

**As Reported by the Senate Education Committee**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**Sub. H. B. No. 87**

**Representative Roegner**

**Cosponsors: Representatives Becker, Blessing, Butler, Dean, DeVitis, Dever, Duffey, Fedor, Hambley, Henne, Hill, Keller, Leland, Patterson, Patmon, Rezabek, Riedel, Schaffer, Slaby, Smith, K., Smith, R., Stein, Thompson, Vitale, Young, Faber, Anielski, Antonio, Barnes, Boggs, Boyd, Brown, Carfagna, Celebrezze, Cera, Clyde, Craig, Cupp, Galonski, Ginter, Green, Holmes, Howse, Ingram, Johnson, Koehler, Lepore-Hagan, Manning, O'Brien, Perales, Ramos, Rogers, Ryan, Schuring, Sheehy, Strahorn, Sweeney, Sykes, West**

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**A BILL**

To amend sections 9.833, 3313.26, 3314.08, 1  
5705.194, and 5705.391 and to enact sections 2  
3313.241, 3314.232, and 3314.52 of the Revised 3  
Code and to contingently amend Section 11 of 4  
Sub. S.B. 216 of the 132nd General Assembly upon 5  
its enactment and becoming effective regarding 6  
public moneys returned to the state as a result 7  
of a finding for recovery issued pursuant to an 8  
audit of the enrollment records of a community 9  
school, to clarify the time period within which 10  
a school district emergency levy or substitute 11  
levy may be renewed or replaced, to clarify the 12  
responsibilities of a school district treasurer 13  
regarding the signing or executing of certain 14  
documents, to require the State Board of 15  
Education to adopt standards for learning 16  
management software for internet- and computer- 17  
based community schools, regarding qualification 18  
for state payments by internet- or computer- 19

based community schools, regarding joint health 20  
and medical insurance programs by political 21  
subdivisions and county boards of developmental 22  
disabilities, regarding submission of five-year 23  
financial forecasts by public schools, and 24  
regarding the moratorium on certain provisions 25  
affecting community schools and school districts 26  
whose enrollments were affected due to enrolling 27  
students of a suspended e-school. 28

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

**Section 1.** That sections 9.833, 3313.26, 3314.08, 29  
5705.194, and 5705.391 be amended and sections 3313.241, 30  
3314.232, and 3314.52 of the Revised Code be enacted to read as 31  
follows: 32

**Sec. 9.833.** (A) As used in this section: 33

"Political subdivision" has the meaning defined in 34  
sections 2744.01 and 3905.36 of the Revised Code. For purposes 35  
of this section, "political subdivision" includes municipal 36  
corporations as defined in section 5705.01 of the Revised Code. 37

"County board" means a county board of developmental 38  
disabilities. 39

(B) Political subdivisions and county boards that provide 40  
health care benefits for their officers or employees may do any 41  
of the following: 42

(1) Establish and maintain an individual self-insurance 43  
program with public moneys to provide authorized health care 44

benefits, including but not limited to, health care, 45  
prescription drugs, dental care, and vision care, in accordance 46  
with division (C) of this section; 47

(2) Establish and maintain a health savings account 48  
program whereby employees or officers may establish and maintain 49  
health savings accounts in accordance with section 223 of the 50  
Internal Revenue Code. Public moneys may be used to pay for or 51  
fund federally qualified high deductible health plans that are 52  
linked to health savings accounts or to make contributions to 53  
health savings accounts. A health savings account program may be 54  
a part of a self-insurance program. 55

(3) After establishing an individual self-insurance 56  
program, agree with other political subdivisions or county 57  
boards that have established individual self-insurance programs 58  
for health care benefits, that their programs will be jointly 59  
administered in a manner specified in the agreement; 60

(4) Pursuant to a written agreement and in accordance with 61  
division (C) of this section, join in any combination with other 62  
political subdivisions or county boards to establish and 63  
maintain a joint self-insurance program to provide health care 64  
benefits; 65

(5) Pursuant to a written agreement, join in any 66  
combination with other political subdivisions or county boards 67  
to procure or contract for ~~policies,~~ 68

(a) Providers of medical or health services; 69

(b) Policies, contracts, or plans of insurance to provide 70  
health care benefits, which may include a health savings account 71  
program for their officers and employees subject to the 72  
agreement~~+~~. 73

(6) Use in any combination any of the policies, contracts,	74
plans, or programs authorized under this division.	75
(7) Any agreement made under division (B) (3), (4), (5), or	76
(6) of this section shall be in writing, comply with division	77
(C) of this section, and contain best practices established in	78
consultation with and approved by the department of	79
administrative services. The best practices may be reviewed and	80
amended at the discretion of the political subdivisions and	81
county boards in consultation with the department. Detailed	82
information regarding the best practices shall be made available	83
to any employee upon that employee's request.	84
(8) Purchase plans containing best practices identified by	85
the department of administrative services under section 9.901 of	86
the Revised Code.	87
(C) Except as otherwise provided in division (E) of this	88
section, the following apply to individual or joint self-	89
insurance programs established pursuant to this section:	90
(1) Such funds shall be reserved as are necessary, in the	91
exercise of sound and prudent actuarial judgment, to cover	92
potential cost of health care benefits for the officers and	93
employees of the political subdivision or county board. A	94
financial statement and a report of aggregate amounts so	95
reserved and aggregate disbursements made from such funds,	96
together with a written report of a member of the American	97
academy of actuaries certifying whether the amounts reserved	98
conform to the requirements of this division, are computed in	99
accordance with accepted loss reserving standards, and are	100
fairly stated in accordance with sound loss reserving	101
principles, shall be prepared and maintained, within ninety days	102
after the last day of the fiscal year of the entity for which	103

the report is provided for that fiscal year, in the office of 104  
the program administrator described in division (C) (3) of this 105  
section. 106

The report required by division (C) (1) of this section 107  
shall include, but not be limited to, the aggregate of 108  
disbursements made for the administration of the program, 109  
including claims paid, costs of the legal representation of 110  
political subdivisions, county boards, and employees, and fees 111  
paid to consultants. 112

