and any joint vocational or cooperative education school district, levies for current operating expenses at least twenty mills, unless the school district is levying less than that amount due to the operation of section 5705.316 or 5705.32 of the Revised Code. Levies for joint vocational or cooperative education school districts or county school financing districts, limited to or to the extent apportioned to current expenses, shall be included in this qualification requirement. School district income tax levies under Chapter 5748. of the Revised Code, limited to or to the extent apportioned to current operating expenses, shall be

The above boxed and initialed text was disapproved.

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included in this qualification requirement to the extent determined by the tax commissioner under division (C) of section 3317.021 of the Revised Code.

(B) The school year next preceding the fiscal year for which such payments are authorized meets the requirement of section 3313.48 of the Revised Code, with regard to the minimum number of hours school must be open for instruction with pupils in attendance, for individualized parent-teacher conference and reporting periods, and for professional meetings of teachers.

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

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

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

Sec. 3317.011. This section shall apply only for fiscal years ~~2024-2026~~ and ~~2025-2027~~.

(A) As used in this section:

(1) "Average administrative assistant salary" means the average salary of administrative assistants employed by city, local, and exempted village school districts in this state with salaries greater than \$20,000 but less than \$65,000, using fiscal year 2022 data, as determined by the department of education and workforce.

(2) "Average bookkeeping and accounting employee salary" means the average salary of bookkeeping employees and accounting employees employed by city, local, and exempted village school districts in this state with salaries greater than \$20,000 but less than \$80,000, using fiscal year 2022 data, as determined by the department.

(3) "Average clerical staff salary" means the average salary of clerical staff employed by city, local, and exempted village school districts in this state with salaries greater than \$15,000 but less than \$50,000, using fiscal year 2022 data, as determined by the department.

(4) "Average counselor salary" means the average salary of counselors employed by city, local, and exempted village school districts in this state with salaries greater than \$30,000 but less than \$95,000, using fiscal year 2022 data, as determined by the department.

(5) "Average education management information system support employee salary" means the average salary of accounting employees employed by city, local, and exempted village school districts in this state with salaries greater than \$30,000 but less than \$90,000, using fiscal year 2022 data, as determined by the department.

(6) "Average librarian and media staff salary" means the average salary of librarians and

media staff employed by city, local, and exempted village school districts in this state with salaries greater than \$30,000 but less than \$95,000, using fiscal year 2022 data, as determined by the department.

(7) "Average other district administrator salary" means the average salary of all assistant superintendents and directors employed by city, local, and exempted village school districts in this state with salaries greater than \$50,000 but less than \$135,000, using fiscal year 2022 data, as determined by the department.

(8) "Average principal salary" means the average salary of all principals employed by city, local, and exempted village school districts in this state with salaries greater than \$50,000 but less than \$120,000, using fiscal year 2022 data, as determined by the department.

(9) "Average superintendent salary" means the average salary of all superintendents employed by city, local, and exempted village school districts in this state with salaries greater than \$60,000 but less than \$180,000, using fiscal year 2022 data, as determined by the department.

(10) "Average teacher cost" for a fiscal year is equal to the sum of the following:

(a) The average salary of teachers employed by city, local, and exempted village school districts in this state with salaries greater than \$30,000 but less than \$95,000, using fiscal year 2022 data, as determined by the department;

(b) An amount for teacher benefits equal to 0.16 times the average salary calculated under division (A)(10)(a) of this section;

(c) An amount for district-paid insurance costs equal to the following product:

The statewide weighted average employer-paid monthly premium based on data reported by city, local, and exempted village school districts to the state employment relations board for the health insurance survey conducted in accordance with divisions (K)(5) and (6) of section 4117.02 of the Revised Code using fiscal year 2022 data X 12

(11) "Eligible school district" means a city, local, or exempted village school district that satisfies one of the following:

(a) The district is a member of an organization that regulates interscholastic athletics.

(b) The district has teams in at least three different sports that participate in an interscholastic league.

(B) When calculating a district's aggregate base cost under this section, the department shall use data from fiscal year 2022 for all of the following:

(1) The average salaries determined under divisions (A)(1), (2), (3), (4), (5), (6), (7), (8), (9), and (10)(a) of this section;

(2) The amount for teacher benefits determined under division (A)(10)(b) of this section;

(3) The district-paid insurance costs determined under division (A)(10)(c) of this section;

(4) The spending determined under divisions (E)(4)(a), (E)(5)(a), (E)(6)(a), and (H)(1) of this section and the corresponding student counts determined under divisions (E)(4)(b), (E)(5)(b), (E)(6)(b), and (H)(2) of this section;

(5) The information determined under division (G)(3) of this section.

(C) A city, local, or exempted village school district's aggregate base cost for a fiscal year shall be equal to the following sum:

(The district's teacher base cost for that fiscal year computed under division (D) of this section) + (the district's student support base cost for that fiscal year computed under division (E) of this section) + (the district's leadership and accountability base cost for that fiscal year computed under division (F) of this section) + (the district's building leadership and operations base cost for that fiscal year computed under division (G) of this section) + (the athletic co-curricular activities base cost for that fiscal year computed under division (H) of this section, if the district is an eligible school district)

(D) The department shall compute a district's teacher base cost for a fiscal year as follows:

(1) Calculate the district's classroom teacher cost for that fiscal year as follows:

(a) Determine the full-time equivalency of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in kindergarten and divide that number by 20;

(b) Determine the full-time equivalency of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in grades one through three and divide that number by 23;

(c) Determine the full-time equivalency of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in grades four through eight but are not enrolled in a career-technical education program or class described under section 3317.014 of the Revised Code and divide that number by 25;

(d) Determine the full-time equivalency of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in grades nine through twelve but are not enrolled in a career-technical education program or class described under section 3317.014 of the Revised Code and divide that number by 27;

(e) Determine the full-time equivalency of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in a career-technical education program or class, as certified under divisions (B)(11), (12), (13), (14), and (15) of section 3317.03 of the Revised Code, and divide that number by 18;

(f) Compute the sum of the quotients obtained under divisions (D)(1)(a), (b), (c), (d), and (e) of this section;

(g) Compute the classroom teacher cost by multiplying the average teacher cost for that fiscal year by the sum computed under division (D)(1)(f) of this section.

(2) Calculate the district's special teacher cost for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 150;

(b) If the quotient obtained under division (D)(2)(a) of this section is greater than 6, the special teacher cost shall be equal to that quotient multiplied by the average teacher cost for that fiscal year.

(c) If the quotient obtained under division (D)(2)(a) of this section is less than or equal to 6,

the special teacher cost shall be equal to 6 multiplied by the average teacher cost for that fiscal year.

(3) Calculate the district's substitute teacher cost for that fiscal year in accordance with the following formula:

(a) Compute the substitute teacher daily rate with benefits by multiplying the substitute teacher daily rate of \$90 by 1.16;

(b) Compute the substitute teacher cost in accordance with the following formula:

[The sum computed under division (D)(1)(f) of this section + (the greater of the quotient obtained under division (D)(2)(a) of this section and 6)] X the amount computed under division (D)(3)(a) of this section X 5

(4) Calculate the district's professional development cost for that fiscal year in accordance with the following formula:

[The sum computed under division (D)(1)(f) of this section + (the greater of the quotient obtained under division (D)(2)(a) of this section and 6)] X [(the sum of divisions (A)(10)(a) and (b) of this section for that fiscal year)/180] X 4

(5) Calculate the district's teacher base cost for that fiscal year, which equals the sum of divisions (D)(1), (2), (3), and (4) of this section.

