

As Concurred by the House

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, Ingram, Johnson, Koehler, Lepore-Hagan, Manning, O'Brien, Perales, Rogers, Ryan, Schuring, Sheehy, Strahorn, Sweeney, Sykes, West

Senators Beagle, Coley, Dolan, Eklund, Gardner, Kunze, Oelslager, Peterson, Terhar

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 program with public moneys to provide authorized health care benefits, including but not limited to, health care, prescription drugs, dental care, and vision care, in accordance with division (C) of this section;

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

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

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

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

(a) Providers of medical or health services;

(b) Policies, contracts, or plans of insurance to provide health care benefits, which may include a health savings account

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 Code.	309 310
(d) "Category four career-technical student" means a student who is receiving the career-technical education services described in division (D) of section 3317.014 of the Revised Code.	311 312 313 314
(e) "Category five career-technical education student" means a student who is receiving the career-technical education services described in division (E) of section 3317.014 of the Revised Code.	315 316 317 318
(2) (a) "Category one limited English proficient student" means a limited English proficient student described in division (A) of section 3317.016 of the Revised Code.	319 320 321
(b) "Category two limited English proficient student" means a limited English proficient student described in division (B) of section 3317.016 of the Revised Code.	322 323 324
(c) "Category three limited English proficient student" means a limited English proficient student described in division (C) of section 3317.016 of the Revised Code.	325 326 327
(3) (a) "Category one special education student" means a student who is receiving special education services for a disability specified in division (A) of section 3317.013 of the Revised Code.	328 329 330 331
(b) "Category two special education student" means a student who is receiving special education services for a disability specified in division (B) of section 3317.013 of the Revised Code.	332 333 334 335
(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 student, the amount specified in division (E) of section 3317.013 of the Revised Code;	453 454 455
(vi) If the student is a category six special education student, the amount specified in division (F) of section 3317.013 of the Revised Code.	456 457 458
(d) If the student is in kindergarten through third grade, an additional amount of \$320;	459 460
(e) If the student is economically disadvantaged, an additional amount equal to the following:	461 462
\$272 X the resident district's economically disadvantaged index	463 464
(f) Limited English proficiency funds as follows:	465
(i) If the student is a category one limited English proficient student, the amount specified in division (A) of section 3317.016 of the Revised Code;	466 467 468
(ii) If the student is a category two limited English proficient student, the amount specified in division (B) of section 3317.016 of the Revised Code;	469 470 471
(iii) If the student is a category three limited English proficient student, the amount specified in division (C) of section 3317.016 of the Revised Code.	472 473 474
(g) If the student is reported under division (B) (2) (d) of this section, career-technical education funds as follows:	475 476
(i) If the student is a category one career-technical education student, the amount specified in division (A) of	477 478

section 3317.014 of the Revised Code;	479
(ii) If the student is a category two career-technical education student, the amount specified in division (B) of section 3317.014 of the Revised Code;	480 481 482
(iii) If the student is a category three career-technical education student, the amount specified in division (C) of section 3317.014 of the Revised Code;	483 484 485
(iv) If the student is a category four career-technical education student, the amount specified in division (D) of section 3317.014 of the Revised Code;	486 487 488
(v) If the student is a category five career-technical education student, the amount specified in division (E) of section 3317.014 of the Revised Code.	489 490 491
Deduction and payment of funds under division (C) (1) (g) of this section is subject to approval by the lead district of a career-technical planning district or the department of education under section 3317.161 of the Revised Code.	492 493 494 495
(2) When deducting from the state education aid of a student's resident district for students enrolled in an internet- or computer-based community school and making payments to such school under this section, the department shall make the deductions and payments described in only divisions (C) (1) (a), (c), and (g) of this section.	496 497 498 499 500 501
No deductions or payments shall be made for a student enrolled in such school under division (C) (1) (b), (d), (e), or (f) of this section.	502 503 504
(3) (a) If a community school's costs for a fiscal year for a student receiving special education and related services	505 506

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 746
finding that the community school owes moneys to the state, the 747
following procedure shall apply: 748

(a) Within ten business days of the receipt of the notice 749
of findings, the community school may appeal the department's 750
determination to the state board of education or its designee. 751

(b) The board or its designee shall conduct an informal 752
hearing on the matter within thirty days of receipt of such an 753
appeal and shall issue a decision within fifteen days of the 754
conclusion of the hearing. 755

(c) If the board has enlisted a designee to conduct the 756
hearing, the designee shall certify its decision to the board. 757
The board may accept the decision of the designee or may reject 758
the decision of the designee and issue its own decision on the 759
matter. 760

(d) Any decision made by the board under this division is 761
final. 762

(3) If it is decided that the community school owes moneys 763
to the state, the department shall deduct such amount from the 764
school's future payments in accordance with guidelines issued by 765
the superintendent of public instruction. 766

(L) The department shall not subtract from a school 767
district's state aid account and shall not pay to a community 768
school under division (C) of this section any amount for any of 769
the following: 770

(1) Any student who has graduated from the twelfth grade	771
of a public or nonpublic high school;	772
(2) Any student who is not a resident of the state;	773
(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
<u>Sec. 3314.232. The superintendent of public instruction</u>	798
<u>shall establish by rule adopted in accordance with Chapter 119.</u>	799
<u>of the Revised Code standards for learning management software</u>	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 866
passage, and no publication of the resolution shall be necessary 867
other than that provided for in the notice of election. A copy 868
of the resolution shall immediately after its passing be 869
certified to the county auditor of the proper county. Section 870
5705.195 of the Revised Code shall govern the arrangements for 871
the submission of questions to the electors under this section 872
and other matters concerning the election. Publication of notice 873
of the election shall be made in one newspaper of general 874
circulation in the county once a week for two consecutive weeks, 875
or as provided in section 7.16 of the Revised Code, prior to the 876
election. If the board of elections operates and maintains a web 877
site, the board of elections shall post notice of the election 878
on its web site for thirty days prior to the election. If a 879
majority of the electors voting on the question submitted in an 880
election vote in favor of the levy, the board of education of 881
the school district may make the additional levy necessary to 882
raise the amount specified in the resolution for the purpose 883
stated in the resolution. The tax levy shall be included in the 884
next tax budget that is certified to the county budget 885
commission. 886

After the approval of the levy and prior to the time when 887
the first tax collection from the levy can be made, the board of 888
education may anticipate a fraction of the proceeds of the levy 889
and issue anticipation notes in an amount not exceeding the 890
total estimated proceeds of the levy to be collected during the 891
first year of the levy. 892

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.

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

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

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

(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 contrary, for the 2018-2019 and 2019-2020 school years only, a school district that experiences an increase in enrollment of more than ~~ten~~-twenty per cent in the 2017-2018 school year as a result of the enrollment of displaced enrollees shall not be considered a new challenged school district where new start-up community schools may be located under division (A) (3) of section 3314.02 of the Revised Code.

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

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

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