The program administrator described in division (C) (3) of 113  
this section shall make the report required by this division 114  
available for inspection by any person at all reasonable times 115  
during regular business hours, and, upon the request of such 116  
person, shall make copies of the report available at cost within 117  
a reasonable period of time. The program administrator shall 118  
further provide the report to the auditor of state under Chapter 119  
117. of the Revised Code. The report required by this division 120  
is in lieu of the records required by division (A) of section 121  
149.431 of the Revised Code. 122

(2) Each political subdivision shall reserve funds 123  
necessary for an individual or joint self-insurance program in a 124  
special fund that may be established for political subdivisions 125  
other than an agency or instrumentality pursuant to an ordinance 126  
or resolution of the political subdivision and not subject to 127  
section 5705.12 of the Revised Code. An agency or 128  
instrumentality shall reserve the funds necessary for an 129  
individual or joint self-insurance program in a special fund 130  
established pursuant to a resolution duly adopted by the 131  
agency's or instrumentality's governing board. A county board 132  
shall reserve the funds necessary for an individual or joint 133

self-insurance program in a special fund established pursuant to 134  
a resolution duly adopted by the county board. The political 135  
subdivision or county board may allocate the costs of insurance 136  
or any self-insurance program, or both, among the funds or 137  
accounts established under this division on the basis of 138  
relative exposure and loss experience. 139

(3) A contract may be awarded, without the necessity of 140  
competitive bidding, to any person, political subdivision, 141  
nonprofit corporation organized under Chapter 1702. of the 142  
Revised Code, or regional council of governments created under 143  
Chapter 167. of the Revised Code for purposes of administration 144  
of an individual or joint self-insurance program. No such 145  
contract shall be entered into without full, prior, public 146  
disclosure of all terms and conditions. The disclosure shall 147  
include, at a minimum, a statement listing all representations 148  
made in connection with any possible savings and losses 149  
resulting from the contract, and potential liability of any 150  
political subdivision, county board, or employee. The proposed 151  
contract and statement shall be disclosed and presented at a 152  
meeting of the political subdivision or county board not less 153  
than one week prior to the meeting at which the political 154  
subdivision or county board authorizes the contract. 155

A contract awarded to a nonprofit corporation or a 156  
regional council of governments under this division may provide 157  
that all employees of the nonprofit corporation or regional 158  
council of governments, the employees of all entities related to 159  
the nonprofit corporation or regional council of governments, 160  
and the employees of other nonprofit corporations that have 161  
fifty or fewer employees and have been organized for the primary 162  
purpose of representing the interests of political subdivisions 163  
or county boards, may be covered by the individual or joint 164

self-insurance program under the terms and conditions set forth 165  
in the contract. 166

(4) The individual or joint self-insurance program shall 167  
include a contract with a certified public accountant and a 168  
member of the American academy of actuaries for the preparation 169  
of the written evaluations required under division (C)(1) of 170  
this section. 171

(5) A joint self-insurance program may allocate the costs 172  
of funding the program among the funds or accounts established 173  
under this division to the participating political subdivisions 174  
and county boards on the basis of their relative exposure and 175  
loss experience. 176

(6) An individual self-insurance program may allocate the 177  
costs of funding the program among the funds or accounts 178  
established under this division to the political subdivision or 179  
county board that established the program. 180

(7) Two or more political subdivisions, two or more county 181  
boards, or a combination thereof, may also authorize the 182  
establishment and maintenance of a joint health care cost 183  
containment program, including, but not limited to, the 184  
employment of risk managers, health care cost containment 185  
specialists, and consultants, for the purpose of preventing and 186  
reducing health care costs covered by insurance, individual 187  
self-insurance, or joint self-insurance programs. 188

(8) A political subdivision or county board is not liable 189  
under a joint self-insurance program for any amount in excess of 190  
amounts payable pursuant to the written agreement for the 191  
participation of the political subdivision or county board in 192  
the joint self-insurance program. Under a joint self-insurance 193

program agreement, a political subdivision or county board may, 194  
to the extent permitted under the written agreement, assume the 195  
risks of any other political subdivision or county board. A 196  
joint self-insurance program established under this section is 197  
deemed a separate legal entity for the public purpose of 198  
enabling the members of the joint self-insurance program to 199  
obtain insurance or to provide for a formalized, jointly 200  
administered self-insurance fund for its members. An entity 201  
created pursuant to this section is exempt from all state and 202  
local taxes. 203

(9) A county board or any political subdivision, other 204  
than an agency or instrumentality, may issue general obligation 205  
bonds, or special obligation bonds that are not payable from 206  
real or personal property taxes, and may also issue notes in 207  
anticipation of such bonds, pursuant to an ordinance or 208  
resolution of its legislative authority or other governing body 209  
or, in the case of a county board, the board itself, for the 210  
purpose of providing funds to pay expenses associated with the 211  
settlement of claims, whether by way of a reserve or otherwise, 212  
and to pay the political subdivision's or county board's portion 213  
of the cost of establishing and maintaining an individual or 214  
joint self-insurance program or to provide for the reserve in 215  
the special fund authorized by division (C) (2) of this section. 216