(E) The department shall compute a district's student support base cost for a fiscal year as follows:

(1) Calculate the district's guidance counselor cost for that fiscal year as follows:

(a) Determine the number of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in grades nine through twelve and divide that number by 360;

(b) Compute the counselor cost in accordance with the following formula:

(The greater of the quotient obtained under division (E)(1)(a) of this section and 1) X [(the average counselor salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of this section for that fiscal year]

(2) Calculate the district's librarian and media staff cost for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 1,000;

(b) Compute the librarian and media staff cost in accordance with the following formula:

The quotient obtained under division (E)(2)(a) of this section X [(the average librarian and media staff salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of this section for that fiscal year]

(3) Calculate the district's staffing cost for student wellness and success for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 250;

(b) Compute the staffing cost for student wellness and success in accordance with the following formula:

(The greater of the quotient obtained under division (E)(3)(a) of this section and 5) X [(the average counselor salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of this section for that fiscal year]

(4) Calculate the district's academic co-curricular activities cost for that fiscal year as follows:

(a) Determine the total amount of spending for academic co-curricular activities reported by city, local, and exempted village school districts to the department using fiscal year 2022 data;

(b) Determine the sum of the enrolled ADM of every school district in the state using fiscal year 2022 data as specified under division (E)(4)(a) of this section;

(c) Compute the academic co-curricular activities cost in accordance with the following formula:

(The amount determined under division (E)(4)(a) of this section / the sum determined under division (E)(4)(b) of this section) X the district's base cost enrolled ADM for the fiscal year for which the academic co-curricular activities cost is computed

(5) Calculate the district's building safety and security cost for that fiscal year as follows:

(a) Determine the total amount of spending for building safety and security reported by city, local, and exempted village school districts to the department using fiscal year 2022 data;

(b) Determine the sum of the enrolled ADM of every school district in the state that reported the data specified under division (E)(5)(a) of this section using fiscal year 2022 data;

(c) Compute the building safety and security cost in accordance with the following formula:

(The amount determined under division (E)(5)(a) of this section / the sum determined under division (E)(5)(a) of this section) X the district's base cost enrolled ADM for the fiscal year for which the building safety and security cost is computed

(6) Calculate the district's supplies and academic content cost for that fiscal year as follows:

(a) Determine the total amount of spending for supplies and academic content, excluding supplies for transportation and maintenance, reported by city, local, and exempted village school districts to the department using fiscal year 2022 data;

(b) Determine the sum of the enrolled ADM of every school district in the state using fiscal year 2022 data as specified under division (E)(6)(a) of this section;

(c) Compute the supplies and academic content cost in accordance with the following formula:

(The amount determined under division (E)(6)(a) of this section / the sum determined under division (E)(6)(b) of this section) X the district's base cost enrolled ADM for the fiscal year for which the supplies and academic content cost is computed

(7) Calculate the district's technology cost for that fiscal year in accordance with the following formula:

$\$37.50 \times$ the district's base cost enrolled ADM for that fiscal year

(8) Calculate the district's student support base cost for that fiscal year, which equals the sum of divisions (E)(1), (2), (3), (4), (5), (6), and (7) of this section.

(F) The department shall compute a district's leadership and accountability base cost for a fiscal year as follows:

(1) Calculate the district's superintendent cost for that fiscal year as follows:

(a) If the district's base cost enrolled ADM for that fiscal year is greater than 4,000, then the district's superintendent cost shall be equal to $[(\$160,000 \times 1.16) + \text{the amount specified under division (A)(10)(c) of this section for that fiscal year}]$.

(b) If the district's base cost enrolled ADM for that fiscal year is less than or equal to 4,000 but greater than or equal to 500, the district's superintendent cost shall be equal to the sum of the following:

(i) $(\text{The district's base cost enrolled ADM for that fiscal year} - 500) \times \{[(\$160,000 \times 1.16) - (\$80,000 \times 1.16)]/3500\}$;

(ii) $(\$80,000 \times 1.16) + \text{the amount specified under division (A)(10)(c) of this section for that fiscal year}$.

(c) If the district's base cost enrolled ADM is less than 500, then the district's superintendent cost shall be equal to $[(\$80,000 \times 1.16) + \text{the amount specified under division (A)(10)(c) of this section for that fiscal year}]$.

(2) Calculate the district's treasurer cost for that fiscal year as follows:

(a) If the district's base cost enrolled ADM for that fiscal year is greater than 4,000, then the district's treasurer cost shall be equal to $[(\$130,000 \times 1.16) + \text{the amount specified under division (A)(10)(c) of this section for that fiscal year}]$.

(b) If the district's base cost enrolled ADM for that fiscal year is less than or equal to 4,000 but greater than or equal to 500, the district's treasurer cost shall be equal to the sum of the following:

(i) $(\text{The district's base cost enrolled ADM for that fiscal year} - 500) \times \{[(\$130,000 \times 1.16) - (\$60,000 \times 1.16)]/3500\}$;

(ii) $(\$60,000 \times 1.16) + \text{the amount specified under division (A)(10)(c) of this section for that fiscal year}$.

(c) If the district's base cost enrolled ADM is less than 500, then the district's treasurer cost shall be equal to $[(\$60,000 \times 1.16) + \text{the amount specified under division (A)(10)(c) of this section for that fiscal year}]$.

(3) Calculate the district's other district administrator cost for that fiscal year as follows:

(a) Divide the average other district administrator salary for that fiscal year by the average superintendent salary for that fiscal year;

(b) Divide the district's base cost enrolled ADM for that fiscal year by 750;

(c) Compute the other district administrator cost in accordance with the following formula:

{[(The district's superintendent cost for that fiscal year calculated under division (F)(1) of this section - the amount specified under division (A)(10)(c) of this section for that fiscal year) X the quotient obtained under division (F)(3)(a) of this section] + the amount specified under division (A)(10)(c) of this section} X (the greater of the quotient obtained under division (F)(3)(b) of this section and 2)

(4) Calculate the district's fiscal support cost for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 850;

(b) Determine the lesser of the following:

(i) The maximum of the quotient obtained under division (F)(4)(a) of this section and 2;

(ii) 35.

(c) Compute the fiscal support cost in accordance with the following formula:

The number obtained under division (F)(4)(b) of this section X [(the average bookkeeping and accounting employee salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of this section for that fiscal year]

(5) Calculate the district's education management information system support cost for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 5,000;

(b) Compute the education management information system support cost in accordance with the following formula:

(The greater of the quotient obtained under division (F)(5)(a) of this section and 1) X [(the average education management information system support employee salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of this section for that fiscal year]

(6) Calculate the district's leadership support cost for that fiscal year as follows:

(a) Determine the greater of the quotient obtained under division (F)(3)(b) of this section and 2, and add 1 to that number;

(b) Divide the number obtained under division (F)(6)(a) of this section by 3;

(c) Compute the leadership support cost in accordance with the following formula:

(The greater of the quotient obtained under division (F)(6)(b) of this section and 1) X [(the average administrative assistant salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of this section for that fiscal year]

(7) Calculate the district's information technology center support cost for that fiscal year in accordance with the following formula:

\$31 X the district's base cost enrolled ADM for that fiscal year

(8) Calculate the district's district leadership and accountability base cost for that fiscal year, which equals the sum of divisions (F)(1), (2), (3), (4), (5), (6), and (7) of this section.

(G) The department shall compute a district's building leadership and operations base cost

for a fiscal year as follows:

(1) Calculate the district's building leadership cost for that fiscal year as follows:

(a) Divide the average principal salary for that fiscal year by the average superintendent salary for that fiscal year;

(b) Divide the district's base cost enrolled ADM for that fiscal year by 450;

(c) Compute the building leadership cost in accordance with the following formula:

$$\{[(\text{The district's superintendent cost for that fiscal year calculated under division (F)(1) of this section} - \text{the amount specified under division (A)(10)(c) of this section for that fiscal year}) \times \text{the quotient obtained under division (G)(1)(a) of this section}] + \text{the amount specified under division (A)(10)(c) of this section for that fiscal year}\} \times \text{the quotient obtained under division (G)(1)(b) of this section}$$

(2) Calculate the district's building leadership support cost for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 400;

(b) Determine the number of school buildings in the district for ~~that~~ the preceding fiscal year;

(c) Compute the building leadership support cost in accordance with the following formula:

(i) If the quotient obtained under division (G)(2)(a) of this section is less than the number obtained under division (G)(2)(b) of this section, then the district's building leadership support cost shall be equal to {the number obtained under division (G)(2)(b) of this section for that fiscal year X [(the average clerical staff salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of this section for that fiscal year]}.

(ii) If the quotient obtained under division (G)(2)(a) of this section is greater than or equal to the number obtained under division (G)(2)(b) of this section, then the district's building leadership support cost shall be equal to {[the lesser of (the number obtained under division (G)(2)(b) of this section X 3) and the quotient obtained under division (G)(2)(a) of this section] X [(the average clerical staff salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of this section for that fiscal year]}.

(3) Calculate the district's building operations cost for that fiscal year as follows:

(a) Determine both of the following:

(i) The average building square feet per pupil for all city, local, and exempted village school district buildings in the state;

(ii) The average cost per square foot for all city, local, and exempted village school district buildings in the state.

(b) Compute the building operations cost in accordance with the following formula:

The district's base cost enrolled ADM for that fiscal year X [(the number determined under division (G)(3)(a)(i) of this section X the number determined under division (G)(3)(a)(ii) of this section) - (the amount determined under division (E)(5)(a) of this section for that fiscal year/ the sum

determined under division (E)(5)(b) of this section for that fiscal year)]

(4) Calculate the district's building leadership and operations base cost for that fiscal year, which equals the sum of divisions (G)(1), (2), and (3) of this section.