In its ordinance or resolution authorizing bonds or notes 217  
under this section, a political subdivision or county board may 218  
elect to issue such bonds or notes under the procedures set 219  
forth in Chapter 133. of the Revised Code. In the event of such 220  
an election, notwithstanding Chapter 133. of the Revised Code, 221  
the maturity of the bonds may be for any period authorized in 222  
the ordinance or resolution not exceeding twenty years, which 223  
period shall be the maximum maturity of the bonds for purposes 224



of section 133.22 of the Revised Code.	225
Bonds and notes issued under this section shall not be	226
considered in calculating the net indebtedness of the political	227
subdivision under sections 133.04, 133.05, 133.06, and 133.07 of	228
the Revised Code. Sections 9.98 to 9.983 of the Revised Code are	229
hereby made applicable to bonds or notes authorized under this	230
section.	231
(10) A joint self-insurance program is not an insurance	232
company. Its operation does not constitute doing an insurance	233
business and is not subject to the insurance laws of this state.	234
(11) A joint self-insurance program shall pay the run-off	235
expenses of a participating political subdivision or county	236
board that terminates its participation in the program if the	237
political subdivision or county board has accumulated funds in	238
the reserves for incurred but not reported claims. The run-off	239
payment, at minimum, shall be limited to an actuarially	240
determined cap or sixty days, whichever is reached first. This	241
provision shall not apply during the term of a specific,	242
separate agreement with a political subdivision or county board	243
to maintain enrollment for a specified period, not to exceed	244
three years.	245
(D) A political subdivision or county board may procure	246
group life insurance for its employees in conjunction with an	247
individual or joint self-insurance program authorized by this	248
section, provided that the policy of group life insurance is not	249
self-insured.	250
(E) This section does not apply to individual self-	251
insurance programs created solely by municipal corporations as	252
defined in section 5705.01 of the Revised Code.	253

(F) A public official or employee of a political 254  
subdivision or county board who is or becomes a member of the 255  
governing body of the program administrator of a joint self- 256  
insurance program in which the political subdivision or county 257  
board participates is not in violation of division (D) or (E) of 258  
section 102.03, division (C) of section 102.04, or section 259  
2921.42 of the Revised Code as a result of either of the 260  
following: 261

(1) The political subdivision's or county board's entering 262  
under this section into the written agreement to participate in 263  
the joint self-insurance program; 264

(2) The political subdivision's or county board's entering 265  
under this section into any other contract with the joint self- 266  
insurance program. 267

Sec. 3313.241. Notwithstanding division (A) of section 268  
3313.33 of the Revised Code, the following shall be signed and 269  
executed on behalf of a school district only by the 270  
superintendent of the school district or the president of the 271  
district's board of education: 272

(A) Employment contracts, salary notices, and other 273  
employment-related documents of the school district treasurer; 274

(B) Employment contracts, salary notices, and other 275  
employment-related documents of any member of the school 276  
district treasurer's family. 277

Sec. 3313.26. The treasurer of the board of education, in 278  
the performance of the treasurer's duties, shall record the 279  
proceedings of each meeting in a book to be provided by the 280  
board for that purpose, which shall be a public record. The 281  
record of proceedings at each meeting of the board shall be read 282

at its next succeeding meeting, corrected and approved, which 283  
approval shall be noted in the proceedings. After such approval, 284  
the president shall sign the record and the treasurer shall 285  
attest ~~it~~ to the accuracy of the information contained in the 286  
record. The treasurer's attestation shall not be construed to 287  
serve as authorization or execution of any action taken or not 288  
taken during any meeting. 289

By resolution, a board of education may waive the reading 290  
of the record of any of its proceedings, provided that such 291  
record has been distributed to the members of the board of 292  
education at least two days prior to the date of the next 293  
succeeding meeting and that copies of such record are made 294  
available to the public and news media. Such ~~regulation~~ 295  
resolution shall be in full force and effect until such time as 296  
amended or rescinded by ~~said the~~ board of education. 297

**Sec. 3314.08.** (A) As used in this section: 298

(1) (a) "Category one career-technical education student" 299  
means a student who is receiving the career-technical education 300  
services described in division (A) of section 3317.014 of the 301  
Revised Code. 302

(b) "Category two career-technical student" means a 303  
student who is receiving the career-technical education services 304  
described in division (B) of section 3317.014 of the Revised 305  
Code. 306

(c) "Category three career-technical student" means a 307  
student who is receiving the career-technical education services 308  
described in division (C) of section 3317.014 of the Revised 309  
Code. 310

(d) "Category four career-technical student" means a 311

student who is receiving the career-technical education services 312  
described in division (D) of section 3317.014 of the Revised 313  
Code. 314

(e) "Category five career-technical education student" 315  
means a student who is receiving the career-technical education 316  
services described in division (E) of section 3317.014 of the 317  
Revised Code. 318

(2) (a) "Category one limited English proficient student" 319  
means a limited English proficient student described in division 320  
(A) of section 3317.016 of the Revised Code. 321

(b) "Category two limited English proficient student" 322  
means a limited English proficient student described in division 323  
(B) of section 3317.016 of the Revised Code. 324

(c) "Category three limited English proficient student" 325  
means a limited English proficient student described in division 326  
(C) of section 3317.016 of the Revised Code. 327

(3) (a) "Category one special education student" means a 328  
student who is receiving special education services for a 329  
disability specified in division (A) of section 3317.013 of the 330  
Revised Code. 331

(b) "Category two special education student" means a 332  
student who is receiving special education services for a 333  
disability specified in division (B) of section 3317.013 of the 334  
Revised Code. 335

(c) "Category three special education student" means a 336  
student who is receiving special education services for a 337  
disability specified in division (C) of section 3317.013 of the 338  
Revised Code. 339

(d) "Category four special education student" means a 340  
student who is receiving special education services for a 341  
disability specified in division (D) of section 3317.013 of the 342  
Revised Code. 343

(e) "Category five special education student" means a 344  
student who is receiving special education services for a 345  
disability specified in division (E) of section 3317.013 of the 346  
Revised Code. 347

(f) "Category six special education student" means a 348  
student who is receiving special education services for a 349  
disability specified in division (F) of section 3317.013 of the 350  
Revised Code. 351

(4) "Formula amount" has the same meaning as in section 352  
3317.02 of the Revised Code. 353

(5) "IEP" has the same meaning as in section 3323.01 of 354  
the Revised Code. 355

(6) "Resident district" means the school district in which 356  
a student is entitled to attend school under section 3313.64 or 357  
3313.65 of the Revised Code. 358

(7) "State education aid" has the same meaning as in 359  
section 5751.20 of the Revised Code. 360

(B) The state board of education shall adopt rules 361  
requiring both of the following: 362