(H) If a district is an eligible school district, the department shall compute the district's athletic co-curricular activities base cost for a fiscal year as follows:

(1) Determine the total amount of spending for athletic co-curricular activities reported by city, local, and exempted village school districts to the department for that fiscal year;

(2) Determine the sum of the enrolled ADM of every school district in the state for that fiscal year;

(3) Compute the district's athletic co-curricular activities base cost in accordance with the following formula:

(The amount determined under division (H)(1) of this section / the sum determined under division (H)(2) of this section) X the district's base cost enrolled ADM for the fiscal year for which the funds for athletic co-curricular activities are computed

Sec. 3317.012. This section shall apply only for fiscal years ~~2024-2026~~ and ~~2025-2027~~.

(A) As used in this section, "average administrative assistant salary," "average bookkeeping and accounting employee salary," "average clerical staff salary," "average counselor salary," "average education management information system support employee salary," "average librarian and media staff salary," "average other district administrator salary," "average principal salary," "average superintendent salary," and "average teacher cost" have the same meanings as in section 3317.011 of the Revised Code.

(B) When calculating a district's aggregate base cost under this section, the department shall use data from fiscal year 2022 for all of the following:

(1) The average salaries determined under divisions (A)(1), (2), (3), (4), (5), (6), (7), (8), (9), and (10)(a) of section 3317.011 of the Revised Code;

(2) The amount for teacher benefits determined under division (A)(10)(b) of section 3317.011 of the Revised Code;

(3) The district-paid insurance costs determined under division (A)(10)(c) of section 3317.011 of the Revised Code;

(4) Spending determined under divisions (E)(4)(a), (E)(5)(a), and (H)(1) of section 3317.011 of the Revised Code and the corresponding student counts determined under divisions (E)(4)(b), (E)(5)(b), and (H)(2) of that section;

(5) The information determined under division (G)(3) of section 3317.011 of the Revised Code.

(C) A joint vocational school district's aggregate base cost for a fiscal year shall be equal to the following sum:

The district's teacher base cost for that fiscal year computed under division (D) of this section + the

district's student support base cost for that fiscal year computed under division (E) of this section + the district's leadership and accountability base cost for that fiscal year computed under division (F) of this section + the district's building leadership and operations base cost for that fiscal year computed under division (G) of this section

(D) The department of education and workforce shall compute a district's teacher base cost for a fiscal year as follows:

(1) Calculate the district's classroom teacher cost for that fiscal year as follows:

(a) Determine the full-time equivalency of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in a career-technical education program or class, as certified under divisions (D)(2)(h), (i), (j), (k), and (l) of section 3317.03 of the Revised Code, and divide that number by 18;

(b) Determine the full-time equivalency of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in grades six through eight but are not enrolled in a career-technical education program or class described under section 3317.014 of the Revised Code and divide that number by 25;

(c) Determine the full-time equivalency of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in grades nine through twelve but are not enrolled in a career-technical education program or class described under section 3317.014 of the Revised Code and divide that number by 27;

(d) Compute the sum of the quotients obtained under divisions (D)(1)(a), (b), and (c) of this section;

(e) Compute the classroom teacher base cost by multiplying the average teacher cost for that fiscal year by the sum computed under division (D)(1)(d) of this section.

(2) Calculate the district's cost for that fiscal year for teachers providing health and physical education, instruction regarding employability and soft skills, development and coordination of internships and job placements, career-technical student organization activities, pre-apprenticeship and apprenticeship coordination, and any assessment related to career-technical education, including any nationally recognized job skills or end-of-course assessment, as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 150;

(b) If the quotient obtained under division (D)(2)(a) of this section is greater than 6, the teacher cost shall be equal to that quotient multiplied by the average teacher cost for that fiscal year.

(c) If the quotient obtained under division (D)(2)(a) of this section is less than or equal to 6, the teacher cost shall be equal to 6 multiplied by the average teacher cost for that fiscal year.

(3) Calculate the district's substitute teacher cost for that fiscal year in accordance with the following formula:

(a) Compute the substitute teacher daily rate with benefits by multiplying the substitute teacher daily rate of \$90 by 1.16;

(b) Compute the substitute teacher cost in accordance with the following formula:

[The sum computed under division (D)(1)(d) of this section + (the greater of the quotient obtained under division (D)(2)(a) of this section and 6)] X the amount computed under division (D)(3)(a) of this section X 5

(4) Calculate the district's professional development cost for that fiscal year in accordance with the following formula:

[The sum computed under division (D)(1)(d) of this section + (the greater of the quotient obtained under division (D)(2)(a) of this section and 6)] X [(the sum of divisions (A)(10)(a) and (b) of section 3317.011 of the Revised Code for that fiscal year)/180] X 4

(5) Calculate the district's teacher base cost for that fiscal year, which equals the sum of divisions (D)(1), (2), (3), and (4) of this section.

(E) The department shall compute a district's student support base cost for a fiscal year as follows:

(1) Calculate the district's guidance counselor cost for that fiscal year as follows:

(a) Determine the number of students in the district's base cost enrolled ADM for that fiscal year that are enrolled in grades nine through twelve and divide that number by 360;

(b) Compute the counselor cost in accordance with the following formula:

(The greater of the quotient obtained under division (E)(1)(a) of this section and 1) X [(the average counselor salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year]

(2) Calculate the district's librarian and media staff cost for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 1,000;

(b) Compute the librarian and media staff cost in accordance with the following formula:

The quotient obtained under division (E)(2)(a) of this section X [(the average librarian and media staff salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year]

(3) Calculate the district's staffing cost for student wellness and success for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 250;

(b) Compute the staffing cost for student wellness and success in accordance with the following formula:

The quotient obtained under division (E)(3)(a) of this section X [(the average counselor salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year]

(4) Calculate the district's cost for that fiscal year for career-technical curriculum specialists and coordinators, career assessment and program placement, recruitment and orientation, student success coordination, analysis of test results, development of intervention and remediation plans and

monitoring of those plans, and satellite program coordination in accordance with the following formula:

$$\left[\frac{\text{(The amount determined under division (E)(4)(a) of section 3317.011 of the Revised Code for that fiscal year)}}{\text{the sum determined under division (E)(4)(b) of section 3317.011 of the Revised Code}} + \frac{\text{(the amount determined under division (H)(1) of section 3317.011 of the Revised Code for that fiscal year)}}{\text{the sum determined under division (H)(2) of section 3317.011 of the Revised Code}} \right] \times \text{the district's base cost enrolled ADM for the fiscal year for which the district's cost under this division is computed}$$

(5) Compute the district's building safety and security cost for that fiscal year in accordance with the following formula:

$$\frac{\text{(The amount determined under division (E)(5)(a) of section 3317.011 of the Revised Code for that fiscal year)}}{\text{the sum determined under division (E)(5)(b) of section 3317.011 of the Revised Code}} \times \text{the district's base cost enrolled ADM for the fiscal year for which the building safety and security cost is computed}$$

(6) Compute the district's supplies and academic content cost for that fiscal year in accordance with the following formula:

$$\frac{\text{(The amount determined under division (E)(6)(a) of section 3317.011 of the Revised Code for that fiscal year)}}{\text{the sum determined under division (E)(6)(b) of section 3317.011 of the Revised Code}} \times \text{the district's base cost enrolled ADM for the fiscal year for which the supplies and academic content cost is computed}$$

(7) Calculate the district's technology cost for that fiscal year in accordance with the following formula:

$$\$37.50 \times \text{the district's base cost enrolled ADM for that fiscal year}$$

(8) Calculate the district's student support base cost for that fiscal year, which equals the sum of divisions (E)(1), (2), (3), (4), (5), (6), and (7) of this section.

(F) The department shall compute a district's leadership and accountability base cost for a fiscal year as follows:

(1) Calculate the district's superintendent cost for that fiscal year as follows:

(a) If the district's base cost enrolled ADM for that fiscal year is greater than 4,000, then the district's superintendent cost shall be equal to $[(\$160,000 \times 1.16) + \text{the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year}]$.

(b) If the district's base cost enrolled ADM for that fiscal year is less than or equal to 4,000 but greater than or equal to 500, the district's superintendent cost shall be equal to the sum of the following:

(i) $(\text{The district's base cost enrolled ADM for that fiscal year} - 500) \times \{[(\$160,000 \times 1.16) - (\$80,000 \times 1.16)]/3500\}$;

(ii) $(\$80,000 \times 1.16) +$ the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year.

(c) If the district's base cost enrolled ADM is less than 500, then the district's superintendent cost shall be equal to $[(\$80,000 \times 1.16) +$ the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year].

(2) Calculate the district's treasurer cost for that fiscal year as follows:

(a) If the district's base cost enrolled ADM for that fiscal year is greater than 4,000, then the district's treasurer cost shall be equal to $[(\$130,000 \times 1.16) +$ the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year].

(b) If the district's base cost enrolled ADM for that fiscal year is less than or equal to 4,000 but greater than or equal to 500, the district's treasurer cost shall be equal to the sum of the following:

(i) $(\text{The district's base cost enrolled ADM for that fiscal year} - 500) \times \{[(\$130,000 \times 1.16) - (\$60,000 \times 1.16)]/3500\};$

(ii) $(\$60,000 \times 1.16) +$ the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year.

(c) If the district's base cost enrolled ADM is less than 500, then the district's treasurer cost shall be equal to $[(\$60,000 \times 1.16) +$ the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year].

(3) Calculate the district's other district administrator cost for that fiscal year as follows:

(a) Divide the average other district administrator salary for that fiscal year by the average superintendent salary for that fiscal year;

(b) Divide the district's base cost enrolled ADM for that fiscal year by 750;

(c) Compute the other district administrator cost in accordance with the following formula:

$\{[(\text{The district's superintendent cost for that fiscal year calculated under division (F)(1) of this section} - \text{the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year}) \times \text{the quotient obtained under division (F)(3)(a) of this section}] + \text{the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code}\} \times (\text{the greater of the quotient obtained under division (F)(3)(b) of this section and } 2)$

(4) Calculate the district's fiscal support cost for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 850;

(b) Determine the lesser of the following:

(i) The maximum of the quotient obtained under division (F)(4)(a) of this section and 2;

(ii) 35.

(c) Compute the fiscal support cost in accordance with the following formula:

The number obtained under division (F)(4)(b) of this section $\times$ [(the average bookkeeping and

accounting employee salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year]

(5) Calculate the district's education management information system support cost for that fiscal year as follows:

(a) Divide the district's base cost enrolled ADM for that fiscal year by 5,000;

(b) Compute the education management information system support cost in accordance with the following formula:

(The greater of the quotient obtained under division (F)(5)(a) of this section and 1) X [(the average education management information system support employee salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year]

(6) Calculate the district's leadership support cost for that fiscal year as follows:

(a) Determine the greater of the quotient obtained under division (F)(3)(b) of this section and 2 and add 1 to that number;

(b) Divide the number obtained under division (F)(6)(a) of this section by 3;

(c) Compute the leadership support cost in accordance with the following formula:

(The greater of the quotient obtained under division (F)(6)(b) of this section and 1) X [(the average administrative assistant salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year]

(7) Calculate the district's information technology center support cost for that fiscal year in accordance with the following formula:

$\$31 \times$ the district's base cost enrolled ADM for that fiscal year

(8) Calculate the district's district leadership and accountability base cost for that fiscal year, which equals the sum of divisions (F)(1), (2), (3), (4), (5), (6), and (7) of this section;

(G) The department shall compute a district's building leadership and operations base cost for a fiscal year as follows:

(1) Calculate the district's building leadership cost for that fiscal year as follows:

(a) Divide the average principal salary for that fiscal year by the average superintendent salary for that fiscal year;

(b) Divide the district's base cost enrolled ADM for that fiscal year by 450;

(c) Compute the building leadership cost in accordance with the following formula:

{[(The district's superintendent cost for that fiscal year calculated under division (F)(1) of this section - the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year) X the quotient obtained under division (G)(1)(a) of this section] + the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year} X the quotient obtained under division (G)(1)(b) of this section

- (2) Calculate the district's building leadership support cost for that fiscal year as follows:
- (a) Divide the district's base cost enrolled ADM for that fiscal year by 400;
 - (b) Determine the number of school buildings in the district for ~~that~~ the preceding fiscal year;
 - (c) Compute the building leadership support cost in accordance with the following formula:
 - (i) If the quotient obtained under division (G)(2)(a) of this section is less than the number obtained under division (G)(2)(b) of this section, then the district's building leadership support cost shall be equal to {the number obtained under division (G)(2)(b) of this section X [(the average clerical staff salary X 1.16) + the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year]}.
 - (ii) If the quotient obtained under division (G)(2)(a) of this section is greater than or equal to the number obtained under division (G)(2)(b) of this section, then the district's building leadership support cost shall be equal to {[the lesser of (the number obtained under division (G)(2)(b) of this section X 3) and the quotient obtained under division (G)(2)(a) of this section] X [(the average clerical staff salary for that fiscal year X 1.16) + the amount specified under division (A)(10)(c) of section 3317.011 of the Revised Code for that fiscal year]}.
 - (3) Compute the district's building operations cost for that fiscal year in accordance with the following formula:

The district's base cost enrolled ADM for that fiscal year X [(the number determined under division (G)(3)(a)(i) of section 3317.011 of the Revised Code X the number determined under division (G)(3)(a)(ii) of section 3317.011 of the Revised Code) - (the amount determined under division (E)(5)(a) of section 3317.011 of the Revised Code for that fiscal year / the sum determined under division (E)(5)(b) of section 3317.011 of the Revised Code for that fiscal year)]

- (4) Calculate the district's building leadership and operations base cost for that fiscal year, which equals the sum of divisions (G)(1), (2), and (3) of this section.

Sec. 3317.014. (A) The multiples for the following categories of career-technical education programs approved by the department of education and workforce under section 3317.161 of the Revised Code shall be as follows:

- (1) A multiple of 0.6230 for students enrolled in career-technical education workforce development programs in agricultural and environmental systems, construction technologies, engineering and science technologies, finance, health science, information technology, and manufacturing technologies, each of which shall be defined by the department in consultation with the governor's office of workforce transformation;
- (2) A multiple of 0.5905 for students enrolled in workforce development programs in business and administration, hospitality and tourism, human services, law and public safety, transportation systems, and arts and communications, each of which shall be defined by the department in consultation with the governor's office of workforce transformation;
- (3) A multiple of 0.2154 for students enrolled in career-based intervention programs, which

shall be defined by the department in consultation with the governor's office of workforce transformation;

(4) A multiple of 0.1830 for students enrolled in workforce development programs in education and training, marketing, workforce development academics, public administration, and career development, each of which shall be defined by the department in consultation with the governor's office of workforce transformation;

(5) A multiple of 0.1570 for students enrolled in family and consumer science programs, which shall be defined by the department in consultation with the governor's office of workforce transformation.

(B) The multiple for career-technical education associated services, as defined by the department, shall be 0.0294.

(C) The department shall calculate career-technical education funds for each funding unit that is a city, local, exempted village, or joint vocational school district or the community and STEM school unit as follows:

(1) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, the sum of the following:

(a) The funding unit's category one career-technical education ADM X the multiple specified in division (A)(1) of this section X the statewide average career-technical base cost per pupil for that fiscal year X if the funding unit is a city, local, exempted village, or joint vocational school district, the district's state share percentage;

(b) The funding unit's category two career-technical education ADM X the multiple specified in division (A)(2) of this section X the statewide average career-technical base cost per pupil for that fiscal year X if the funding unit is a city, local, exempted village, or joint vocational school district, the district's state share percentage;

(c) The funding unit's category three career-technical education ADM X the multiple specified in division (A)(3) of this section X the statewide average career-technical base cost per pupil for that fiscal year X if the funding unit is a city, local, exempted village, or joint vocational school district, the district's state share percentage;

(d) The funding unit's category four career-technical education ADM X the multiple specified in division (A)(4) of this section X the statewide average career-technical base cost per pupil for that fiscal year X if the funding unit is a city, local, exempted village, or joint vocational school district, the district's state share percentage;

(e) The funding unit's category five career-technical education ADM X the multiple specified in division (A)(5) of this section X the statewide average career-technical base cost per pupil for that fiscal year X if the funding unit is a city, local, exempted village, or joint vocational school district, the district's state share percentage.

(2) For fiscal year ~~2026-2028~~ and each fiscal year thereafter, the sum of the following:

(a) An amount calculated in a manner determined by the general assembly times the funding unit's category one career-technical education ADM;

(b) An amount calculated in a manner determined by the general assembly times the funding unit's category two career-technical education ADM;

(c) An amount calculated in a manner determined by the general assembly times the funding unit's category three career-technical education ADM;

(d) An amount calculated in a manner determined by the general assembly times the funding unit's category four career-technical education ADM;

(e) An amount calculated in a manner determined by the general assembly times the funding unit's category five career-technical education ADM.

(3) Payment of funds calculated under division (C) of this section is subject to approval under section 3317.161 of the Revised Code.

(D) Subject to division (I) of section 3317.023 of the Revised Code, the department shall calculate career-technical associated services funds for each funding unit that is a city, local, exempted village, or joint vocational school district or the community and STEM school unit as follows:

(1) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, the following product:

(If the funding unit is a city, local, exempted village, or joint vocational school district, the funding unit's state share percentage) X the multiple for career-technical education associated services specified under division (B) of this section X the statewide average career-technical base cost per pupil for that fiscal year X the sum of the funding unit's categories one through five career-technical education ADM

(2) For fiscal year ~~2026-2028~~ and each fiscal year thereafter, an amount calculated in a manner determined by the general assembly times the funding unit's categories one through five career-technical education ADM.