(1) The board of education of each city, exempted village, 363  
and local school district to annually report the number of 364  
students entitled to attend school in the district who are 365  
enrolled in each grade kindergarten through twelve in a 366  
community school established under this chapter, and for each 367

child, the community school in which the child is enrolled.	368
(2) The governing authority of each community school	369
established under this chapter to annually report all of the	370
following:	371
(a) The number of students enrolled in grades one through	372
twelve and the full-time equivalent number of students enrolled	373
in kindergarten in the school who are not receiving special	374
education and related services pursuant to an IEP;	375
(b) The number of enrolled students in grades one through	376
twelve and the full-time equivalent number of enrolled students	377
in kindergarten, who are receiving special education and related	378
services pursuant to an IEP;	379
(c) The number of students reported under division (B) (2)	380
(b) of this section receiving special education and related	381
services pursuant to an IEP for a disability described in each	382
of divisions (A) to (F) of section 3317.013 of the Revised Code;	383
(d) The full-time equivalent number of students reported	384
under divisions (B) (2) (a) and (b) of this section who are	385
enrolled in career-technical education programs or classes	386
described in each of divisions (A) to (E) of section 3317.014 of	387
the Revised Code that are provided by the community school;	388
(e) The number of students reported under divisions (B) (2)	389
(a) and (b) of this section who are not reported under division	390
(B) (2) (d) of this section but who are enrolled in career-	391
technical education programs or classes described in each of	392
divisions (A) to (E) of section 3317.014 of the Revised Code at	393
a joint vocational school district or another district in the	394
career-technical planning district to which the school is	395
assigned;	396

(f) The number of students reported under divisions (B) (2)	397
(a) and (b) of this section who are category one to three	398
limited English proficient students described in each of	399
divisions (A) to (C) of section 3317.016 of the Revised Code;	400
(g) The number of students reported under divisions (B) (2)	401
(a) and (b) of this section who are economically disadvantaged,	402
as defined by the department. A student shall not be	403
categorically excluded from the number reported under division	404
(B) (2) (g) of this section based on anything other than family	405
income.	406
(h) For each student, the city, exempted village, or local	407
school district in which the student is entitled to attend	408
school under section 3313.64 or 3313.65 of the Revised Code.	409
(i) The number of students enrolled in a preschool program	410
operated by the school that is licensed by the department of	411
education under sections 3301.52 to 3301.59 of the Revised Code	412
who are not receiving special education and related services	413
pursuant to an IEP.	414
A school district board and a community school governing	415
authority shall include in their respective reports under	416
division (B) of this section any child admitted in accordance	417
with division (A) (2) of section 3321.01 of the Revised Code.	418
A governing authority of a community school shall not	419
include in its report under divisions (B) (2) (a) to (h) of this	420
section any student for whom tuition is charged under division	421
(F) of this section.	422
(C) (1) Except as provided in division (C) (2) of this	423
section, and subject to divisions (C) (3), (4), (5), (6), and (7)	424
of this section, on a full-time equivalency basis, for each	425

student enrolled in a community school established under this 426  
chapter, the department of education annually shall deduct from 427  
the state education aid of a student's resident district and, if 428  
necessary, from the payment made to the district under sections 429  
321.24 and 323.156 of the Revised Code and pay to the community 430  
school the sum of the following: 431

(a) An opportunity grant in an amount equal to the formula 432  
amount; 433

(b) The per pupil amount of targeted assistance funds 434  
calculated under division (A) of section 3317.0217 of the 435  
Revised Code for the student's resident district, as determined 436  
by the department, X 0.25; 437

(c) Additional state aid for special education and related 438  
services provided under Chapter 3323. of the Revised Code as 439  
follows: 440

(i) If the student is a category one special education 441  
student, the amount specified in division (A) of section 442  
3317.013 of the Revised Code; 443

(ii) If the student is a category two special education 444  
student, the amount specified in division (B) of section 445  
3317.013 of the Revised Code; 446

(iii) If the student is a category three special education 447  
student, the amount specified in division (C) of section 448  
3317.013 of the Revised Code; 449

(iv) If the student is a category four special education 450  
student, the amount specified in division (D) of section 451  
3317.013 of the Revised Code; 452

(v) If the student is a category five special education 453



student, the amount specified in division (E) of section	454
3317.013 of the Revised Code;	455
(vi) If the student is a category six special education	456
student, the amount specified in division (F) of section	457
3317.013 of the Revised Code.	458
(d) If the student is in kindergarten through third grade,	459
an additional amount of \$320;	460
(e) If the student is economically disadvantaged, an	461
additional amount equal to the following:	462
\$272 X the resident district's economically disadvantaged	463
index	464
(f) Limited English proficiency funds as follows:	465
(i) If the student is a category one limited English	466
proficient student, the amount specified in division (A) of	467
section 3317.016 of the Revised Code;	468
(ii) If the student is a category two limited English	469
proficient student, the amount specified in division (B) of	470
section 3317.016 of the Revised Code;	471
(iii) If the student is a category three limited English	472
proficient student, the amount specified in division (C) of	473
section 3317.016 of the Revised Code.	474
(g) If the student is reported under division (B) (2) (d) of	475
this section, career-technical education funds as follows:	476
(i) If the student is a category one career-technical	477
education student, the amount specified in division (A) of	478
section 3317.014 of the Revised Code;	479
(ii) If the student is a category two career-technical	480

education student, the amount specified in division (B) of 481  
section 3317.014 of the Revised Code; 482

(iii) If the student is a category three career-technical 483  
education student, the amount specified in division (C) of 484  
section 3317.014 of the Revised Code; 485

(iv) If the student is a category four career-technical 486  
education student, the amount specified in division (D) of 487  
section 3317.014 of the Revised Code; 488

(v) If the student is a category five career-technical 489  
education student, the amount specified in division (E) of 490  
section 3317.014 of the Revised Code. 491

Deduction and payment of funds under division (C) (1) (g) of 492  
this section is subject to approval by the lead district of a 493  
career-technical planning district or the department of 494  
education under section 3317.161 of the Revised Code. 495

(2) When deducting from the state education aid of a 496  
student's resident district for students enrolled in an 497  
internet- or computer-based community school and making payments 498  
to such school under this section, the department shall make the 499  
deductions and payments described in only divisions (C) (1) (a), 500  
(c), and (g) of this section. 501

No deductions or payments shall be made for a student 502  
enrolled in such school under division (C) (1) (b), (d), (e), or 503  
(f) of this section. 504

(3) (a) If a community school's costs for a fiscal year for 505  
a student receiving special education and related services 506  
pursuant to an IEP for a disability described in divisions (B) 507  
to (F) of section 3317.013 of the Revised Code exceed the 508  
threshold catastrophic cost for serving the student as specified 509

in division (B) of section 3317.0214 of the Revised Code, the 510  
school may submit to the superintendent of public instruction 511  
documentation, as prescribed by the superintendent, of all its 512  
costs for that student. Upon submission of documentation for a 513  
student of the type and in the manner prescribed, the department 514  
shall pay to the community school an amount equal to the 515  
school's costs for the student in excess of the threshold 516  
catastrophic costs. 517

(b) The community school shall report under division (C) 518  
(3)(a) of this section, and the department shall pay for, only 519  
the costs of educational expenses and the related services 520  
provided to the student in accordance with the student's 521  
individualized education program. Any legal fees, court costs, 522  
or other costs associated with any cause of action relating to 523  
the student may not be included in the amount. 524

(4) In any fiscal year, a community school receiving funds 525  
under division (C)(1)(g) of this section shall spend those funds 526  
only for the purposes that the department designates as approved 527  
for career-technical education expenses. Career-technical 528  
education expenses approved by the department shall include only 529  
expenses connected to the delivery of career-technical 530  
programming to career-technical students. The department shall 531  
require the school to report data annually so that the 532  
department may monitor the school's compliance with the 533  
requirements regarding the manner in which funding received 534  
under division (C)(1)(g) of this section may be spent. 535

(5) Notwithstanding anything to the contrary in section 536  
3313.90 of the Revised Code, except as provided in division (C) 537  
(9) of this section, all funds received under division (C)(1)(g) 538  
of this section shall be spent in the following manner: 539

(a) At least seventy-five per cent of the funds shall be 540  
spent on curriculum development, purchase, and implementation; 541  
instructional resources and supplies; industry-based program 542  
certification; student assessment, credentialing, and placement; 543  
curriculum specific equipment purchases and leases; career- 544  
technical student organization fees and expenses; home and 545  
agency linkages; work-based learning experiences; professional 546  
development; and other costs directly associated with career- 547  
technical education programs including development of new 548  
programs. 549

(b) Not more than twenty-five per cent of the funds shall 550  
be used for personnel expenditures. 551

(6) A community school shall spend the funds it receives 552  
under division (C) (1) (e) of this section in accordance with 553  
section 3317.25 of the Revised Code. 554

(7) If the sum of the payments computed under divisions 555  
(C) (1) and (8) (a) of this section for the students entitled to 556  
attend school in a particular school district under sections 557  
3313.64 and 3313.65 of the Revised Code exceeds the sum of that 558  
district's state education aid and its payment under sections 559  
321.24 and 323.156 of the Revised Code, the department shall 560  
calculate and apply a proration factor to the payments to all 561  
community schools under that division for the students entitled 562  
to attend school in that district. 563

(8) (a) Subject to division (C) (7) of this section, the 564  
department annually shall pay to each community school, 565  
including each internet- or computer-based community school, an 566  
amount equal to the following: 567

(The number of students reported by the community school 568

under division (B) (2) (e) of this section X the formula amount	569
X .20)	570
(b) For each payment made to a community school under	571
division (C) (8) (a) of this section, the department shall deduct	572
from the state education aid of each city, local, and exempted	573
village school district and, if necessary, from the payment made	574
to the district under sections 321.24 and 323.156 of the Revised	575
Code an amount equal to the following:	576
(The number of the district's students reported by the	577
community school under division (B) (2) (e) of this section X the	578
formula amount X .20)	579
(9) The department may waive the requirement in division	580
(C) (5) of this section for any community school that exclusively	581
provides one or more career-technical workforce development	582
programs in arts and communications that are not equipment-	583
intensive, as determined by the department.	584
(D) A board of education sponsoring a community school may	585
utilize local funds to make enhancement grants to the school or	586
may agree, either as part of the contract or separately, to	587
provide any specific services to the community school at no cost	588
to the school.	589
(E) A community school may not levy taxes or issue bonds	590
secured by tax revenues.	591
(F) No community school shall charge tuition for the	592
enrollment of any student who is a resident of this state. A	593
community school may charge tuition for the enrollment of any	594
student who is not a resident of this state.	595
(G) (1) (a) A community school may borrow money to pay any	596
necessary and actual expenses of the school in anticipation of	597

the receipt of any portion of the payments to be received by the 598  
school pursuant to division (C) of this section. The school may 599  
issue notes to evidence such borrowing. The proceeds of the 600  
notes shall be used only for the purposes for which the 601  
anticipated receipts may be lawfully expended by the school. 602

(b) A school may also borrow money for a term not to 603  
exceed fifteen years for the purpose of acquiring facilities. 604

(2) Except for any amount guaranteed under section 3318.50 605  
of the Revised Code, the state is not liable for debt incurred 606  
by the governing authority of a community school. 607

(H) The department of education shall adjust the amounts 608  
subtracted and paid under division (C) of this section to 609  
reflect any enrollment of students in community schools for less 610  
than the equivalent of a full school year. The state board of 611  
education within ninety days after April 8, 2003, shall adopt in 612  
accordance with Chapter 119. of the Revised Code rules governing 613  
the payments to community schools under this section including 614  
initial payments in a school year and adjustments and reductions 615  
made in subsequent periodic payments to community schools and 616  
corresponding deductions from school district accounts as 617  
provided under division (C) of this section. For purposes of 618  
this section: 619