(E)(1) In accordance with division (I) of section 3317.023 of the Revised Code, the department shall compute career awareness and exploration funds for each city, local, exempted village, and joint vocational school district, community school established under Chapter 3314. of the Revised Code, and STEM school established under Chapter 3326. of the Revised Code that is part of a career technical planning district. The department shall pay the lead district in each career technical planning district as follows:

(a) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, an amount equal to the following product:

The sum of enrolled ADM for all districts and schools within the career technical planning district X ~~\$7.50, for fiscal year 2024, or \$10, for fiscal year 2025 \$3~~

(b) For fiscal year ~~2026-2028~~ and each fiscal year thereafter, an amount calculated in a manner determined by the general assembly, if the general assembly authorizes such a payment to city, local, exempted village, and joint vocational school districts, community schools, and STEM schools.

(2) The lead district of a career technical planning district shall use career awareness and

exploration funds in accordance with division (H) of this section.

(F)(1) In any fiscal year, a school district receiving funds calculated under division (C) of this section shall spend those funds only for the purposes that the department designates as approved for career-technical education expenses. Career-technical education expenses approved by the department shall include only expenses connected to the delivery of career-technical programming to career-technical students. The department shall require the school district to report data annually so that the department may monitor the district's compliance with the requirements regarding the manner in which funding calculated under division (C) of this section may be spent.

(2) All funds received under division (C) of this section shall be spent in the following manner:

(a) At least seventy-five per cent of the funds shall be spent on curriculum development, purchase, and implementation; instructional resources and supplies; industry-based program certification; student assessment, credentialing, and placement; curriculum specific equipment purchases and leases; career-technical student organization fees and expenses; home and agency linkages; work-based learning experiences; professional development; and other costs directly associated with career-technical education programs including development of new programs.

(b) Not more than twenty-five per cent of the funds shall be used for personnel expenditures.

(G) In any fiscal year, a school district receiving funds calculated under division (D) of this section, or through a transfer of funds pursuant to division (I) of section 3317.023 of the Revised Code, shall spend those funds only for the purposes that the department designates as approved for career-technical education associated services expenses, which may include ~~such all of the following purposes as apprenticeship coordinators, coordinators for other career technical education services, career technical evaluation, and other purposes designated by the department.;~~

(1) Engaging and collaborating with education and workforce stakeholders in the service area;

(2) Developing and maintaining a comprehensive plan to increase career-focused education activities;

(3) Ensuring that plans are informed by quality data and using data to expand access to career-focused activities for all students;

(4) Planning and allocating resources for the growth, sustainability, and enhancement of career-focused activities in the long term;

(5) Establishing continuous improvement and program approval processes.

The department may deny payment of funds calculated under division (D) of this section to any district that the department determines is not operating those services or is using funds calculated under division (D) of this section, or through a transfer of funds pursuant to division (I) of section 3317.023 of the Revised Code, for other purposes.

(H) In any fiscal year, a lead district of a career-technical planning district receiving funds under division (E) of this section, shall utilize those funds to deliver relevant career awareness and

exploration programs to all students within its career technical planning district in a manner that is consistent with the career-technical planning district's plan that is on file with the department. The lead district that receives funds under this division shall spend those funds only for the following purposes:

- (1) Delivery of career awareness programs to students enrolled in grades kindergarten through twelve;
- (2) Provision of a common, consistent curriculum to students throughout their primary and secondary education;
- (3) Assistance to teachers in providing a career development curriculum to students;
- (4) Development of a career development plan for each student that stays with that student for the duration of the student's primary and secondary education;
- (5) Provision of opportunities for students to engage in activities, such as career fairs, hands-on experiences, and job shadowing, across all career pathways at each grade level;
- (6) Provision of mentorship opportunities through which students may learn about careers and workforce skills.

The lead district that receives funds under division (E) of this section shall report on the use of those funds to the department in a manner prescribed by the department.

The department may deny payment under this division to any district or school that the department determines is using funds paid under this division for other purposes.

Sec. 3317.016. As used in this section, "English learner" has the same meaning as in section 3301.0731 of the Revised Code.

The multiples for English learners shall be as follows:

(A) A multiple of 0.2104 for each student who has been identified as an English learner following the state's standardized identification process enrolled in schools in the United States for 180 school days or less.

(B) A multiple of 0.1577 for each student who, for fiscal years 2024-2026 and 2025-2027 has been identified as an English learner following the state's standardized identification process and enrolled in schools in the United States for more than 180 school days until the student achieves a proficient score on the spring administration of the state's English language proficiency assessments prescribed by division (C)(3) of section 3301.0711 of the Revised Code or who, for fiscal year 2026-2028 and each fiscal year thereafter, satisfies criteria specified by the general assembly for purposes of this division.

(C) A multiple of 0.1053 for each student who, for fiscal years 2024-2026 and 2025-2027, achieves a score of proficient on the spring administration of the state's English language proficiency assessments prescribed by division (C)(3) of section 3301.0711 of the Revised Code for the two school years following the school year in which the student achieved that level of achievement or who, for fiscal year 2026-2028 and each fiscal year thereafter, satisfies criteria specified by the general assembly for purposes of this division.

Sec. 3317.017. This section shall apply only for fiscal years ~~2024-2026~~ and ~~2025-2027~~.

(A) The department of education and workforce shall compute a city, local, or exempted village school district's per-pupil local capacity amount for a fiscal year as follows:

(1) Calculate the district's valuation per pupil for that fiscal year as follows:

(a) Determine the minimum of the district's three-year average valuation for the fiscal year for which the calculation is made and the district's taxable value for the most recent tax year for which data is available;

(b) Divide the amount determined under division (A)(1)(a) of this section by the district's base cost enrolled ADM for the fiscal year for which the calculation is made.

(2) Calculate the district's local share federal adjusted gross income per pupil for that fiscal year as follows:

(a) Determine the minimum of the following:

(i) The average of the total federal adjusted gross income of the district's residents for the three most recent tax years for which data is available, as certified under section 3317.021 of the Revised Code;

(ii) The total federal adjusted gross income of the district's residents for the most recent tax year for which data is available, as certified under section 3317.021 of the Revised Code.

(b) Divide the amount determined under division (A)(2)(a) of this section by the district's base cost enrolled ADM for the fiscal year for which the calculation is made.

(3) Calculate the district's adjusted local share federal adjusted gross income per pupil for that fiscal year as follows:

(a) Determine both of the following:

(i) The median federal adjusted gross income of the district's residents for the most recent tax year for which data is available, as certified under section 3317.021 of the Revised Code;

(ii) The number of state tax returns filed by taxpayers residing in the district for the most recent tax year for which data is available, as certified under section 3317.021 of the Revised Code.

(b) Compute the product of divisions (A)(3)(a)(i) and (ii) of this section;

(c) Divide the amount determined under division (A)(3)(b) of this section by the district's base cost enrolled ADM for the fiscal year for which the calculation is made.

(4) Calculate the district's per-pupil local capacity percentage as follows:

(a) Determine the median of the median federal adjusted gross incomes determined for all districts statewide under division (A)(3)(a)(i) of this section for that fiscal year;

(b) Divide the district's median federal adjusted gross income for that fiscal year determined under division (A)(3)(a)(i) of this section by the median federal adjusted gross income for all districts statewide determined under division (A)(4)(a) of this section;

(c) Rank all school districts in order of the ratios calculated under division (A)(4)(b) of this section, from the district with the highest ratio calculated under division (A)(4)(b) of this section to the district with the lowest ratio calculated under division (A)(4)(b) of this section;

(d) Determine the district's per-pupil local capacity percentage as follows:

(i) If the ratio calculated for the district under division (A)(4)(b) of this section is greater than or equal to the ratio calculated under division (A)(4)(b) of this section for the district with the fortieth highest ratio as determined under division (A)(4)(c) of this section, the district's per-pupil local capacity percentage shall be equal to 0.025.

(ii) If the ratio calculated for the district under division (A)(4)(b) of this section is less than the ratio calculated under division (A)(4)(b) of this section for the district with the fortieth highest ratio as determined under division (A)(4)(c) of this section but greater than 1.0, the district's per-pupil local capacity percentage shall be equal to an amount calculated as follows:

$$\{[(\text{The ratio calculated for the district under division (A)(4)(b) of this section} - 1) \times 0.0025] / (\text{the ratio calculated under division (A)(4)(b) of this section for the district with the fortieth highest ratio as determined under division (A)(4)(c) of this section} - 1)\} + 0.0225$$

(iii) If the ratio calculated for the district under division (A)(4)(b) of this section is less than or equal to 1.0, the district's per-pupil local capacity percentage shall be equal to the amount calculated under division (A)(4)(b) of this section times 0.0225.