(1) A student shall be considered enrolled in the 620  
community school for any portion of the school year the student 621  
is participating at a college under Chapter 3365. of the Revised 622  
Code. 623

(2) A student shall be considered to be enrolled in a 624  
community school for the period of time beginning on the later 625  
of the date on which the school both has received documentation 626

of the student's enrollment from a parent and the student has 627  
commenced participation in learning opportunities as defined in 628  
the contract with the sponsor, or thirty days prior to the date 629  
on which the student is entered into the education management 630  
information system established under section 3301.0714 of the 631  
Revised Code. For purposes of applying this division and 632  
divisions (H) (3) and (4) of this section to a community school 633  
student, "learning opportunities" shall be defined in the 634  
contract, which shall describe both classroom-based and non- 635  
classroom-based learning opportunities and shall be in 636  
compliance with criteria and documentation requirements for 637  
student participation which shall be established by the 638  
department. Any student's instruction time in non-classroom- 639  
based learning opportunities shall be certified by an employee 640  
of the community school. A student's enrollment shall be 641  
considered to cease on the date on which any of the following 642  
occur: 643

(a) The community school receives documentation from a 644  
parent terminating enrollment of the student. 645

(b) The community school is provided documentation of a 646  
student's enrollment in another public or private school. 647

(c) The community school ceases to offer learning 648  
opportunities to the student pursuant to the terms of the 649  
contract with the sponsor or the operation of any provision of 650  
this chapter. 651

Except as otherwise specified in this paragraph, beginning 652  
in the 2011-2012 school year, any student who completed the 653  
prior school year in an internet- or computer-based community 654  
school shall be considered to be enrolled in the same school in 655  
the subsequent school year until the student's enrollment has 656

ceased as specified in division (H) (2) of this section. The 657  
department shall continue subtracting and paying amounts for the 658  
student under division (C) of this section without interruption 659  
at the start of the subsequent school year. However, if the 660  
student without a legitimate excuse fails to participate in the 661  
first one hundred five consecutive hours of learning 662  
opportunities offered to the student in that subsequent school 663  
year, the student shall be considered not to have re-enrolled in 664  
the school for that school year and the department shall 665  
recalculate the payments to the school for that school year to 666  
account for the fact that the student is not enrolled. 667

(3) The department shall determine each community school 668  
student's percentage of full-time equivalency based on the 669  
percentage of learning opportunities offered by the community 670  
school to that student, reported either as number of hours or 671  
number of days, is of the total learning opportunities offered 672  
by the community school to a student who attends for the 673  
school's entire school year. However, no internet- or computer- 674  
based community school shall be credited for any time a student 675  
spends participating in learning opportunities beyond ten hours 676  
within any period of twenty-four consecutive hours. Whether it 677  
reports hours or days of learning opportunities, each community 678  
school shall offer not less than nine hundred twenty hours of 679  
learning opportunities during the school year. 680

(4) With respect to the calculation of full-time 681  
equivalency under division (H) (3) of this section, the 682  
department shall waive the number of hours or days of learning 683  
opportunities not offered to a student because the community 684  
school was closed during the school year due to disease 685  
epidemic, hazardous weather conditions, law enforcement 686  
emergencies, inoperability of school buses or other equipment 687



necessary to the school's operation, damage to a school 688  
building, or other temporary circumstances due to utility 689  
failure rendering the school building unfit for school use, so 690  
long as the school was actually open for instruction with 691  
students in attendance during that school year for not less than 692  
the minimum number of hours required by this chapter. The 693  
department shall treat the school as if it were open for 694  
instruction with students in attendance during the hours or days 695  
waived under this division. 696

(I) The department of education shall reduce the amounts 697  
paid under this section to reflect payments made to colleges 698  
under section 3365.07 of the Revised Code. 699

(J) (1) No student shall be considered enrolled in any 700  
internet- or computer-based community school or, if applicable 701  
to the student, in any community school that is required to 702  
provide the student with a computer pursuant to division (C) of 703  
section 3314.22 of the Revised Code, unless both of the 704  
following conditions are satisfied: 705

(a) The student possesses or has been provided with all 706  
required hardware and software materials and all such materials 707  
are operational so that the student is capable of fully 708  
participating in the learning opportunities specified in the 709  
contract between the school and the school's sponsor as required 710  
by division (A) (23) of section 3314.03 of the Revised Code; 711

(b) The school is in compliance with division (A) of 712  
section 3314.22 of the Revised Code, relative to such student. 713

(2) In accordance with policies adopted ~~jointly~~ by the 714  
superintendent of public instruction ~~and~~, in consultation with 715  
the auditor of state, the department shall reduce the amounts 716

otherwise payable under division (C) of this section to any 717  
community school that includes in its program the provision of 718  
computer hardware and software materials to any student, if such 719  
hardware and software materials have not been delivered, 720  
installed, and activated for each such student in a timely 721  
manner or other educational materials or services have not been 722  
provided according to the contract between the individual 723  
community school and its sponsor. 724

The superintendent of public instruction and the auditor 725  
of state shall jointly establish a method for auditing any 726  
community school to which this division pertains to ensure 727  
compliance with this section. 728

The superintendent, auditor of state, and the governor 729  
shall jointly make recommendations to the general assembly for 730  
legislative changes that may be required to assure fiscal and 731  
academic accountability for such schools. 732

(K) (1) If the department determines that a review of a 733  
community school's enrollment is necessary, such review shall be 734  
completed and written notice of the findings shall be provided 735  
to the governing authority of the community school and its 736  
sponsor within ninety days of the end of the community school's 737  
fiscal year, unless extended for a period not to exceed thirty 738  
additional days for one of the following reasons: 739

(a) The department and the community school mutually agree 740  
to the extension. 741

(b) Delays in data submission caused by either a community 742  
school or its sponsor. 743

(2) If the review results in a finding that additional 744  
funding is owed to the school, such payment shall be made within 745

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 state board of education or its designee.