(5) Calculate the district's per-pupil local capacity amount for that fiscal year as follows:

(The district's valuation per pupil calculated under division (A)(1) of this section for that fiscal year X the district's per-pupil local capacity percentage calculated under division (A)(4) of this section X 0.60) + (the district's local share federal adjusted gross income per pupil calculated under division

(A)(2) of this section for that fiscal year X the district's per-pupil local capacity percentage calculated under division (A)(4) of this section X 0.20) + (the district's adjusted local share federal adjusted gross income per pupil calculated under division (A)(3) of this section for that fiscal year X the district's per-pupil local capacity percentage calculated under division (A)(4) of this section X 0.20)

(B) The department shall compute a city, local, or exempted village school district's state share for a fiscal year as follows:

(1) If the district's per-pupil local capacity amount for that fiscal year divided by the district's base cost per pupil for that fiscal year is greater than 0.90, then the district's state share shall be equal to (the district's base cost per pupil for that fiscal year X 0.10 X the district's enrolled ADM for that fiscal year).

(2) If the district's per-pupil local capacity amount for that fiscal year divided by the district's base cost per pupil for that fiscal year is less than or equal to 0.90, then the district's state share for that fiscal year shall be equal to [(the district's base cost per pupil for that fiscal year - the district's per-pupil local capacity amount for that fiscal year) X the district's enrolled ADM for that fiscal year].

(C) The department shall compute a city, local, or exempted village school district's state share percentage for a fiscal year as follows:

(the district's base cost per pupil amount for that fiscal year - the district's per pupil local capacity amount for that fiscal year)/(the district's base cost per pupil amount for that fiscal year).

If the result is less than 0.10, the state share percentage shall be 0.10.

Sec. 3317.018. (A) The statewide average base cost per pupil shall be determined as follows:

(1) For fiscal year 2024, the statewide average base cost per pupil shall be equal to the sum of the aggregate base cost calculated for all city, local, and exempted village school districts in the state for that fiscal year under section 3317.011 of the Revised Code divided by the sum of the base cost enrolled ADMs of all of the city, local, and exempted village school districts in the state for that fiscal year.

(2) For fiscal ~~year-years~~ 2025, 2026, and 2027, the statewide average base cost per pupil shall be equal to the amount calculated under division (A)(1) of this section.

(B) The statewide average career-technical base cost per pupil shall be determined as follows:

(1) For fiscal year 2024, the statewide average career-technical base cost per pupil shall be equal to the sum of the aggregate base cost calculated for all joint vocational school districts in the state for that fiscal year under section 3317.012 of the Revised Code divided by the sum of the base cost enrolled ADMs of all of the joint vocational school districts in the state for that fiscal year.

(2) For fiscal ~~year-years~~ 2025, 2026, and 2027, the statewide average career-technical base cost per pupil shall be equal to the amount calculated under division (B)(1) of this section.

Sec. 3317.019. (A)(1) Subject to division (C) of this section, for fiscal years ~~2024-2026~~ and ~~2025~~2027, the department of education and workforce shall pay temporary transitional aid to each city, local, and exempted village school district according to the following formula:

(The district's funding base, as that term is defined in section 3317.02 of the Revised Code) – (the district's payment under section 3317.022 of the Revised Code—~~the district's payment for supplemental targeted assistance under section 3317.0218 of the Revised Code for the fiscal year for which each payment is computed~~)

If the computation made under division (A)(1) of this section results in a negative number, the district's funding under division (A)(1) of this section shall be zero.

(2) For fiscal years ~~2024-2026~~ and ~~2025~~2027, the department shall pay temporary transitional transportation aid to that district according to the following formula:

(The amount calculated for the district for fiscal year 2020 under division (A)(2) of Section 265.220 of H.B. 166 of the 133rd general assembly, prior to any funding reductions authorized by Executive Order 2020-19D, "Implementing Additional Spending Controls to Balance the State Budget" issued on May 7, 2020) – (the district's payment for fiscal year 2019 under division (D)(2) of section 3314.091 of the Revised Code as that division existed prior to September 30, 2021) - (the district's payment under section 3317.0212 of the Revised Code for the fiscal year for which the payment is computed)

If the computation made under division (A)(2) of this section results in a negative number, the district's funding under division (A)(2) of this section shall be zero.

(B) If a local school district participates in the establishment of a joint vocational school district that begins receiving payments under section 3317.16 of the Revised Code for fiscal year ~~2024-2026~~ or fiscal year ~~2025~~2027, but does not receive payments for the fiscal year immediately preceding that fiscal year, the department shall adjust, as necessary, the district's funding base, as that term is defined in section 3317.02 of the Revised Code, according to the amounts received by the district in the immediately preceding fiscal year for career-technical education students who attend the newly established joint vocational school district.

(C)(1) For purposes of division (C) of this section, a district's "decrease threshold" for a fiscal year is the greater of the following:

(a) Twenty;

(b) Ten per cent of the number of the district's students counted under division (A)(1)(b) of section 3317.03 of the Revised Code for the previous fiscal year.

(2) For fiscal years ~~2024-2026~~ and ~~2025~~2027, if a district has fewer students counted under division (A)(1)(b) of section 3317.03 of the Revised Code for that fiscal year than for the previous fiscal year and the positive difference between those two student counts is greater than or equal to the district's decrease threshold for that fiscal year, the amount paid to the district under division (A) of this section shall be reduced by the following amount:

The statewide average base cost per pupil X [(the positive difference between the number of the district's students counted under division (A)(1)(b) of section 3317.03 of the Revised Code for that fiscal year and the number of the district's students counted under that division for the previous fiscal year) - the district's decrease threshold for that fiscal year]

At no time, however, shall the amount paid to a district under division (A) of this section be less than zero.

Sec. 3317.0110. This section shall apply only for fiscal years ~~2024-2026~~ and ~~2025~~2027.

(A) As used in this section:

(1) "Average teacher cost" for a fiscal year has the same meaning as in section 3317.011 of the Revised Code.

(2) "Eligible community or STEM school" means a community or STEM school that satisfies one of the following:

(a) The school is a member of an organization that regulates interscholastic athletics.

(b) The school has teams in at least three different sports that participate in an interscholastic league.

(B) When calculating a community or STEM school's aggregate base cost under this section, the department of education and workforce shall use data from fiscal year 2022 for the average teacher cost.

(C) A community or STEM school's aggregate base cost for a fiscal year shall be equal to the

following sum:

(The school's teacher base cost for that fiscal year computed under division (D) of this section) + (the school's student support base cost for that fiscal year computed under division (E) of this section) + (the school's leadership and accountability base cost for that fiscal year computed under division (F) of this section) + (the school's building leadership and operations base cost for that fiscal year computed under division (G) of this section) + (the school's athletic co-curricular activities base cost for that fiscal year computed under division (H) of this section, if the school is an eligible community or STEM school)

(D) The department of education shall compute a community or STEM school's teacher base cost for a fiscal year as follows:

(1) Calculate the school's classroom teacher cost for that fiscal year as follows:

(a) Determine the full-time equivalency of students enrolled in the school for that fiscal year that are enrolled in kindergarten and divide that number by 20;

(b) Determine the full-time equivalency of students enrolled in the school for that fiscal year that are enrolled in grades one through three and divide that number by 23;

(c) Determine the full-time equivalency of students enrolled in the school for that fiscal year that are enrolled in grades four through eight but are not enrolled in a career-technical education program or class described under section 3317.014 of the Revised Code and divide that number by 25;

(d) Determine the full-time equivalency of students enrolled in the school for that fiscal year that are enrolled in grades nine through twelve but are not enrolled in a career-technical education program or class described under section 3317.014 of the Revised Code and divide that number by 27;

(e) Determine the full-time equivalency of students enrolled in the school for that fiscal year that are enrolled in a career-technical education program or class, as reported under division (B)(4) of section 3314.08 of the Revised Code, and divide that number by 18;

(f) Compute the sum of the quotients obtained under divisions (D)(1)(a), (b), (c), (d), and (e) of this section;

(g) Compute the classroom teacher cost by multiplying the average teacher cost for that fiscal year by the sum computed under division (D)(1)(f) of this section.

(2) Calculate the school's special teacher cost for that fiscal year as follows:

(a) Divide the number of students enrolled in the school for that fiscal year by 150;

(b) Compute the special teacher cost by multiplying the quotient obtained under division (D)(2)(a) of this section by the average teacher cost for that fiscal year.