(b) The board or its designee shall conduct an informal hearing on the matter within thirty days of receipt of such an appeal and shall issue a decision within fifteen days of the conclusion of the hearing.

(c) If the board has enlisted a designee to conduct the hearing, the designee shall certify its decision to the board. The board may accept the decision of the designee or may reject the decision of the designee and issue its own decision on the matter.

(d) Any decision made by the board 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 superintendent of public instruction.

(L) The department shall not subtract from a school district's state aid account and shall not pay to a community school under division (C) of this section 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 774  
during the previous school year when assessments were 775  
administered under section 3301.0711 of the Revised Code but did 776  
not take one or more of the assessments required by that section 777  
and was not excused pursuant to division (C) (1) or (3) of that 778  
section, unless the superintendent of public instruction grants 779  
the student a waiver from the requirement to take the assessment 780  
and a parent is not paying tuition for the student pursuant to 781  
section 3314.26 of the Revised Code. The superintendent may 782  
grant a waiver only for good cause in accordance with rules 783  
adopted by the state board of education. 784

(4) Any student who has attained the age of twenty-two 785  
years, except for veterans of the armed services whose 786  
attendance was interrupted before completing the recognized 787  
twelve-year course of the public schools by reason of induction 788  
or enlistment in the armed forces and who apply for enrollment 789  
in a community school not later than four years after 790  
termination of war or their honorable discharge. If, however, 791  
any such veteran elects to enroll in special courses organized 792  
for veterans for whom tuition is paid under federal law, or 793  
otherwise, the department shall not subtract from a school 794  
district's state aid account and shall not pay to a community 795  
school under division (C) of this section any amount for that 796  
veteran. 797

Sec. 3314.232. The superintendent of public instruction 798  
shall establish by rule adopted in accordance with Chapter 119. 799  
of the Revised Code standards for learning management software 800  
to be used by internet- and computer-based community schools. 801

Sec. 3314.52. If the auditor of state issues a finding for 802  
recovery pursuant to an audit of the enrollment records of a 803

community school conducted in accordance with section 117.10 of 804  
the Revised Code, the department of education shall ensure that 805  
any public moneys returned to the state as a result of that 806  
finding for recovery are credited to the state education aid of 807  
the school district or districts from which the funding was 808  
deducted under section 3314.08 of the Revised Code in an amount 809  
equal to the amount that was deducted. 810

**Sec. 5705.194.** The board of education of any city, local, 811  
exempted village, cooperative education, or joint vocational 812  
school district at any time may declare by resolution that the 813  
revenue that will be raised by all tax levies which the district 814  
is authorized to impose, when combined with state and federal 815  
revenues, will be insufficient to provide for the emergency 816  
requirements of the school district or to avoid an operating 817  
deficit, and that it is therefore necessary to levy an 818  
additional tax in excess of the ten-mill limitation. The 819  
resolution shall be confined to a single purpose and shall 820  
specify that purpose. If the levy is proposed to renew all or a 821  
portion of the proceeds derived from one or more existing levies 822  
imposed pursuant to this section, it shall be called a renewal 823  
levy and shall be so designated on the ballot. If two or more 824  
existing levies are to be included in a single renewal levy but 825  
are not scheduled to expire in the same year, the resolution 826  
shall specify that the existing levies to be renewed shall not 827  
be levied after the year preceding the year in which the renewal 828  
levy is first imposed. Notwithstanding the original purpose of 829  
any one or more existing levies that are to be in any single 830  
renewal levy, the purpose of the renewal levy may be either to 831  
avoid an operating deficit or to provide for the emergency 832  
requirements of the school district. The resolution shall 833  
further specify the amount of money it is necessary to raise for 834

the specified purpose for each calendar year the millage is to 835  
be imposed; if a renewal levy, whether the levy is to renew all, 836  
or a portion of, the proceeds derived from one or more existing 837  
levies; and the number of years in which the millage is to be in 838  
effect, which may include a levy upon the current year's tax 839  
list. The number of years may be any number not exceeding ten. 840

The question shall be submitted at a special election on a 841  
date specified in the resolution. The date shall not be earlier 842  
than eighty days after the adoption and certification of the 843  
resolution to the county auditor and shall be consistent with 844  
the requirements of section 3501.01 of the Revised Code. A 845  
resolution for a renewal levy shall not be placed on the ballot 846  
unless the question is submitted on a date on which a special 847  
election may be held under division (D) of section 3501.01 of 848  
the Revised Code, except for the first Tuesday after the first 849  
Monday in August, during the last year the levy to be renewed 850  
may be extended on the real and public utility property tax list 851  
and duplicate, or at any election held in the ensuing year, 852  
except that if the resolution proposes renewing two or more 853  
existing levies, the question shall be submitted on the date of 854  
the general or primary election held during the last year at 855  
least one of the levies to be renewed may be extended on that 856  
list and duplicate, or at any election held during the ensuing 857  
year. For purposes of this section and sections 5705.197 and 858  
5705.199 of the Revised Code, a levy shall be considered to be 859  
an "existing levy" through the year following the last year it 860  
can be placed on the real and public utility property tax list 861  
and duplicate. 862

The submission of questions to the electors under this 863  
section is subject to the limitation on the number of election 864  
dates established by section 5705.214 of the Revised Code. 865

The resolution shall go into immediate effect upon its passage, and no publication of the resolution shall be necessary other than that provided for in the notice of election. A copy of the resolution shall immediately after its passing be certified to the county auditor of the proper county. Section 5705.195 of the Revised Code shall govern the arrangements for the submission of questions to the electors under this section and other matters concerning the election. Publication of notice of the election shall be made in one newspaper of general circulation in the county once a week for two consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election. If the board of elections operates and maintains a web site, the board of elections shall post notice of the election on its web site for thirty days prior to the election. If a majority of the electors voting on the question submitted in an election vote in favor of the levy, the board of education of the school district may make the additional levy necessary to raise the amount specified in the resolution for the purpose stated in the resolution. The tax levy shall be included in the next tax budget that is certified to the county budget commission.

After the approval of the levy and prior to the time when the first tax collection from the levy can be made, the board of education may anticipate a fraction of the proceeds of the levy and issue anticipation notes in an amount not exceeding the total estimated proceeds of the levy to be collected during the first year of the levy.

The notes shall be issued as provided in section 133.24 of the Revised Code, shall have principal payments during each year after the year of their issuance over a period not to exceed five years, and may have principal payment in the year of their

issuance. 897

**Sec. 5705.391.** (A) ~~No later than July 1, 1998, the~~ The 898  
department of education and the auditor of state shall jointly 899  
adopt rules requiring boards of education to submit five-year 900  
projections of operational revenues and expenditures. The rules 901  
shall provide for the auditor of state or the department to 902  
examine the five-year projections and to determine whether any 903  
further fiscal analysis is needed to ascertain whether a 904  
district has the potential to incur a deficit during the first 905  
three years of the five-year period. 906

The auditor of state or the department may conduct any 907  
further audits or analyses necessary to assess any district's 908  
fiscal condition. If further audits or analyses are conducted by 909  
the auditor of state, the auditor of state shall notify the 910  
department of the district's fiscal condition, and the 911  
department shall immediately notify the district of any 912  
potential to incur a deficit in the current fiscal year or of 913  
any strong indications that a deficit will be incurred in either 914  
of the ensuing two years. If such audits or analyses are 915  
conducted by the department, the department shall immediately 916  
notify the district and the auditor of state of such potential 917  
deficit or strong indications thereof. 918

A district notified under this section shall take 919  
immediate steps to eliminate any deficit in the current fiscal 920  
year and shall begin to plan to avoid the projected future 921  
deficits. 922

(B) The state board of education, in accordance with 923  
sections 3319.31 and 3319.311 of the Revised Code, may limit, 924  
suspend, or revoke a license as defined under section 3319.31 of 925  
the Revised Code that has been issued to any school employee 926



found to have willfully contributed erroneous, inaccurate, or 927  
incomplete data required for the submission of the five-year 928  
projection required by this section. 929

(C) The department and the auditor of state, in their 930  
joint adoption of rules under division (A) of this section, 931  
shall not require a board of education to submit its five-year 932  
projection of operational revenues and expenditures prior to the 933  
thirtieth day of November of any fiscal year. 934

**Section 2.** That existing sections 9.833, 3313.26, 3314.08, 935  
5705.194, and 5705.391 of the Revised Code are hereby repealed. 936

**Section 3.** That Section 11 of Sub. S.B. 216 of the 132nd 937  
General Assembly contingent upon its enactment and becoming 938  
effective be amended to read as follows: 939

**Sec. 11.** (A) As used in this section: 940

(1) "Community school" means a community school 941  
established under Chapter 3314. of the Revised Code. 942

(2) "Internet- or computer-based community school" and 943  
"sponsor" have the same meanings as in section 3314.02 of the 944  
Revised Code. 945

(3) "Displaced enrollee" means a student who meets both of 946  
the following conditions: 947

(a) For any time during the 2017-2018 school year, the 948  
student was enrolled in an internet- or computer-based community 949  
school that prior to the end of that school year had its 950  
operations suspended by the school's sponsor under section 951  
3314.072 of the Revised Code. 952

(b) At any time during the 2017-2018 school year, prior to 953  
the suspension of operations of the internet- or computer-based 954

community school described in division (A) (3) (a) of this 955  
section, or after the suspension of operations of that school, 956  
the student enrolled in a different community school or a school 957  
operated by a school district board of education. 958

(B) Notwithstanding anything in the Revised Code to the 959  
contrary: 960

(1) For purposes of the community school sponsor 961  
evaluations conducted under section 3314.016 of the Revised Code 962  
for the 2017-2018 and 2018-2019 school years, the Department of 963  
Education shall exclude any displaced enrollee from the average 964  
daily membership of the community schools in a sponsor's 965  
portfolio when calculating the academic performance component of 966  
the evaluation prescribed by division (B) (1) (a) of that section. 967

(2) If displaced enrollees cause the enrollment of a 968  
community school to increase by more than ~~ten~~ twenty per cent in 969  
the 2017-2018 school year, the community school shall not be 970  
subject to closure under section 3314.35 of the Revised Code in 971  
the 2017-2018, 2018-2019, or 2019-2020 school year, unless the 972  
school satisfies the criteria for closure under division (A) (3) 973  
of that section for three consecutive years. However, if the 974  
community school would otherwise be subject to closure under 975  
that section based on the school's performance with the scores 976  
of the displaced enrollees omitted from the calculations, that 977  
school shall be subject to closure under the conditions of that 978  
section. 979

(C) Notwithstanding anything in the Revised Code to the 980  
contrary, for the 2018-2019 and 2019-2020 school years only, a 981  
school district that experiences an increase in enrollment of 982  
more than ~~ten~~ twenty per cent in the 2017-2018 school year as a 983  
result of the enrollment of displaced enrollees shall not be 984

considered a new challenged school district where new start-up 985  
community schools may be located under division (A) (3) of 986  
section 3314.02 of the Revised Code. 987

**Section 4.** That existing Section 11 of Sub. S.B. 216 of 988  
the 132nd General Assembly is hereby contingently repealed. 989

**Section 5.** Sections 3 and 4 of this act shall take effect 990  
contingent upon the enactment of Section 11 of Sub. S.B. 216 of 991  
the 132nd General Assembly becoming law and becoming effective. 992

**Section 6.** Section 9.833 of the Revised Code is presented 993  
in this act as a composite of the section as amended by both Am. 994  
Sub. H.B. 483 and Sub. S.B. 3 of the 131st General Assembly. The 995  
General Assembly, applying the principle stated in division (B) 996  
of section 1.52 of the Revised Code that amendments are to be 997  
harmonized if reasonably capable of simultaneous operation, 998  
finds that the composite is the resulting version of the section 999  
in effect prior to the effective date of the section as 1000  
presented in this act. 1001