(3) Calculate the school's substitute teacher cost for that fiscal year in accordance with the following formula:

(a) Compute the substitute teacher daily rate with benefits by multiplying the substitute teacher daily rate of \$90 by 1.16;

(b) Compute the substitute teacher cost in accordance with the following formula:

(The sum computed under division (D)(1)(f) of this section + the quotient obtained under division (D)(2)(a) of this section) X the amount computed under division (D)(3)(a) of this section X 5

(4) Calculate the school's professional development cost for that fiscal year in accordance with the following formula:

(The sum computed under division (D)(1)(f) of this section + the quotient obtained under division (D)(2)(a) of this section) X [(the sum of divisions (A)(10)(a) and (b) of section 3317.011 of the Revised Code for that fiscal year)/180] X 4

(5) Calculate the school's teacher base cost for that fiscal year, which equals the sum of divisions (D)(1), (2), (3), and (4) of this section.

(E) The department shall compute a community or STEM school's student support base cost for a fiscal year as follows:

The number of students enrolled in the school for that fiscal year X [(the sum of the student support base cost calculated for all city, local, and exempted village school districts in the state for that fiscal year under division (E) of section 3317.011 of the Revised Code) / the sum of the base cost enrolled ADMs of all of the city, local, and exempted village school districts in the state for that fiscal year]

(F) The department shall compute a community or STEM school's leadership and accountability base cost for a fiscal year as follows:

The number of students enrolled in the school for that fiscal year X (the sum of the leadership and accountability base cost calculated for all city, local, and exempted village school districts in the state for that fiscal year under division (F) of section 3317.011 of the Revised Code / the sum of the base cost enrolled ADMs of all of the city, local, and exempted village school districts in the state for that fiscal year)

(G) The department shall compute a community or STEM school's building leadership and operations base cost for a fiscal year as follows:

The number of students enrolled in the school for that fiscal year X (the sum of the building leadership and accountability base cost calculated for all city, local, and exempted village school districts in the state for that fiscal year under division (G) of section 3317.011 of the Revised Code / the sum of the base cost enrolled ADMs of all of the city, local, and exempted village school districts in the state for that fiscal year)

(H) If a community or STEM school is an eligible community or STEM school, the department shall compute the school's athletic co-curricular activities base cost for a fiscal year as follows:

The number of students enrolled in the school for that fiscal year X (the amount determined under division (H)(1) of section 3317.011 of the Revised Code / the sum determined under division (H)(2)

of section 3317.011 of the Revised Code)

Sec. 3317.02. As used in this chapter:

(A) "Alternative school" has the same meaning as in section 3313.974 of the Revised Code.

(B) "Autism scholarship unit" means a unit that consists of all of the students for whom autism scholarships are awarded under section 3310.41 of the Revised Code.

(C) For fiscal years ~~2024-2026~~ and ~~2025~~2027, a district's "base cost enrolled ADM" for a fiscal year means the greater of the following:

(1) The district's enrolled ADM for the previous fiscal year;

(2) The average of the district's enrolled ADM for the previous three fiscal years.

(D)(1) "Base cost per pupil" means the following for a city, local, or exempted village school district:

(a) For fiscal years ~~2024-2026~~ and ~~2025~~2027, the aggregate base cost calculated for that district for that fiscal year under section 3317.011 of the Revised Code divided by the district's base cost enrolled ADM for that fiscal year;

(b) For fiscal year ~~2026-2028~~ and each fiscal year thereafter, an amount calculated in a manner determined by the general assembly.

(2) "Base cost per pupil" means the following for a joint vocational school district:

(a) For fiscal years ~~2024-2026~~ and ~~2025~~2027, the aggregate base cost calculated for that district for that fiscal year under section 3317.012 of the Revised Code divided by the district's base cost enrolled ADM for that fiscal year;

(b) For fiscal year ~~2026-2028~~ and each fiscal year thereafter, an amount calculated in a manner determined by the general assembly.

(E)(1) "Category one career-technical education ADM" means the enrollment of students during the school year on a full-time equivalency basis in career-technical education programs described in division (A)(1) of section 3317.014 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(11) or (D)(2)(h) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under divisions (B)(4) and (5) of section 3314.08 of the Revised Code and division (D) of section 3326.32 of the Revised Code.

(2) "Category two career-technical education ADM" means the enrollment of students during the school year on a full-time equivalency basis in career-technical education programs described in division (A)(2) of section 3317.014 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(12) or (D)(2)(i) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under divisions (B)(4) and (5) of section 3314.08 of the Revised Code and division (D) of section 3326.32 of the Revised Code.

(3) "Category three career-technical education ADM" means the enrollment of students during the school year on a full-time equivalency basis in career-technical education programs described in division (A)(3) of section 3317.014 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(13) or (D)(2)(j) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under divisions (B)(4) and (5) of section 3314.08 of the Revised Code and division (D) of section 3326.32 of the Revised Code.

(4) "Category four career-technical education ADM" means the enrollment of students during the school year on a full-time equivalency basis in career-technical education programs described in division (A)(4) of section 3317.014 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(14) or (D)(2)(k) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under divisions (B)(4) and (5) of section 3314.08 of the Revised Code and division (D) of section 3326.32 of the Revised Code.

(5) "Category five career-technical education ADM" means the enrollment of students during the school year on a full-time equivalency basis in career-technical education programs described in division (A)(5) of section 3317.014 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(15) or (D)(2)(l) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under divisions (B)(4) and (5) of section 3314.08 of the Revised Code and division (D) of section 3326.32 of the Revised Code.

(F)(1) "Category one English learner ADM" means the full-time equivalent number of English learners described in division (A) of section 3317.016 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(16) or (D)(2)(m) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under division (B)(6) of section 3314.08 of the Revised Code and division (E) of section 3326.32 of the Revised Code.

(2) "Category two English learner ADM" means the full-time equivalent number of English learners described in division (B) of section 3317.016 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(17) or (D)(2)(n) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under division (B)(6) of section 3314.08 of the Revised Code and division (E) of section 3326.32 of the Revised Code.

(3) "Category three English learner ADM" means the full-time equivalent number of English learners described in division (C) of section 3317.016 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(18) or (D)(2)(o) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under division (B)(6) of section 3314.08 of the Revised Code and division (E) of section 3326.32 of the Revised Code.

(G)(1) "Category one special education ADM" means the full-time equivalent number of children with disabilities receiving special education services for the disability specified in division (A) of section 3317.013 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(5) or (D)(2)(b) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under division (B)(3) of section 3314.08 of the Revised Code and division (C) of section 3326.32 of the Revised Code.

(2) "Category two special education ADM" means the full-time equivalent number of children with disabilities receiving special education services for those disabilities specified in division (B) of section 3317.013 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(6) or (D)(2)(c) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under division (B)(3) of section 3314.08 of the Revised Code and division (C) of section 3326.32 of the Revised Code.

(3) "Category three special education ADM" means the full-time equivalent number of students receiving special education services for those disabilities specified in division (C) of section 3317.013 of the Revised Code, and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(7) or (D)(2)(d) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under division (B)(3) of section 3314.08 of the Revised Code and division (C) of section 3326.32 of the Revised Code.

(4) "Category four special education ADM" means the full-time equivalent number of students receiving special education services for those disabilities specified in division (D) of section 3317.013 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district, certified under division (B)(8) or (D)(2)(e) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under division (B)(3) of section 3314.08 of the Revised Code and division (C) of section 3326.32 of the Revised Code.

(5) "Category five special education ADM" means the full-time equivalent number of students receiving special education services for the disabilities specified in division (E) of section 3317.013 of the Revised Code and, in the case of a funding unit that is a city, local, exempted

village, or joint vocational school district, certified under division (B)(9) or (D)(2)(f) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under division (B)(3) of section 3314.08 of the Revised Code and division (C) of section 3326.32 of the Revised Code.

(6) "Category six special education ADM" means the full-time equivalent number of students receiving special education services for the disabilities specified in division (F) of section 3317.013 of the Revised Code and, in the case of a funding unit that is a city, local, exempted village, or joint vocational school district certified under division (B)(10) or (D)(2)(g) of section 3317.03 of the Revised Code or, in the case of the community and STEM school unit, reported by all community and STEM schools statewide under division (B)(3) of section 3314.08 of the Revised Code and division (C) of section 3326.32 of the Revised Code.

(H) "Community and STEM school unit" means a unit that consists of all of the students enrolled in community schools established under Chapter 3314. of the Revised Code and science, technology, engineering, and mathematics schools established under Chapter 3326. of the Revised Code.

(I)(1) "Economically disadvantaged index for a school district" means the following:

(a) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, the square of the quotient of that district's percentage of students in its enrolled ADM who are identified as economically disadvantaged as defined by the department of education and workforce, divided by the percentage of students in the statewide ADM identified as economically disadvantaged. For purposes of this calculation:

(i) For a city, local, or exempted village school district, the "statewide ADM" equals the sum of the following:

(I) The enrolled ADM for all city, local, and exempted village school districts combined;

(II) The statewide enrollment of students in community schools established under Chapter 3314. of the Revised Code;

(III) The statewide enrollment of students in science, technology, engineering, and mathematics schools established under Chapter 3326. of the Revised Code.

(ii) For a joint vocational school district, the "statewide ADM" equals the sum of the enrolled ADM for all joint vocational school districts combined.

(b) For fiscal year ~~2026-2028~~ and each fiscal year thereafter, an index calculated in a manner determined by the general assembly.

(2) "Economically disadvantaged index for a community or STEM school" means the following:

(a) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, the square of the quotient of the percentage of students enrolled in the school who are identified as economically disadvantaged as defined by the department, divided by the percentage of students in the statewide ADM identified as economically disadvantaged. For purposes of this calculation, the "statewide ADM" equals the "statewide ADM" for city, local, and exempted village school districts described in division (I)(1)(a)(i) of this section.

(b) For fiscal year ~~2026-2028~~ and each fiscal year thereafter, an index calculated in a manner determined by the general assembly.

(J) "Educational choice scholarship unit" means a unit that consists of all of the students for whom educational choice scholarships are awarded under sections 3310.03 and 3310.032 of the Revised Code.

(K) "Enrolled ADM" means the following:

(1) For a city, local, or exempted village school district, the enrollment reported under division (A) of section 3317.03 of the Revised Code, as verified by the department and adjusted if so ordered under division (K) of that section, and as further adjusted by the department, as follows:

(a) Add the students described in division (A)(1)(b) of section 3317.03 of the Revised Code;

(b) Subtract the students counted under divisions (A)(2)(a), (b), (d), (g), (h), (i), and (j), and *RM D*

RM D (k) of section 3317.03 of the Revised Code;

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

(d) Add twenty per cent of the number of students who are entitled to attend school in the district under section 3313.64 or 3313.65 of the Revised Code and are enrolled in another school district under a career-technical education compact;

(e) Add twenty per cent of the number of students described in division (A)(1)(b) of section 3317.03 of the Revised Code who enroll in a joint vocational school district or under a career-technical education compact.

(2) For a joint vocational school district, the final number verified by the department, based on the enrollment reported and certified under division (D) of section 3317.03 of the Revised Code, as adjusted, if so ordered, under division (K) of that section, and as further adjusted by the department by adding the students described in division (D)(1)(b) of section 3317.03 of the Revised Code;

(3) For the community and STEM school unit, the sum of the number of students reported as enrolled in community schools under divisions (B)(1) and (2) of section 3314.08 of the Revised Code and the number of students reported as enrolled in STEM schools under division (A) of section 3326.32 of the Revised Code;

(4) For the educational choice scholarship unit, the number of students for whom educational choice scholarships are awarded under sections 3310.03 and 3310.032 of the Revised Code as reported under division (A)(2)(g) of section 3317.03 of the Revised Code;

(5) For the pilot project scholarship unit, the number of students for whom pilot project scholarships are awarded under sections 3313.974 to 3313.979 of the Revised Code as reported under division (A)(2)(b) of section 3317.03 of the Revised Code;

(6) For the autism scholarship unit, the number of students for whom autism scholarships are awarded under section 3310.41 of the Revised Code as reported under division (A)(2)(h) of section 3317.03 of the Revised Code;

The above boxed and initialed text was disapproved.

Date: 6/30/25

Mike DeWine

(7) For the Jon Peterson special needs scholarship unit, the number of students for whom Jon Peterson special needs scholarships are awarded under sections 3310.51 to 3310.64 of the Revised Code as reported under division (A)(2)(h) of section 3317.03 of the Revised Code;

RMD (8) For the nonchartered educational savings account unit, the number of students for whom educational savings accounts are established under sections 3310.21 to 3310.26 of the Revised Code as reported under division (A)(2)(k) of section 3317.03 of the Revised Code;

(L)(1) "Formula ADM" means, for a city, local, or exempted village school district, the enrollment reported under division (A) of section 3317.03 of the Revised Code, as verified by the department and adjusted if so ordered under division (K) of that section, and as further adjusted by the department, as follows:

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

(b) Add twenty per cent of the number of students who are entitled to attend school in the district under section 3313.64 or 3313.65 of the Revised Code and are enrolled in another school district under a career-technical education compact.

(2) "Formula ADM" means, for a joint vocational school district, the final number verified by the department, based on the enrollment reported and certified under division (D) of section 3317.03 of the Revised Code, as adjusted, if so ordered, under division (K) of that section.

(M) "FTE basis" means a count of students based on full-time equivalency, in accordance with rules adopted by the department pursuant to section 3317.03 of the Revised Code. In adopting its rules under this division, the department shall provide for counting any student in category one, two, three, four, five, or six special education ADM or in category one, two, three, four, or five career-technical education ADM in the same proportion the student is counted in enrolled ADM and formula ADM.

(N) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, "funding base" means, for a city, local, or exempted village school district, the sum of the following as calculated by the department:

(1) The district's "general funding base," which equals the amount calculated as follows:

(a) Compute the sum of the following:

(i) The amount calculated for the district for fiscal year 2020 under division (A)(1) of Section 265.220 of H.B. 166 of the 133rd general assembly after any adjustments required under Section 265.227 of H.B. 166 of the 133rd general assembly and prior to any funding reductions authorized by Executive Order 2020-19D, "Implementing Additional Spending Controls to Balance the State Budget" issued on May 7, 2020;

(ii) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, the district's payments for fiscal year 2020 under divisions (C)(1), (3), and (4) of section 3313.981 of the Revised Code as those divisions existed prior to September 30, 2021.

(b) Subtract from the amount calculated in division (N)(1)(a) of this section the sum of the following:

The above boxed and initialed text was disapproved.

Date: 6/30/25

Mike DeWine

Mike DeWine, Governor

(i) The following difference:

(The amount paid to the district under division (A)(5) of section 3317.022 of the Revised Code, as that division existed prior to September 30, 2021, for fiscal year 2019) - (the amounts deducted from the district and paid to a community school under division (C)(1)(e) of section 3314.08 of the Revised Code or a science, technology, engineering, and mathematics school under division (E) of section 3326.33 of the Revised Code as those divisions existed prior to September 30, 2021, for fiscal year 2020 in accordance with division (A) of Section 265.235 of H.B. 166 of the 133rd general assembly)

(ii) The payments deducted from the district and paid to a community school for fiscal year 2020 under divisions (C)(1)(a), (b), (c), (d), (e), (f), and (g) of section 3314.08 of the Revised Code as those divisions existed prior to September 30, 2021, in accordance with division (A) of Section 265.230 of H.B. 166 of the 133rd general assembly;

(iii) The payments deducted from the district and paid to a science, technology, engineering, and mathematics school for fiscal year 2020 under divisions (A), (B), (C), (D), (E), (F), and (G) of section 3326.33 of the Revised Code as those divisions existed prior to September 30, 2021, in accordance with division (A) of Section 265.235 of H.B. 166 of the 133rd general assembly;

(iv) The payments deducted from the district under division (C) of section 3310.08 of the Revised Code as that division existed prior to September 30, 2021, division (C)(2) of section 3310.41 of the Revised Code as that division existed prior to September 30, 2021, and former section 3310.55 of the Revised Code for fiscal year 2020 and, in the case of a pilot project school district as defined in section 3313.975 of the Revised Code, the funds deducted from the district under Section 265.210 of H.B. 166 of the 133rd general assembly to operate the pilot project scholarship program for fiscal year 2020 under sections 3313.974 to 3313.979 of the Revised Code;

(v) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, the payments subtracted from the district for fiscal year 2020 under divisions (B)(1) and (3) of section 3313.981 of the Revised Code as those divisions existed prior to September 30, 2021.

(2) The district's "disadvantaged pupil impact aid funding base," which equals the following difference:

(The amount paid to the district under division (A)(5) of section 3317.022 of the Revised Code, as that division existed prior to September 30, 2021, for fiscal year 2019) - (the amounts deducted from the district and paid to a community school under division (C)(1)(e) of section 3314.08 of the Revised Code or a science, technology, engineering, and mathematics school under division (E) of section 3326.33 of the Revised Code as those divisions existed prior to September 30, 2021, for fiscal year 2020 in accordance with division (A) of Section 265.235 of H.B. 166 of the 133rd general assembly)

(O) For fiscal years ~~2024-2026~~ and ~~2025-2027~~, "funding base" means, for a joint vocational school district, the sum of the following as calculated by the department: