

H.B. 70
As Passed by the House

Topic: Academic distress commissions and education partnerships

_____ moved to amend as follows:

In line 1 of the title, after "To" insert "amend sections 1
133.06, 3302.01, 3302.036, 3302.04, 3310.02, 3310.03, 3310.032, 2
3310.035, 3311.29, and 3314.102; to"; after "enact" insert "new 3
section 3302.10 and"; after "sections" insert "3302.11,"; after 4
"3302.18," insert "; and to repeal section 3302.10" 5

In line 5 of the title, after "restructuring" insert "and to 6
revise the law regarding academic distress commissions and other 7
supports for lower performing school districts" 8

In line 6, after "sections" insert "133.06, 3302.01, 9
3302.036, 3302.04, 3310.02, 3310.03, 3310.032, 3310.035, 3311.29, 10
and 3314.102 be amended and new section 3302.10 and sections 11
3302.11," 12

Between lines 7 and 8, insert: 13

"**Sec. 133.06.** (A) A school district shall not incur, without 14
a vote of the electors, net indebtedness that exceeds an amount 15
equal to one-tenth of one per cent of its tax valuation, except as 16
provided in divisions (G) and (H) of this section and in division 17
(D) of section 3313.372 of the Revised Code, or as prescribed in 18
section 3318.052 or 3318.44 of the Revised Code, or as provided in 19

division (J) of this section. 20

(B) Except as provided in divisions (E), (F), and (I) of this 21
section, a school district shall not incur net indebtedness that 22
exceeds an amount equal to nine per cent of its tax valuation. 23

(C) A school district shall not submit to a vote of the 24
electors the question of the issuance of securities in an amount 25
that will make the district's net indebtedness after the issuance 26
of the securities exceed an amount equal to four per cent of its 27
tax valuation, unless the superintendent of public instruction, 28
acting under policies adopted by the state board of education, and 29
the tax commissioner, acting under written policies of the 30
commissioner, consent to the submission. A request for the 31
consents shall be made at least one hundred twenty days prior to 32
the election at which the question is to be submitted. 33

The superintendent of public instruction shall certify to the 34
district the superintendent's and the tax commissioner's decisions 35
within thirty days after receipt of the request for consents. 36

If the electors do not approve the issuance of securities at 37
the election for which the superintendent of public instruction 38
and tax commissioner consented to the submission of the question, 39
the school district may submit the same question to the electors 40
on the date that the next special election may be held under 41
section 3501.01 of the Revised Code without submitting a new 42
request for consent. If the school district seeks to submit the 43
same question at any other subsequent election, the district shall 44
first submit a new request for consent in accordance with this 45
division. 46

(D) In calculating the net indebtedness of a school district, 47
none of the following shall be considered: 48

(1) Securities issued to acquire school buses and other 49

equipment used in transporting pupils or issued pursuant to 50
division (D) of section 133.10 of the Revised Code; 51

(2) Securities issued under division (F) of this section, 52
under section 133.301 of the Revised Code, and, to the extent in 53
excess of the limitation stated in division (B) of this section, 54
under division (E) of this section; 55

(3) Indebtedness resulting from the dissolution of a joint 56
vocational school district under section 3311.217 of the Revised 57
Code, evidenced by outstanding securities of that joint vocational 58
school district; 59

(4) Loans, evidenced by any securities, received under 60
sections 3313.483, 3317.0210, and 3317.0211 of the Revised Code; 61

(5) Debt incurred under section 3313.374 of the Revised Code; 62

(6) Debt incurred pursuant to division (B)(5) of section 63
3313.37 of the Revised Code to acquire computers and related 64
hardware; 65

(7) Debt incurred under section 3318.042 of the Revised Code. 66

(E) A school district may become a special needs district as 67
to certain securities as provided in division (E) of this section. 68

(1) A board of education, by resolution, may declare its 69
school district to be a special needs district by determining both 70
of the following: 71

(a) The student population is not being adequately serviced 72
by the existing permanent improvements of the district. 73

(b) The district cannot obtain sufficient funds by the 74
issuance of securities within the limitation of division (B) of 75
this section to provide additional or improved needed permanent 76
improvements in time to meet the needs. 77

(2) The board of education shall certify a copy of that resolution to the superintendent of public instruction with a statistical report showing all of the following:

(a) The history of and a projection of the growth of the tax valuation;

(b) The projected needs;

(c) The estimated cost of permanent improvements proposed to meet such projected needs.

(3) The superintendent of public instruction shall certify the district as an approved special needs district if the superintendent finds both of the following:

(a) The district does not have available sufficient additional funds from state or federal sources to meet the projected needs.

(b) The projection of the potential average growth of tax valuation during the next five years, according to the information certified to the superintendent and any other information the superintendent obtains, indicates a likelihood of potential average growth of tax valuation of the district during the next five years of an average of not less than one and one-half per cent per year. The findings and certification of the superintendent shall be conclusive.

(4) An approved special needs district may incur net indebtedness by the issuance of securities in accordance with the provisions of this chapter in an amount that does not exceed an amount equal to the greater of the following:

(a) Twelve per cent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage by which the tax valuation has increased over the

tax valuation on the first day of the sixtieth month preceding the 107
month in which its board determines to submit to the electors the 108
question of issuing the proposed securities; 109

(b) Twelve per cent of the sum of its tax valuation plus an 110
amount that is the product of multiplying that tax valuation by 111
the percentage, determined by the superintendent of public 112
instruction, by which that tax valuation is projected to increase 113
during the next ten years. 114

(F) A school district may issue securities for emergency 115
purposes, in a principal amount that does not exceed an amount 116
equal to three per cent of its tax valuation, as provided in this 117
division. 118

(1) A board of education, by resolution, may declare an 119
emergency if it determines both of the following: 120

(a) School buildings or other necessary school facilities in 121
the district have been wholly or partially destroyed, or condemned 122
by a constituted public authority, or that such buildings or 123
facilities are partially constructed, or so constructed or planned 124
as to require additions and improvements to them before the 125
buildings or facilities are usable for their intended purpose, or 126
that corrections to permanent improvements are necessary to remove 127
or prevent health or safety hazards. 128

(b) Existing fiscal and net indebtedness limitations make 129
adequate replacement, additions, or improvements impossible. 130

(2) Upon the declaration of an emergency, the board of 131
education may, by resolution, submit to the electors of the 132
district pursuant to section 133.18 of the Revised Code the 133
question of issuing securities for the purpose of paying the cost, 134
in excess of any insurance or condemnation proceeds received by 135

the district, of permanent improvements to respond to the 136
 emergency need. 137

(3) The procedures for the election shall be as provided in 138
 section 133.18 of the Revised Code, except that: 139

(a) The form of the ballot shall describe the emergency 140
 existing, refer to this division as the authority under which the 141
 emergency is declared, and state that the amount of the proposed 142
 securities exceeds the limitations prescribed by division (B) of 143
 this section; 144

(b) The resolution required by division (B) of section 133.18 145
 of the Revised Code shall be certified to the county auditor and 146
 the board of elections at least one hundred days prior to the 147
 election; 148

(c) The county auditor shall advise and, not later than 149
 ninety-five days before the election, confirm that advice by 150
 certification to, the board of education of the information 151
 required by division (C) of section 133.18 of the Revised Code; 152

(d) The board of education shall then certify its resolution 153
 and the information required by division (D) of section 133.18 of 154
 the Revised Code to the board of elections not less than ninety 155
 days prior to the election. 156

(4) Notwithstanding division (B) of section 133.21 of the 157
 Revised Code, the first principal payment of securities issued 158
 under this division may be set at any date not later than sixty 159
 months after the earliest possible principal payment otherwise 160
 provided for in that division. 161

(G)(1) The board of education may contract with an architect, 162
 professional engineer, or other person experienced in the design 163
 and implementation of energy conservation measures for an analysis 164

and recommendations pertaining to installations, modifications of
installations, or remodeling that would significantly reduce
energy consumption in buildings owned by the district. The report
shall include estimates of all costs of such installations,
modifications, or remodeling, including costs of design,
engineering, installation, maintenance, repairs, measurement and
verification of energy savings, and debt service, forgone residual
value of materials or equipment replaced by the energy
conservation measure, as defined by the Ohio school facilities
commission, a baseline analysis of actual energy consumption data
for the preceding three years with the utility baseline based on
only the actual energy consumption data for the preceding twelve
months, and estimates of the amounts by which energy consumption
and resultant operational and maintenance costs, as defined by the
commission, would be reduced.

If the board finds after receiving the report that the amount
of money the district would spend on such installations,
modifications, or remodeling is not likely to exceed the amount of
money it would save in energy and resultant operational and
maintenance costs over the ensuing fifteen years, the board may
submit to the commission a copy of its findings and a request for
approval to incur indebtedness to finance the making or
modification of installations or the remodeling of buildings for
the purpose of significantly reducing energy consumption.

The school facilities commission, in consultation with the
auditor of state, may deny a request under this division by the
board of education of any school district that is in a state of
fiscal watch pursuant to division (A) of section 3316.03 of the
Revised Code, if it determines that the expenditure of funds is
not in the best interest of the school district.

No district board of education of a school district that is 195
 in a state of fiscal emergency pursuant to division (B) of section 196
 3316.03 of the Revised Code shall submit a request without 197
 submitting evidence that the installations, modifications, or 198
 remodeling have been approved by the district's financial planning 199
 and supervision commission established under section 3316.05 of 200
 the Revised Code. 201

No board of education of a school district that, for three or 202
 more consecutive years, has been declared to be in a state of 203
 academic emergency under section 3302.03 of the Revised Code, as 204
 that section existed prior to March 22, 2013, and has failed to 205
 meet adequate yearly progress, or has met any condition set forth 206
 in division (A)~~(2)~~~~or~~~~(3)~~ of section 3302.10 of the Revised Code 207
 shall submit a request without first receiving approval to incur 208
 indebtedness from the district's academic distress commission 209
 established under that section, for so long as such commission 210
 continues to be required for the district. 211

(2) The school facilities commission shall approve the 212
 board's request provided that the following conditions are 213
 satisfied: 214

(a) The commission determines that the board's findings are 215
 reasonable. 216

(b) The request for approval is complete. 217

(c) The installations, modifications, or remodeling are 218
 consistent with any project to construct or acquire classroom 219
 facilities, or to reconstruct or make additions to existing 220
 classroom facilities under sections 3318.01 to 3318.20 or sections 221
 3318.40 to 3318.45 of the Revised Code. 222

Upon receipt of the commission's approval, the district may 223

issue securities without a vote of the electors in a principal amount not to exceed nine-tenths of one per cent of its tax valuation for the purpose of making such installations, modifications, or remodeling, but the total net indebtedness of the district without a vote of the electors incurred under this and all other sections of the Revised Code, except section 3318.052 of the Revised Code, shall not exceed one per cent of the district's tax valuation.

(3) So long as any securities issued under this division remain outstanding, the board of education shall monitor the energy consumption and resultant operational and maintenance costs of buildings in which installations or modifications have been made or remodeling has been done pursuant to this division. Except as provided in division (G)(4) of this section, the board shall maintain and annually update a report in a form and manner prescribed by the school facilities commission documenting the reductions in energy consumption and resultant operational and maintenance cost savings attributable to such installations, modifications, or remodeling. The resultant operational and maintenance cost savings shall be certified by the school district treasurer. The report shall be submitted annually to the commission.

(4) If the school facilities commission verifies that the certified annual reports submitted to the commission by a board of education under division (G)(3) of this section fulfill the guarantee required under division (B) of section 3313.372 of the Revised Code for three consecutive years, the board of education shall no longer be subject to the annual reporting requirements of division (G)(3) of this section.

(H) With the consent of the superintendent of public

instruction, a school district may incur without a vote of the electors net indebtedness that exceeds the amounts stated in divisions (A) and (G) of this section for the purpose of paying costs of permanent improvements, if and to the extent that both of the following conditions are satisfied:

(1) The fiscal officer of the school district estimates that receipts of the school district from payments made under or pursuant to agreements entered into pursuant to section 725.02, 1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, or 5709.82 of the Revised Code, or distributions under division (C) of section 5709.43 of the Revised Code, or any combination thereof, are, after accounting for any appropriate coverage requirements, sufficient in time and amount, and are committed by the proceedings, to pay the debt charges on the securities issued to evidence that indebtedness and payable from those receipts, and the taxing authority of the district confirms the fiscal officer's estimate, which confirmation is approved by the superintendent of public instruction;

(2) The fiscal officer of the school district certifies, and the taxing authority of the district confirms, that the district, at the time of the certification and confirmation, reasonably expects to have sufficient revenue available for the purpose of operating such permanent improvements for their intended purpose upon acquisition or completion thereof, and the superintendent of public instruction approves the taxing authority's confirmation.

The maximum maturity of securities issued under division (H) of this section shall be the lesser of twenty years or the maximum maturity calculated under section 133.20 of the Revised Code.

(I) A school district may incur net indebtedness by the

issuance of securities in accordance with the provisions of this 284
chapter in excess of the limit specified in division (B) or (C) of 285
this section when necessary to raise the school district portion 286
of the basic project cost and any additional funds necessary to 287
participate in a project under Chapter 3318. of the Revised Code, 288
including the cost of items designated by the school facilities 289
commission as required locally funded initiatives, the cost of 290
other locally funded initiatives in an amount that does not exceed 291
fifty per cent of the district's portion of the basic project 292
cost, and the cost for site acquisition. The commission shall 293
notify the superintendent of public instruction whenever a school 294
district will exceed either limit pursuant to this division. 295

(J) A school district whose portion of the basic project cost 296
of its classroom facilities project under sections 3318.01 to 297
3318.20 of the Revised Code is greater than or equal to one 298
hundred million dollars may incur without a vote of the electors 299
net indebtedness in an amount up to two per cent of its tax 300
valuation through the issuance of general obligation securities in 301
order to generate all or part of the amount of its portion of the 302
basic project cost if the controlling board has approved the 303
school facilities commission's conditional approval of the project 304
under section 3318.04 of the Revised Code. The school district 305
board and the Ohio school facilities commission shall include the 306
dedication of the proceeds of such securities in the agreement 307
entered into under section 3318.08 of the Revised Code. No state 308
moneys shall be released for a project to which this section 309
applies until the proceeds of any bonds issued under this section 310
that are dedicated for the payment of the school district portion 311
of the project are first deposited into the school district's 312
project construction fund. 313

Sec. 3302.01. As used in this chapter:	314
(A) "Performance index score" means the average of the totals derived from calculations, for each subject area, of the weighted proportion of untested students and students scoring at each level of skill described in division (A)(2) of section 3301.0710 of the Revised Code on the state achievement assessments, as follows:	315 316 317 318 319
(1) For the assessments prescribed by division (A)(1) of section 3301.0710 of the Revised Code, the average for each of the subject areas of English language arts, mathematics, science, and social studies.	320 321 322 323
(2) For the assessments prescribed by division (B)(1) of section 3301.0710 and division (B)(2) of section 3301.0712 of the Revised Code, the average for each of the subject areas of English language arts and mathematics.	324 325 326 327
The department of education shall assign weights such that students who do not take an assessment receive a weight of zero and students who take an assessment receive progressively larger weights dependent upon the level of skill attained on the assessment. The department shall assign additional weights to students who have been permitted to pass over a subject in accordance with a student acceleration policy adopted under section 3324.10 of the Revised Code. If such a student attains the proficient score prescribed under division (A)(2)(c) of section 3301.0710 of the Revised Code or higher on an assessment, the department shall assign the student the weight prescribed for the next higher scoring level. If such a student attains the advanced score, prescribed under division (A)(2)(a) of section 3301.0710 of the Revised Code, on an assessment, the department shall assign to the student an additional proportional weight, as approved by the	328 329 330 331 332 333 334 335 336 337 338 339 340 341 342

state board. For each school year that such a student's score is 343
 included in the performance index score and the student attains 344
 the proficient score on an assessment, that additional weight 345
 shall be assigned to the student on a subject-by-subject basis. 346

Students shall be included in the "performance index score" 347
 in accordance with division (K)(2) of section 3302.03 of the 348
 Revised Code. 349

(B) "Subgroup" means a subset of the entire student 350
 population of the state, a school district, or a school building 351
 and includes each of the following: 352

(1) Major racial and ethnic groups; 353

(2) Students with disabilities; 354

(3) Economically disadvantaged students; 355

(4) Limited English proficient students; 356

(5) Students identified as gifted in superior cognitive 357
 ability and specific academic ability fields under Chapter 3324. 358
 of the Revised Code. For students who are gifted in specific 359
 academic ability fields, the department shall use data for those 360
 students with specific academic ability in math and reading. If 361
 any other academic field is assessed, the department shall also 362
 include data for students with specific academic ability in that 363
 field. 364

(6) Students in the lowest quintile for achievement 365
 statewide, as determined by a method prescribed by the state board 366
 of education. 367

(C) "No Child Left Behind Act of 2001" includes the statutes 368
 codified at 20 U.S.C. 6301 et seq. and any amendments, waivers, or 369
 both thereto, rules and regulations promulgated pursuant to those 370

statutes, guidance documents, and any other policy directives 371
regarding implementation of that act issued by the United States 372
department of education. 373

(D) "Adequate yearly progress" means a measure of annual 374
academic performance as calculated in accordance with the "No 375
Child Left Behind Act of 2001." 376

(E) "Supplemental educational services" means additional 377
academic assistance, such as tutoring, remediation, or other 378
educational enrichment activities, that is conducted outside of 379
the regular school day by a provider approved by the department in 380
accordance with the "No Child Left Behind Act of 2001." 381

(F) "Value-added progress dimension" means a measure of 382
academic gain for a student or group of students over a specific 383
period of time that is calculated by applying a statistical 384
methodology to individual student achievement data derived from 385
the achievement assessments prescribed by section 3301.0710 of the 386
Revised Code. The "value-added progress dimension" shall be 387
developed and implemented in accordance with section 3302.021 of 388
the Revised Code. 389

(G)(1) "Four-year adjusted cohort graduation rate" means the 390
number of students who graduate in four years or less with a 391
regular high school diploma divided by the number of students who 392
form the adjusted cohort for the graduating class. 393

(2) "Five-year adjusted cohort graduation rate" means the 394
number of students who graduate in five years with a regular high 395
school diploma divided by the number of students who form the 396
adjusted cohort for the four-year graduation rate. 397

(H) "State institution of higher education" has the same 398
meaning as in section 3345.011 of the Revised Code. 399

(I) "Annual measurable objectives" means a measure of student progress determined in accordance with an agreement between the department of education and the United States department of education.

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

(K) "STEM school" means a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code.

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

Sec. 3302.036. (A) Notwithstanding anything in the Revised Code to the contrary, the department of education shall not assign an overall letter grade under division (C)(3) of section 3302.03 of the Revised Code for any school district or building for the 2014-2015 school year, may, at the discretion of the state board of education, not assign an individual grade to any component prescribed under division (C)(3) of section 3302.03 of the Revised Code, and shall not rank school districts, community schools established under Chapter 3314. of the Revised Code, or STEM schools established under Chapter 3326. of the Revised Code under section 3302.21 of the Revised Code for that school year. The report card ratings issued for the 2014-2015 school year shall not be considered in determining whether a school district or a school is subject to sanctions or penalties. However, the report card ratings of any previous or subsequent years shall be considered in determining whether a school district or building is subject to sanctions or penalties. Accordingly, the report card ratings for

the 2014-2015 school year shall have no effect in determining 429
 sanctions or penalties, but shall not create a new starting point 430
 for determinations that are based on ratings over multiple years. 431

(B) The provisions from which a district or school is exempt 432
 under division (A) of this section shall be the following: 433

(1) Any restructuring provisions established under this 434
 chapter, except as required under the "No Child Left Behind Act of 435
 2001"; 436

(2) Provisions for the Columbus city school pilot project 437
 under section 3302.042 of the Revised Code; 438

(3) Provisions for academic distress commissions under former 439
 section 3302.10 of the Revised Code as it existed prior to the 440
effective date of this amendment. The provisions of this section 441
do not apply to academic distress commissions under the version of 442
that section as it exists on and after the effective date of this 443
amendment. 444

(4) Provisions prescribing new buildings where students are 445
 eligible for the educational choice scholarships under section 446
 3310.03 of the Revised Code; 447

(5) Provisions defining "challenged school districts" in 448
 which new start-up community schools may be located, as prescribed 449
 in section 3314.02 of the Revised Code; 450

(6) Provisions prescribing community school closure 451
 requirements under section 3314.35 or 3314.351 of the Revised 452
 Code. 453

(C) Notwithstanding anything in the Revised Code to the 454
 contrary and except as provided in Section 3 of H.B. 7 of the 455
 131st general assembly, no school district, community school, or 456

STEM school shall utilize at any time during a student's academic
 career a student's score on any assessment administered under
 division (A) of section 3301.0710 or division (B)(2) of section
 3301.0712 of the Revised Code in the 2014-2015 school year as a
 factor in any decision to promote or to deny the student promotion
 to a higher grade level or in any decision to grant course credit.
 No individual student score reports on such assessments
 administered in the 2014-2015 school year shall be released,
 except to a student's school district or school or to the student
 or the student's parent or guardian.

Sec. 3302.04. As used in divisions (A), (C), and (D) of this
 section, for the 2014-2015 school year, and for each school year
 thereafter, when a provision refers to a school district or school
 building in a state of academic emergency, it shall mean a
 district or building rated "F"; when a provision refers to a
 school district or school building under an academic watch, it
 shall mean a district or building rated "D"; and when a provision
 refers to a school district or school building in need of
 continuous improvement, it shall mean a district or building rated
 "C" as those letter grade ratings for overall performance are
 assigned under division (C)(3) of section 3302.03 of the Revised
 Code, as it exists on or after ~~the effective date of this~~
~~amendment~~ March 22, 2013.

(A) The department of education shall establish a system of
 intensive, ongoing support for the improvement of school districts
 and school buildings. In accordance with the model of
 differentiated accountability described in section 3302.041 of the
 Revised Code, the system shall give priority to the following:

(1) For any school year prior to the 2012-2013 school year,
 districts and buildings that have been declared to be under an

academic watch or in a state of academic emergency under section 487
3302.03 of the Revised Code; 488

(2) For the 2012-2013 school year, and for each school year 489
thereafter, districts and buildings in the manner prescribed by 490
any agreement currently in force between the department and the 491
United States department of education. The department shall 492
endeavor to include schools and buildings that receive grades 493
under section 3302.03 of the Revised Code that the department 494
considers to be low performing. 495

The system shall include services provided to districts and 496
buildings through regional service providers, such as educational 497
service centers. The system may include the appointment of an 498
improvement coordinator for any of the lowest performing 499
districts, as determined by the department, to coordinate the 500
district's academic improvement efforts and to build support among 501
the community for those efforts. 502

(B) This division does not apply to any school district after 503
June 30, 2008. 504

When a school district has been notified by the department 505
pursuant to section 3302.03 of the Revised Code that the district 506
or a building within the district has failed to make adequate 507
yearly progress for two consecutive school years, the district 508
shall develop a three-year continuous improvement plan for the 509
district or building containing each of the following: 510

(1) An analysis of the reasons for the failure of the 511
district or building to meet any of the applicable performance 512
indicators established under section 3302.02 of the Revised Code 513
that it did not meet and an analysis of the reasons for its 514
failure to make adequate yearly progress; 515

(2) Specific strategies that the district or building will use to address the problems in academic achievement identified in division (B)(1) of this section;	516 517 518
(3) Identification of the resources that the district will allocate toward improving the academic achievement of the district or building;	519 520 521
(4) A description of any progress that the district or building made in the preceding year toward improving its academic achievement;	522 523 524
(5) An analysis of how the district is utilizing the professional development standards adopted by the state board pursuant to section 3319.61 of the Revised Code;	525 526 527
(6) Strategies that the district or building will use to improve the cultural competency, as defined pursuant to section 3319.61 of the Revised Code, of teachers and other educators.	528 529 530
No three-year continuous improvement plan shall be developed or adopted pursuant to this division unless at least one public hearing is held within the affected school district or building concerning the final draft of the plan. Notice of the hearing shall be given two weeks prior to the hearing by publication in one newspaper of general circulation within the territory of the affected school district or building. Copies of the plan shall be made available to the public.	531 532 533 534 535 536 537 538
(C)(1) For any school year prior to the school year that begins on July 1, 2012, when a school district or building has been notified by the department pursuant to section 3302.03 of the Revised Code that the district or building is under an academic watch or in a state of academic emergency, the district or building shall be subject to any rules establishing intervention	539 540 541 542 543 544

in academic watch or emergency school districts or buildings. 545

(2) For the 2012-2013 school year, and for each school year 546
thereafter, a district or building that meets the conditions for 547
intervention prescribed by the agreement described in division 548
(A)(2) of this section shall be subject to any rules establishing 549
such intervention. 550

(D)(1) For any school year prior to the 2012-2013 school 551
year, within one hundred twenty days after any school district or 552
building is declared to be in a state of academic emergency under 553
section 3302.03 of the Revised Code, the department may initiate a 554
site evaluation of the building or school district. 555

(2) For the 2012-2013 school year, and for each school year 556
thereafter, the department may initiate a site evaluation of a 557
building or school district that meets the conditions for a site 558
evaluation prescribed by the agreement described in division 559
(A)(2) of this section. 560

(3) Division (D)(3) of this section does not apply to any 561
school district after June 30, 2008. 562

If any school district that is declared to be in a state of 563
academic emergency or in a state of academic watch under section 564
3302.03 of the Revised Code or encompasses a building that is 565
declared to be in a state of academic emergency or in a state of 566
academic watch fails to demonstrate to the department satisfactory 567
improvement of the district or applicable buildings or fails to 568
submit to the department any information required under rules 569
established by the state board of education, prior to approving a 570
three-year continuous improvement plan under rules established by 571
the state board of education, the department shall conduct a site 572
evaluation of the school district or applicable buildings to 573
determine whether the school district is in compliance with 574

minimum standards established by law or rule.	575
(4) Division (D)(4) of this section does not apply to any school district after June 30, 2008. Site evaluations conducted under divisions (D)(1), (2), and (3) of this section shall include, but not be limited to, the following:	576 577 578 579
(a) Determining whether teachers are assigned to subject areas for which they are licensed or certified;	580 581
(b) Determining pupil-teacher ratios;	582
(c) Examination of compliance with minimum instruction time requirements for each school day and for each school year;	583 584
(d) Determining whether materials and equipment necessary to implement the curriculum approved by the school district board are available;	585 586 587
(e) Examination of whether the teacher and principal evaluation systems comply with sections 3311.80, 3311.84, 3319.02, and 3319.111 of the Revised Code;	588 589 590
(f) Examination of the adequacy of efforts to improve the cultural competency, as defined pursuant to section 3319.61 of the Revised Code, of teachers and other educators.	591 592 593
(E) This division applies only to school districts that operate a school building that fails to make adequate yearly progress for two or more consecutive school years. It does not apply to any such district after June 30, 2008, except as provided in division (D)(2) of section 3313.97 of the Revised Code.	594 595 596 597 598
(1) For any school building that fails to make adequate yearly progress for two consecutive school years, the district shall do all of the following:	599 600 601
(a) Provide written notification of the academic issues that	602

resulted in the building's failure to make adequate yearly
progress to the parent or guardian of each student enrolled in the
building. The notification shall also describe the actions being
taken by the district or building to improve the academic
performance of the building and any progress achieved toward that
goal in the immediately preceding school year.

(b) If the building receives funds under Title I, Part A of
the "Elementary and Secondary Education Act of 1965," 20 U.S.C.
6311 to 6339, from the district, in accordance with section
3313.97 of the Revised Code, offer all students enrolled in the
building the opportunity to enroll in an alternative building
within the district that is not in school improvement status as
defined by the "No Child Left Behind Act of 2001." Notwithstanding
Chapter 3327. of the Revised Code, the district shall spend an
amount equal to twenty per cent of the funds it receives under
Title I, Part A of the "Elementary and Secondary Education Act of
1965," 20 U.S.C. 6311 to 6339, to provide transportation for
students who enroll in alternative buildings under this division,
unless the district can satisfy all demand for transportation with
a lesser amount. If an amount equal to twenty per cent of the
funds the district receives under Title I, Part A of the
"Elementary and Secondary Education Act of 1965," 20 U.S.C. 6311
to 6339, is insufficient to satisfy all demand for transportation,
the district shall grant priority over all other students to the
lowest achieving students among the subgroup described in division
(B)(3) of section 3302.01 of the Revised Code in providing
transportation. Any district that does not receive funds under
Title I, Part A of the "Elementary and Secondary Education Act of
1965," 20 U.S.C. 6311 to 6339, shall not be required to provide
transportation to any student who enrolls in an alternative
building under this division.

(2) For any school building that fails to make adequate 634
yearly progress for three consecutive school years, the district 635
shall do both of the following: 636

(a) If the building receives funds under Title I, Part A of 637
the "Elementary and Secondary Education Act of 1965," 20 U.S.C. 638
6311 to 6339, from the district, in accordance with section 639
3313.97 of the Revised Code, provide all students enrolled in the 640
building the opportunity to enroll in an alternative building 641
within the district that is not in school improvement status as 642
defined by the "No Child Left Behind Act of 2001." Notwithstanding 643
Chapter 3327. of the Revised Code, the district shall provide 644
transportation for students who enroll in alternative buildings 645
under this division to the extent required under division (E)(2) 646
of this section. 647

(b) If the building receives funds under Title I, Part A of 648
the "Elementary and Secondary Education Act of 1965," 20 U.S.C. 649
6311 to 6339, from the district, offer supplemental educational 650
services to students who are enrolled in the building and who are 651
in the subgroup described in division (B)(3) of section 3302.01 of 652
the Revised Code. 653

The district shall spend a combined total of an amount equal 654
to twenty per cent of the funds it receives under Title I, Part A 655
of the "Elementary and Secondary Education Act of 1965," 20 U.S.C. 656
6311 to 6339, to provide transportation for students who enroll in 657
alternative buildings under division (E)(1)(b) or (E)(2)(a) of 658
this section and to pay the costs of the supplemental educational 659
services provided to students under division (E)(2)(b) of this 660
section, unless the district can satisfy all demand for 661
transportation and pay the costs of supplemental educational 662
services for those students who request them with a lesser amount. 663

In allocating funds between the requirements of divisions
(E)(1)(b) and (E)(2)(a) and (b) of this section, the district
shall spend at least an amount equal to five per cent of the funds
it receives under Title I, Part A of the "Elementary and Secondary
Education Act of 1965," 20 U.S.C. 6311 to 6339, to provide
transportation for students who enroll in alternative buildings
under division (E)(1)(b) or (E)(2)(a) of this section, unless the
district can satisfy all demand for transportation with a lesser
amount, and at least an amount equal to five per cent of the funds
it receives under Title I, Part A of the "Elementary and Secondary
Education Act of 1965," 20 U.S.C. 6311 to 6339, to pay the costs
of the supplemental educational services provided to students
under division (E)(2)(b) of this section, unless the district can
pay the costs of such services for all students requesting them
with a lesser amount. If an amount equal to twenty per cent of the
funds the district receives under Title I, Part A of the
"Elementary and Secondary Education Act of 1965," 20 U.S.C. 6311
to 6339, is insufficient to satisfy all demand for transportation
under divisions (E)(1)(b) and (E)(2)(a) of this section and to pay
the costs of all of the supplemental educational services provided
to students under division (E)(2)(b) of this section, the district
shall grant priority over all other students in providing
transportation and in paying the costs of supplemental educational
services to the lowest achieving students among the subgroup
described in division (B)(3) of section 3302.01 of the Revised
Code.

Any district that does not receive funds under Title I, Part
A of the "Elementary and Secondary Education Act of 1965," 20
U.S.C. 6311 to 6339, shall not be required to provide
transportation to any student who enrolls in an alternative
building under division (E)(2)(a) of this section or to pay the

costs of supplemental educational services provided to any student 695
 under division (E)(2)(b) of this section. 696

No student who enrolls in an alternative building under 697
 division (E)(2)(a) of this section shall be eligible for 698
 supplemental educational services under division (E)(2)(b) of this 699
 section. 700

(3) For any school building that fails to make adequate 701
 yearly progress for four consecutive school years, the district 702
 shall continue to comply with division (E)(2) of this section and 703
 shall implement at least one of the following options with respect 704
 to the building: 705

(a) Institute a new curriculum that is consistent with the 706
 statewide academic standards adopted pursuant to division (A) of 707
 section 3301.079 of the Revised Code; 708

(b) Decrease the degree of authority the building has to 709
 manage its internal operations; 710

(c) Appoint an outside expert to make recommendations for 711
 improving the academic performance of the building. The district 712
 may request the department to establish a state intervention team 713
 for this purpose pursuant to division (G) of this section. 714

(d) Extend the length of the school day or year; 715

(e) Replace the building principal or other key personnel; 716

(f) Reorganize the administrative structure of the building. 717

(4) For any school building that fails to make adequate 718
 yearly progress for five consecutive school years, the district 719
 shall continue to comply with division (E)(2) of this section and 720
 shall develop a plan during the next succeeding school year to 721
 improve the academic performance of the building, which shall 722

include at least one of the following options:	723
(a) Reopen the school as a community school under Chapter 3314. of the Revised Code;	724 725
(b) Replace personnel;	726
(c) Contract with a nonprofit or for-profit entity to operate the building;	727 728
(d) Turn operation of the building over to the department;	729
(e) Other significant restructuring of the building's governance.	730 731
(5) For any school building that fails to make adequate yearly progress for six consecutive school years, the district shall continue to comply with division (E)(2) of this section and shall implement the plan developed pursuant to division (E)(4) of this section.	732 733 734 735 736
(6) A district shall continue to comply with division (E)(1)(b) or (E)(2) of this section, whichever was most recently applicable, with respect to any building formerly subject to one of those divisions until the building makes adequate yearly progress for two consecutive school years.	737 738 739 740 741
(F) This division applies only to school districts that have been identified for improvement by the department pursuant to the "No Child Left Behind Act of 2001." It does not apply to any such district after June 30, 2008.	742 743 744 745
(1) If a school district has been identified for improvement for one school year, the district shall provide a written description of the continuous improvement plan developed by the district pursuant to division (B) of this section to the parent or guardian of each student enrolled in the district. If the district	746 747 748 749 750

does not have a continuous improvement plan, the district shall 751
develop such a plan in accordance with division (B) of this 752
section and provide a written description of the plan to the 753
parent or guardian of each student enrolled in the district. 754

(2) If a school district has been identified for improvement 755
for two consecutive school years, the district shall continue to 756
implement the continuous improvement plan developed by the 757
district pursuant to division (B) or (F)(1) of this section. 758

(3) If a school district has been identified for improvement 759
for three consecutive school years, the department shall take at 760
least one of the following corrective actions with respect to the 761
district: 762

(a) Withhold a portion of the funds the district is entitled 763
to receive under Title I, Part A of the "Elementary and Secondary 764
Education Act of 1965," 20 U.S.C. 6311 to 6339; 765

(b) Direct the district to replace key district personnel; 766

(c) Institute a new curriculum that is consistent with the 767
statewide academic standards adopted pursuant to division (A) of 768
section 3301.079 of the Revised Code; 769

(d) Establish alternative forms of governance for individual 770
school buildings within the district; 771

(e) Appoint a trustee to manage the district in place of the 772
district superintendent and board of education. 773

The department shall conduct individual audits of a sampling 774
of districts subject to this division to determine compliance with 775
the corrective actions taken by the department. 776

(4) If a school district has been identified for improvement 777
for four consecutive school years, the department shall continue 778

to monitor implementation of the corrective action taken under 779
 division (F)(3) of this section with respect to the district. 780

(5) If a school district has been identified for improvement 781
 for five consecutive school years, the department shall take at 782
 least one of the corrective actions identified in division (F)(3) 783
 of this section with respect to the district, provided that the 784
 corrective action the department takes is different from the 785
 corrective action previously taken under division (F)(3) of this 786
 section with respect to the district. 787

(G) The department may establish a state intervention team to 788
 evaluate all aspects of a school district or building, including 789
 management, curriculum, instructional methods, resource 790
 allocation, and scheduling. Any such intervention team shall be 791
 appointed by the department and shall include teachers and 792
 administrators recognized as outstanding in their fields. The 793
 intervention team shall make recommendations regarding methods for 794
 improving the performance of the district or building. 795

The department shall not approve a district's request for an 796
 intervention team under division (E)(3) of this section if the 797
 department cannot adequately fund the work of the team, unless the 798
 district agrees to pay for the expenses of the team. 799

(H) The department shall conduct individual audits of a 800
 sampling of community schools established under Chapter 3314. of 801
 the Revised Code to determine compliance with this section. 802

(I) The state board shall adopt rules for implementing this 803
 section. 804

Sec. 3302.10. (A) The superintendent of public instruction 805
shall establish an academic distress commission for any school 806
district that meets one of the following conditions: 807

(1) The district has received an overall grade of "F" under division (C)(3) of section 3302.03 of the Revised Code for three consecutive years. 808
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(2) An academic distress commission established for the district under former section 3302.10 of the Revised Code was still in existence on the effective date of this section and has been in existence for at least four years. 811
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(B)(1) The academic distress commission shall consist of five members as follows: 815
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(a) Three members appointed by the state superintendent; 817

(b) One member appointed by the president of the district board of education, who shall be a teacher employed by the district; 818
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(c) One member appointed by the mayor of the municipality in which a majority of the district's territory is located or, if no such municipality exists, by the mayor of a municipality selected by the state superintendent in which the district has territory. 821
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Appointments to the commission shall be made within thirty days after the district is notified that it is subject to this section. Members of the commission shall serve at the pleasure of their appointing authority. The state superintendent shall designate a chairperson for the commission from among the members appointed by the state superintendent. The chairperson shall call and conduct meetings, set meeting agendas, and serve as a liaison between the commission and the chief executive officer appointed under division (C)(1) of this section. 825
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(2) In the case of a school district that meets the condition in division (A)(2) of this section, the academic distress commission established for the district under former section 834
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3302.10 of the Revised Code shall be abolished and a new academic distress commission shall be appointed for the district pursuant to division (B)(1) of this section. 837
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(C)(1) Within sixty days after the state superintendent has designated a chairperson for the academic distress commission, the commission shall appoint a chief executive officer for the district, who shall be paid by the department of education. The individual appointed as chief executive officer shall have high-level management experience in the public or private sector. The chief executive officer shall exercise complete operational, managerial, and instructional control of the district, which shall include, but shall not be limited to, the following powers and duties, but the chief executive officer may delegate, in writing, specific powers or duties to the district board or district superintendent: 840
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(a) Replacing school administrators and central office staff; 852

(b) Assigning employees to schools and approving transfers; 853

(c) Hiring new employees; 854

(d) Defining employee responsibilities and job descriptions; 855

(e) Establishing employee compensation; 856

(f) Allocating teacher class loads; 857

(g) Conducting employee evaluations; 858

(h) Making reductions in staff under section 3319.17, 3319.171, or 3319.172 of the Revised Code; 859
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(i) Setting the school calendar; 861

(j) Creating a budget for the district; 862

(k) Contracting for services for the district; 863

<u>(l) Modifying policies and procedures established by the district board;</u>	864
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<u>(m) Establishing grade configurations of schools;</u>	866
<u>(n) Determining the school curriculum;</u>	867
<u>(o) Selecting instructional materials and assessments;</u>	868
<u>(p) Setting class sizes;</u>	869
<u>(q) Providing for staff professional development.</u>	870
<u>(2) If an improvement coordinator was previously appointed for the district pursuant to division (A) of section 3302.04 of the Revised Code, that position shall be terminated. However, nothing in this section shall prohibit the chief executive officer from employing the same individual or other staff to perform duties or functions previously performed by the improvement coordinator.</u>	871
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<u>(D) The academic distress commission, in consultation with the state superintendent and the chief executive officer, shall be responsible for expanding high-quality school choice options in the district. The commission, in consultation with the state superintendent, may create an entity to act as a high-quality school accelerator for schools not operated by the district. The accelerator shall promote high-quality schools in the district, lead improvement efforts for underperforming schools, recruit high-quality sponsors for community schools, attract new high-quality schools to the district, and increase the overall capacity of schools to deliver a high-quality education for students. Any accelerator shall be an independent entity and the chief executive officer shall have no authority over the accelerator.</u>	878
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<u>(E)(1) Within thirty days after the chief executive officer</u>	892

is appointed, the chief executive officer shall convene a group of 893
community stakeholders. The purpose of the group shall be to 894
develop expectations for academic improvement in the district and 895
to assist the district in building relationships with 896
organizations in the community that can provide needed services to 897
students. Members of the group shall include, but shall not be 898
limited to, educators, civic and business leaders, and 899
representatives of institutions of higher education and government 900
service agencies. Within ninety days after the chief executive 901
officer is appointed, the chief executive officer also shall 902
convene a smaller group of community stakeholders for each school 903
operated by the district to develop expectations for academic 904
improvement in that school. The group convened for each school 905
shall have teachers employed in the school and parents of students 906
enrolled in the school among its members. 907

(2) The chief executive officer shall create a plan to 908
improve the district's academic performance. In creating the plan, 909
the chief executive officer shall consult with the groups convened 910
under division (E)(1) of this section. The chief executive officer 911
also shall consider the availability of funding to ensure 912
sustainability of the plan. The plan shall establish clear, 913
measurable performance goals for the district and for each school 914
operated by the district. The performance goals shall include, but 915
not be limited to, the performance measures prescribed for report 916
cards issued under section 3302.03 of the Revised Code. Within 917
ninety days after the chief executive officer is appointed, the 918
chief executive officer shall submit the plan to the academic 919
distress commission for approval. Within thirty days after the 920
submission of the plan, the commission shall approve the plan or 921
suggest modifications to the plan that will render it acceptable. 922
If the commission suggests modifications, the chief executive 923

officer may revise the plan before resubmitting it to the 924
commission. The chief executive officer shall resubmit the plan, 925
whether revised or not, within fifteen days after the commission 926
suggests modifications. The commission shall approve the plan 927
within thirty days after the plan is resubmitted. Upon approval of 928
the plan by the commission, the chief executive officer shall 929
implement the plan. 930

(F) Notwithstanding any provision to the contrary in Chapter 931
4117. of the Revised Code, if the district board has entered into, 932
modified, renewed, or extended a collective bargaining agreement 933
on or after the effective date of this section that contains 934
provisions relinquishing one or more of the rights or 935
responsibilities listed in division (C) of section 4117.08 of the 936
Revised Code, those provisions are not enforceable and the chief 937
executive officer and the district board shall resume holding 938
those rights or responsibilities as if the district board had not 939
relinquished them in that agreement until such time as both the 940
academic distress commission ceases to exist and the district 941
board agrees to relinquish those rights or responsibilities in a 942
new collective bargaining agreement. For purposes of this section, 943
"collective bargaining agreement" shall include any labor contract 944
or agreement in effect with any applicable bargaining 945
representative. The chief executive officer and the district board 946
are not required to bargain on subjects reserved to the management 947
and direction of the school district, including, but not limited 948
to, the rights or responsibilities listed in division (C) of 949
section 4117.08 of the Revised Code. The way in which these 950
subjects and these rights or responsibilities may affect the 951
wages, hours, terms and conditions of employment, or the 952
continuation, modification, or deletion of an existing provision 953
of a collective bargaining agreement is not subject to collective 954

bargaining or effects bargaining under Chapter 4117. of the 955
Revised Code. The provisions of this paragraph apply to a 956
collective bargaining agreement entered into, modified, renewed, 957
or extended on or after the effective date of this section and 958
those provisions are deemed to be part of that agreement 959
regardless of whether the district satisfied the conditions 960
prescribed in division (A) of this section at the time the 961
district entered into that agreement. If the district board 962
relinquished one or more of the rights or responsibilities listed 963
in division (C) of section 4117.08 of the Revised Code in a 964
collective bargaining agreement entered into prior to the 965
effective date of this section and had resumed holding those 966
rights or responsibilities pursuant to division (K) of former 967
section 3302.10 of the Revised Code, as it existed prior to that 968
date, the district board shall continue to hold those rights or 969
responsibilities until such time as both the new academic distress 970
commission appointed under this section ceases to exist upon 971
completion of the transition period specified in division (N)(1) 972
of this section and the district board agrees to relinquish those 973
rights or responsibilities in a new collective bargaining 974
agreement. 975

(G) In each school year that the district is subject to this 976
section, the following shall apply: 977

(1) The chief executive officer shall implement the 978
improvement plan approved under division (E)(2) of this section 979
and shall review the plan annually to determine if changes are 980
needed. The chief executive officer may modify the plan upon the 981
approval of the modifications by the academic distress commission. 982

(2) The chief executive officer may implement innovative 983
education programs to do any of the following: 984

<u>(a) Address the physical and mental well-being of students</u>	985
<u>and their families;</u>	986
<u>(b) Provide mentoring;</u>	987
<u>(c) Provide job resources;</u>	988
<u>(d) Disseminate higher education information;</u>	989
<u>(e) Offer recreational or cultural activities;</u>	990
<u>(f) Provide any other services that will contribute to a</u>	991
<u>successful learning environment.</u>	992
<u>The chief executive officer shall establish a separate fund</u>	993
<u>to support innovative education programs and shall deposit any</u>	994
<u>moneys appropriated by the general assembly for the purposes of</u>	995
<u>division (G)(2) of this section in the fund. The chief executive</u>	996
<u>officer shall have sole authority to disburse moneys from the fund</u>	997
<u>until the district is no longer subject to this section. All</u>	998
<u>disbursements shall support the improvement plan approved under</u>	999
<u>division (E)(2) of this section.</u>	1000
<u>(3) If the district is not a school district in which the</u>	1001
<u>pilot project scholarship program is operating under sections</u>	1002
<u>3313.974 to 3313.979 of the Revised Code, each student who is</u>	1003
<u>entitled to attend school in the district under section 3313.64 or</u>	1004
<u>3313.65 of the Revised Code and is enrolled in a school operated</u>	1005
<u>by the district or in a community school, or will be both</u>	1006
<u>enrolling in any of grades kindergarten through twelve in this</u>	1007
<u>state for the first time and at least five years of age by the</u>	1008
<u>first day of January of the following school year, shall be</u>	1009
<u>eligible to participate in the educational choice scholarship</u>	1010
<u>pilot program established under sections 3310.01 to 3310.17 of the</u>	1011
<u>Revised Code and an application for the student may be submitted</u>	1012
<u>during the next application period.</u>	1013

(4) Notwithstanding anything to the contrary in the Revised Code, the chief executive officer may limit, suspend, or alter any contract with an administrator that is entered into, modified, renewed, or extended by the district board on or after the effective date of this section, provided that the chief executive officer shall not reduce any salary or base hourly rate of pay unless such salary or base hourly rate reductions are part of a uniform plan affecting all district employees and shall not reduce any insurance benefits unless such insurance benefit reductions are also applicable generally to other employees of the district.

(5) The chief executive officer shall represent the district board during any negotiations to modify, renew, or extend a collective bargaining agreement entered into by the board under Chapter 4117. of the Revised Code.

(H) If the report card for the district has been issued under section 3302.03 of the Revised Code for the first school year that the district is subject to this section and the district does not meet the qualification in division (N)(1) of this section, the following shall apply:

(1) The chief executive officer may reconstitute any school operated by the district. The chief executive officer shall present to the academic distress commission a plan that lists each school designated for reconstitution and explains how the chief executive officer plans to reconstitute the school. The chief executive officer may take any of the following actions to reconstitute a school:

(a) Change the mission of the school or the focus of its curriculum;

(b) Replace the school's principal and/or administrative staff;

<u>(c) Replace a majority of the school's staff, including</u>	1044
<u>teaching and nonteaching employees;</u>	1045
<u>(d) Contract with a nonprofit or for-profit entity to manage</u>	1046
<u>the operations of the school. The contract may provide for the</u>	1047
<u>entity to supply all or some of the staff for the school.</u>	1048
<u>(e) Reopen the school as a community school under Chapter</u>	1049
<u>3314. of the Revised Code or a science, technology, engineering,</u>	1050
<u>and mathematics school under Chapter 3326. of the Revised Code;</u>	1051
<u>(f) Permanently close the school.</u>	1052
<u>If the chief executive officer plans to reconstitute a school</u>	1053
<u>under division (H)(1)(e) or (f) of this section, the commission</u>	1054
<u>shall review the plan for that school and either approve or reject</u>	1055
<u>it by the thirtieth day of June of the school year. Upon approval</u>	1056
<u>of the plan by the commission, the chief executive officer shall</u>	1057
<u>reconstitute the school as outlined in the plan.</u>	1058
<u>(2) Notwithstanding any provision to the contrary in Chapter</u>	1059
<u>4117. of the Revised Code, the chief executive officer, in</u>	1060
<u>consultation with the chairperson of the academic distress</u>	1061
<u>commission, may reopen any collective bargaining agreement entered</u>	1062
<u>into, modified, renewed, or extended on or after the effective</u>	1063
<u>date of this section for the purpose of renegotiating its terms.</u>	1064
<u>The chief executive officer shall have the sole discretion to</u>	1065
<u>designate any provisions of a collective bargaining agreement as</u>	1066
<u>subject to reopening by providing written notice to the bargaining</u>	1067
<u>representative. Any provisions designated for reopening by the</u>	1068
<u>chief executive officer shall be subject to collective bargaining</u>	1069
<u>as set forth in Chapter 4117. of the Revised Code. Any changes to</u>	1070
<u>the provisions subject to reopening shall take effect on the</u>	1071
<u>following first day of July or another date agreed to by the</u>	1072
<u>parties. The chief executive officer may reopen a collective</u>	1073

bargaining agreement under division (H)(2) of this section as 1074
necessary to reconstitute a school under division (H)(1) of this 1075
section. 1076

(I) If the report card for the district has been issued under 1077
section 3302.03 of the Revised Code for the second school year 1078
that the district is subject to this section and the district does 1079
not meet the qualification in division (N)(1) of this section, the 1080
following shall apply: 1081

(1) The chief executive officer may exercise any of the 1082
powers authorized under division (H) of this section. 1083

(2) Notwithstanding any provision to the contrary in Chapter 1084
4117. of the Revised Code, the chief executive officer may limit, 1085
suspend, or alter any provision of a collective bargaining 1086
agreement entered into, modified, renewed, or extended on or after 1087
the effective date of this section, provided that the chief 1088
executive officer shall not reduce any base hourly rate of pay and 1089
shall not reduce any insurance benefits. The decision to limit, 1090
suspend, or alter any provision of a collective bargaining 1091
agreement under this division is not subject to bargaining under 1092
Chapter 4117. of the Revised Code; however, the chief executive 1093
officer shall have the discretion to engage in effects bargaining 1094
on the way any such decision may affect wages, hours, or terms and 1095
conditions of employment. The chief executive officer may limit, 1096
suspend, or alter a provision of a collective bargaining agreement 1097
under division (I)(2) of this section as necessary to reconstitute 1098
a school under division (H)(1) of this section. 1099

(J) If the report card for the district has been issued under 1100
section 3302.03 of the Revised Code for the third school year that 1101
the district is subject to this section and the district does not 1102
meet the qualification in division (N)(1) of this section, the 1103

following shall apply: 1104

(1) The chief executive officer may exercise any of the powers authorized under division (H) or (I) of this section. 1105
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(2) The chief executive officer may continue in effect a limitation, suspension, or alteration of a provision of a collective bargaining agreement issued under division (I)(2) of this section. Any such continuation shall be subject to the requirements and restrictions of that division. 1107
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(K) If the report card for the district has been issued under section 3302.03 of the Revised Code for the fourth school year that the district is subject to this section and the district does not meet the qualification in division (N)(1) of this section, the following shall apply: 1112
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(1) The chief executive officer may exercise any of the powers authorized under division (H), (I), or (J) of this section. 1117
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(2) A new board of education shall be appointed for the district in accordance with section 3302.11 of the Revised Code. However, the chief executive officer shall retain complete operational, managerial, and instructional control of the district until the chief executive officer relinquishes that control to the district board under division (N)(1) of this section. 1119
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(L) If the report card for the district has been issued under section 3302.03 of the Revised Code for the fifth school year, or any subsequent school year, that the district is subject to this section and the district does not meet the qualification in division (N)(1) of this section, the chief executive officer may exercise any of the powers authorized under division (H), (I), (J), or (K)(1) of this section. 1125
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(M) If division (I), (J), (K), or (L) of this section applies 1132

to a district, community schools, STEM schools, chartered nonpublic schools, and other school districts that enroll students residing in the district and meet academic accountability standards shall be eligible to be paid an academic performance bonus in each fiscal year for which the general assembly appropriates funds for that purpose. The academic performance bonus is intended to give students residing in the district access to a high-quality education by encouraging high-quality schools to enroll those students.

(N)(1) When a district subject to this section receives an overall grade of "C" or higher under division (C)(3) of section 3302.03 of the Revised Code, the district shall begin its transition out of being subject to this section. Except as provided in division (N)(2) of this section, the transition period shall last until the district has received an overall grade higher than "F" under division (C)(3) of section 3302.03 of the Revised Code for two consecutive school years after the transition period begins. The overall grade of "C" or higher that qualifies the district to begin the transition period shall not count as one of the two consecutive school years. During the transition period, the conditions described in divisions (F) to (L) of this section for the school year prior to the school year in which the transition period begins shall continue to apply and the chief executive officer shall work closely with the district board and district superintendent to increase their ability to resume control of the district and sustain the district's academic improvement over time. Upon completion of the transition period, the chief executive officer shall relinquish all operational, managerial, and instructional control of the district to the district board and district superintendent and the academic distress commission shall cease to exist.

(2) If the district receives an overall grade of "F" under division (C)(3) of section 3302.03 of the Revised Code at any time during the transition period, the transition period shall end and the district shall be fully subject to this section again. The district shall resume being fully subject to this section at the point it began its transition out of being subject to this section and the division in divisions (H) to (L) of this section that would have applied to the district had the district not qualified to begin its transition under division (N)(1) of this section shall apply to the district.

(O) If at any time there are no longer any schools operated by the district due to reconstitution or other closure of the district's schools under this section, the academic distress commission shall cease to exist and the chief executive officer shall cease to exercise any powers with respect to the district.

(P) Beginning on the effective date of this section, each collective bargaining agreement entered into by a school district board of education under Chapter 4117. of the Revised Code shall incorporate the provisions of this section.

(Q) The chief executive officer, the members of the academic distress commission, the state superintendent, and any person authorized to act on behalf of or assist them shall not be personally liable or subject to any suit, judgment, or claim for damages resulting from the exercise of or failure to exercise the powers, duties, and functions granted to them in regard to their functioning under this section, but the chief executive officer, commission, state superintendent, and such other persons shall be subject to mandamus proceedings to compel performance of their duties under this section.

(R) The state superintendent shall not exempt any district

from this section by approving an application for an innovative education pilot program submitted by the district under section 3302.07 of the Revised Code.

Sec. 3302.11. (A) This section applies to any school district that becomes subject to division (K) of section 3302.10 of the Revised Code, as it exists on and after the effective date of this section.

(B) As used in this section, "mayor" means the mayor of the municipality in which a majority of the territory of a school district to which this section applies is located or, if no such municipality exist, the mayor of a municipality selected by the superintendent of public instruction in which the district has territory.

(C) On the first day of January following the date on which this section first applies to a school district, the mayor shall appoint a new five-member board of education for the district from a slate of candidates nominated by the nominating panel established under division (D)(1) of this section.

(D)(1) Not later than thirty days after the date on which this section first applies to a school district, the superintendent of public instruction shall convene a nominating panel to nominate candidates for appointment to the district board of education. The panel shall consist of the following members:

(a) Two persons appointed by the mayor, one of whom shall be a representative of the business community or an institution of higher education located in the district;

(b) One principal employed by the district, who shall be selected by a vote of the district's principals conducted by the state superintendent;

(c) One teacher appointed by the bargaining representative 1223
for teachers employed by the district; 1224

(d) One parent of a student enrolled in the district 1225
appointed by the parent-teacher association, or a similar 1226
organization selected by the state superintendent; 1227

(e) The chairperson of the academic distress commission 1228
established for the district under section 3302.10 of the Revised 1229
Code and the chief executive officer appointed under division 1230
(C)(1) of that section, until such time as the commission ceases 1231
to exist. 1232

(2) The state superintendent shall be a nonvoting member of 1233
the panel and shall serve as chairperson of the panel for the 1234
first two years of the panel's existence. After that time, the 1235
panel shall select one of its members as chairperson. The panel 1236
shall meet as necessary to make nominations at the call of the 1237
chairperson. All members of the panel shall serve at the pleasure 1238
of their appointing authority. A vacancy on the panel shall be 1239
filled in the same manner as the initial appointment. 1240

(E) Not later than thirty days after the nominating panel is 1241
convened, the panel shall nominate a slate of at least ten 1242
candidates for possible appointment to the district board of 1243
education. All candidates shall be residents of the school 1244
district and shall hold no elected public office. At least two of 1245
the candidates shall reside outside of the municipal corporation 1246
served by the mayor, if that municipal corporation does not 1247
contain all of the district's territory. 1248

(F) Not later than thirty days after receiving the slate of 1249
candidates, the mayor shall select five members from the slate for 1250
appointment to the district board of education. Initial members of 1251
the board shall take office on the first day of January following 1252

their appointment and their terms shall expire on the thirtieth 1253
day of June following the referendum election required by division 1254
(G)(1) of this section. 1255

(G)(1) At the general election held in the first 1256
even-numbered year occurring at least three years after the date 1257
on which the academic distress commission established for the 1258
district ceases to exist pursuant to division (N)(1) of section 1259
3302.10 of the Revised Code, a referendum election shall be held 1260
to determine if the mayor shall continue to appoint the district 1261
board of education. Not later than ninety days before the general 1262
election, the board of education shall notify the board of 1263
elections of each county containing territory of the district of 1264
the referendum election. At the general election, the following 1265
question shall be submitted to the electors of the district: 1266

"Shall the mayor of . . . (here insert the name of the 1267
applicable municipal corporation) continue to appoint the members 1268
of the board of education of the . . . (here insert the name of 1269
the school district to which this section applies)?" 1270

The board of elections of the county in which the majority of 1271
the district's territory is located shall make all necessary 1272
arrangements for the submission of the question to the electors, 1273
and the election shall be conducted, canvassed, and certified in 1274
the same manner as regular elections in the district for the 1275
election of county officers, provided that in any such election in 1276
which only part of the electors of a precinct are qualified to 1277
vote, the board of elections may assign voters in such part to an 1278
adjoining precinct. Such an assignment may be made to an adjoining 1279
precinct in another county with the consent and approval of the 1280
board of elections of such other county. Notice of the election 1281
shall be published in a newspaper of general circulation in the 1282

district once a week for two consecutive weeks, or as provided in 1283
section 7.16 of the Revised Code, prior to the election. If the 1284
board of elections operates and maintains a web site, the board of 1285
elections shall post notice of the election on its web site for 1286
thirty days prior to the election. The notice shall state the 1287
question on which the election is being held. The ballot shall be 1288
in the form prescribed by the secretary of state. Costs of 1289
submitting the question to the electors shall be charged to the 1290
district in accordance with section 3501.17 of the Revised Code. 1291

(2) If a majority of the electors voting on the question 1292
proposed in division (G)(1) of this section approve the question, 1293
the mayor shall appoint a new board of education on the 1294
immediately following first day of July from a slate of candidates 1295
nominated by the nominating panel in the same manner as the 1296
initial board was appointed pursuant to divisions (E) and (F) of 1297
this section. Three of the members of the new board shall be 1298
appointed to four-year terms and two of the members shall be 1299
appointed to two-year terms, each term beginning on the first day 1300
of July. Thereafter, the mayor shall appoint members to four-year 1301
terms in the same manner prescribed in divisions (E) and (F) of 1302
this section. Whenever the nominating panel is required to 1303
nominate a slate of candidates, the panel shall nominate at least 1304
twice the number of candidates as members to be appointed to the 1305
board at that time, including two candidates who reside outside of 1306
the municipal corporation served by the mayor, if that municipal 1307
corporation does not contain all of the district's territory. 1308
Nothing in this division shall preclude the nominating panel from 1309
nominating as a candidate a person who was a member of the board 1310
prior to the referendum election or shall preclude the mayor from 1311
appointing such a person to the new board. 1312

(3) If a majority of the electors voting on the question 1313

proposed in division (G)(1) of this section disapprove the 1314
question, a new board of education shall be elected at the next 1315
regular election occurring in November of an odd-numbered year. 1316
The board shall have the same number of members as the board in 1317
place prior to the board appointed under this section. At such 1318
election, one-half of the total number of members rounded up to 1319
the next whole number shall be elected for terms of four years and 1320
the remaining members shall be elected for terms of two years. 1321
Thereafter, their successors shall be elected in the same manner 1322
and for the same terms as provided in the Revised Code for members 1323
of boards of education. All members of the board of education 1324
appointed under this section shall continue to serve after the end 1325
of the terms to which they were appointed until their successors 1326
are qualified and assume office in accordance with section 3313.09 1327
of the Revised Code. 1328

(H) All of the following shall apply to a board of education 1329
appointed under division (F) or (G)(2) of this section: 1330

(1) At any given time, at least two of the board members 1331
shall have significant expertise in education, finance, or 1332
business management and at least one member shall reside outside 1333
of the municipal corporation served by the mayor, if that 1334
municipal corporation does not contain all of the district's 1335
territory. 1336

(2) The members of the board shall designate one of its 1337
members as the chairperson of the board. The chairperson shall 1338
have all the rights, authority, and duties conferred upon the 1339
president of a board of education by the Revised Code. 1340

(3) The mayor may remove any member of the board with the 1341
advice and consent of the nominating panel. 1342

Between lines 263 and 264, insert: 1343

"Sec. 3310.02. (A) The educational choice scholarship pilot program is hereby established. Under the program, the department of education annually shall pay scholarships to attend chartered nonpublic schools in accordance with section 3310.08 of the Revised Code for up to the following number of eligible students:

(1) Thirty thousand in the 2011-2012 school year;

(2) Sixty thousand in the 2012-2013 school year and thereafter.

(B) If the number of students who apply for a scholarship exceeds the number of scholarships available under division (A) of this section for the applicable school year, the department shall award scholarships in the following order of priority:

(1) First, to eligible students who received scholarships in the prior school year;

(2) Second, to eligible students with family incomes at or below two hundred per cent of the federal poverty guidelines, as defined in section 5101.46 of the Revised Code, who qualify under ~~division~~ divisions (A) and (E) of section 3310.03 of the Revised Code. If the number of students described in division (B)(2) of this section who apply for a scholarship exceeds the number of available scholarships after awards are made under division (B)(1) of this section, the department shall select students described in division (B)(2) of this section by lot to receive any remaining scholarships.

(3) Third, to other eligible students who qualify under ~~division~~ divisions (A) and (E) of section 3310.03 of the Revised Code. If the number of students described in division (B)(3) of this section who apply for a scholarship exceeds the number of available scholarships after awards are made under divisions

(B)(1) and (2) of this section, the department shall select 1373
students described in division (B)(3) of this section by lot to 1374
receive any remaining scholarships. 1375

(4) Fourth, to eligible students with family incomes at or 1376
below two hundred per cent of the federal poverty guidelines who 1377
qualify under division (D) of section 3310.03 of the Revised Code. 1378
If the number of students described in division (B)(4) of this 1379
section who apply for a scholarship exceeds the number of 1380
available scholarships after awards are made under divisions 1381
(B)(1) to (3) of this section, the department shall select 1382
students described in division (B)(4) of this section by lot to 1383
receive any remaining scholarships. 1384

(5) Fifth, to other eligible students who qualify under 1385
division (D) of section 3310.03 of the Revised Code. If the number 1386
of students described in division (B)(5) of this section who apply 1387
for a scholarship exceeds the number of available scholarships 1388
after awards are made under divisions (B)(1) to (4) of this 1389
section, the department shall select students described in 1390
division (B)(5) of this section by lot to receive any remaining 1391
scholarships. 1392

(6) Sixth, to eligible students with family incomes at or 1393
below two hundred per cent of the federal poverty guidelines who 1394
qualify under division (B) of section 3310.03 of the Revised Code. 1395
If the number of students described in division (B)(6) of this 1396
section who apply for a scholarship exceeds the number of 1397
available scholarships after awards are made under divisions 1398
(B)(1) to (5) of this section, the department shall select 1399
students described in division (B)(6) of this section by lot to 1400
receive any remaining scholarships. 1401

(7) Seventh, to other eligible students who qualify under 1402

division (B) of section 3310.03 of the Revised Code. If the number
of students described in division (B)(7) of this section who apply
for a scholarship exceeds the number of available scholarships
after awards are made under divisions (B)(1) to (6) of this
section, the department shall select students described in
division (B)(7) of this section by lot to receive any remaining
scholarships.

Sec. 3310.03. A student is an "eligible student" for purposes
of the educational choice scholarship pilot program if the
student's resident district is not a school district in which the
pilot project scholarship program is operating under sections
3313.974 to 3313.979 of the Revised Code and the student satisfies
one of the conditions in division (A), (B), (C), ~~or (D)~~, or (E) of
this section:

(A)(1) The student is enrolled in a school building operated
by the student's resident district that, on the report card issued
under section 3302.03 of the Revised Code published prior to the
first day of July of the school year for which a scholarship is
sought, did not receive a rating as described in division (H) of
this section, and to which any or a combination of any of the
following apply for two of the three most recent report cards
published prior to the first day of July of the school year for
which a scholarship is sought:

(a) The building was declared to be in a state of academic
emergency or academic watch under section 3302.03 of the Revised
Code as that section existed prior to March 22, 2013.

(b) The building received a grade of "D" or "F" for the
performance index score under division (A)(1)(b) or (B)(1)(b) of
section 3302.03 of the Revised Code and for the value-added

progress dimension under division (A)(1)(e) or (B)(1)(e) of 1432
 section 3302.03 of the Revised Code for the 2012-2013 or 2013-2014 1433
 school year, or both; or if the building serves only grades ten 1434
 through twelve, the building received a grade of "D" or "F" for 1435
 the performance index score under division (A)(1)(b) or (B)(1)(b) 1436
 of section 3302.03 of the Revised Code and had a four-year 1437
 adjusted cohort graduation rate of less than seventy-five per 1438
 cent. 1439

(c) The building received an overall grade of "D" or "F" 1440
 under division (C)(3) of section 3302.03 of the Revised Code or a 1441
 grade of "F" for the value-added progress dimension under division 1442
 (C)(1)(e) of section 3302.03 of the Revised Code for the 2014-2015 1443
 school year or any school year thereafter. 1444

(2) The student will be enrolling in any of grades 1445
 kindergarten through twelve in this state for the first time in 1446
 the school year for which a scholarship is sought, will be at 1447
 least five years of age by the first day of January of the school 1448
 year for which a scholarship is sought, and otherwise would be 1449
 assigned under section 3319.01 of the Revised Code in the school 1450
 year for which a scholarship is sought, to a school building 1451
 described in division (A)(1) of this section. 1452

(3) The student is enrolled in a community school established 1453
 under Chapter 3314. of the Revised Code but otherwise would be 1454
 assigned under section 3319.01 of the Revised Code to a building 1455
 described in division (A)(1) of this section. 1456

(4) The student is enrolled in a school building operated by 1457
 the student's resident district or in a community school 1458
 established under Chapter 3314. of the Revised Code and otherwise 1459
 would be assigned under section 3319.01 of the Revised Code to a 1460
 school building described in division (A)(1) of this section in 1461

the school year for which the scholarship is sought. 1462

(5) The student will be both enrolling in any of grades 1463
 kindergarten through twelve in this state for the first time and 1464
 at least five years of age by the first day of January of the 1465
 school year for which a scholarship is sought, or is enrolled in a 1466
 community school established under Chapter 3314. of the Revised 1467
 Code, and all of the following apply to the student's resident 1468
 district: 1469

(a) The district has in force an intradistrict open 1470
 enrollment policy under which no student in the student's grade 1471
 level is automatically assigned to a particular school building; 1472

(b) In the most recent rating published prior to the first 1473
 day of July of the school year for which scholarship is sought, 1474
 the district did not receive a rating described in division (H) of 1475
 this section, and in at least two of the three most recent report 1476
 cards published prior to the first day of July of that school 1477
 year, any or a combination of the following apply to the district: 1478

(i) The district was declared to be in a state of academic 1479
 emergency under section 3302.03 of the Revised Code as it existed 1480
 prior to March 22, 2013. 1481

(ii) The district received a grade of "D" or "F" for the 1482
 performance index score under division (A)(1)(b) or (B)(1)(b) of 1483
 section 3302.03 of the Revised Code and for the value-added 1484
 progress dimension under division (A)(1)(e) or (B)(1)(e) of 1485
 section 3302.03 of the Revised Code for the 2012-2013 or 2013-2014 1486
 school year, or both. 1487

(c) The district received an overall grade of "D" or "F" 1488
 under division (C)(3) of section 3302.03 of the Revised Code or a 1489
 grade of "F" for the value-added progress dimension under division 1490

(C)(1)(e) of section 3302.03 of the Revised Code for the 2014-2015	1491
school year or any school year thereafter.	1492
(6) Beginning in the 2016-2017 school year, the student is	1493
enrolled in or will be enrolling in a building in the school year	1494
for which the scholarship is sought that serves any of grades nine	1495
through twelve and that received a grade of "D" or "F" for the	1496
four-year adjusted cohort graduation rate under division	1497
(A)(1)(d), (B)(1)(d), or (C)(1)(d) of section 3302.03 of the	1498
Revised Code in two of the three most recent report cards	1499
published prior to the first day of July of the school year for	1500
which a scholarship is sought.	1501
(B)(1) The student is enrolled in a school building operated	1502
by the student's resident district and to which both of the	1503
following apply:	1504
(a) The building was ranked, for at least two of the three	1505
most recent rankings published under section 3302.21 of the	1506
Revised Code prior to the first day of July of the school year for	1507
which a scholarship is sought, in the lowest ten per cent of all	1508
public school buildings according to performance index score under	1509
section 3302.21 of the Revised Code.	1510
(b) The building was not declared to be excellent or	1511
effective, or the equivalent of such ratings as determined by the	1512
department of education, under section 3302.03 of the Revised Code	1513
in the most recent rating published prior to the first day of July	1514
of the school year for which a scholarship is sought.	1515
(2) The student will be enrolling in any of grades	1516
kindergarten through twelve in this state for the first time in	1517
the school year for which a scholarship is sought, will be at	1518
least five years of age, as defined in section 3321.01 of the	1519
Revised Code, by the first day of January of the school year for	1520

which a scholarship is sought, and otherwise would be assigned 1521
 under section 3319.01 of the Revised Code in the school year for 1522
 which a scholarship is sought, to a school building described in 1523
 division (B)(1) of this section. 1524

(3) The student is enrolled in a community school established 1525
 under Chapter 3314. of the Revised Code but otherwise would be 1526
 assigned under section 3319.01 of the Revised Code to a building 1527
 described in division (B)(1) of this section. 1528

(4) The student is enrolled in a school building operated by 1529
 the student's resident district or in a community school 1530
 established under Chapter 3314. of the Revised Code and otherwise 1531
 would be assigned under section 3319.01 of the Revised Code to a 1532
 school building described in division (B)(1) of this section in 1533
 the school year for which the scholarship is sought. 1534

(C) The student is enrolled in a nonpublic school at the time 1535
 the school is granted a charter by the state board of education 1536
 under section 3301.16 of the Revised Code and the student meets 1537
 the standards of division (B) of section 3310.031 of the Revised 1538
 Code. 1539

(D) For the 2016-2017 school year and each school year 1540
 thereafter, the student is in any of grades kindergarten through 1541
 three, is enrolled in a school building that is operated by the 1542
 student's resident district or will be enrolling in any of grades 1543
 kindergarten through twelve in this state for the first time in 1544
 the school year for which a scholarship is sought, and to which 1545
 both of the following apply: 1546

(1) The building, in at least two of the three most recent 1547
 ratings of school buildings published prior to the first day of 1548
 July of the school year for which a scholarship is sought, 1549
 received a grade of "D" or "F" for making progress in improving 1550

literacy in grades kindergarten through three under division	1551
(B)(1)(g) or (C)(1)(g) of section 3302.03 of the Revised Code;	1552
(2) The building did not receive a grade of "A" for making	1553
progress in improving literacy in grades kindergarten through	1554
three under division (B)(1)(g) or (C)(1)(g) of section 3302.03 of	1555
the Revised Code in the most recent rating published prior to the	1556
first day of July of the school year for which a scholarship is	1557
sought.	1558
(E) <u>The student's resident district is subject to section</u>	1559
<u>3302.10 of the Revised Code and the student either:</u>	1560
(1) <u>Is enrolled in a school building operated by the resident</u>	1561
<u>district or in a community school established under Chapter 3314.</u>	1562
<u>of the Revised Code;</u>	1563
(2) <u>Will be both enrolling in any of grades kindergarten</u>	1564
<u>through twelve in this state for the first time and at least five</u>	1565
<u>years of age by the first day of January of the school year for</u>	1566
<u>which a scholarship is sought.</u>	1567
(F) A student who receives a scholarship under the	1568
educational choice scholarship pilot program remains an eligible	1569
student and may continue to receive scholarships in subsequent	1570
school years until the student completes grade twelve, so long as	1571
all of the following apply:	1572
(1) The student's resident district remains the same, or the	1573
student transfers to a new resident district and otherwise would	1574
be assigned in the new resident district to a school building	1575
described in division (A)(1), (B)(1), or (D), <u>or (E)</u> of this	1576
section;	1577
(2) The student takes each assessment prescribed for the	1578
student's grade level under section 3301.0710 or 3301.0712 of the	1579

Revised Code while enrolled in a chartered nonpublic school; 1580

(3) In each school year that the student is enrolled in a 1581
chartered nonpublic school, the student is absent from school for 1582
not more than twenty days that the school is open for instruction, 1583
not including excused absences. 1584

~~(F)~~(G)(1) The department shall cease awarding first-time 1585
scholarships pursuant to divisions (A)(1) to (4) of this section 1586
with respect to a school building that, in the most recent ratings 1587
of school buildings published under section 3302.03 of the Revised 1588
Code prior to the first day of July of the school year, ceases to 1589
meet the criteria in division (A)(1) of this section. The 1590
department shall cease awarding first-time scholarships pursuant 1591
to division (A)(5) of this section with respect to a school 1592
district that, in the most recent ratings of school districts 1593
published under section 3302.03 of the Revised Code prior to the 1594
first day of July of the school year, ceases to meet the criteria 1595
in division (A)(5) of this section. 1596

(2) The department shall cease awarding first-time 1597
scholarships pursuant to divisions (B)(1) to (4) of this section 1598
with respect to a school building that, in the most recent ratings 1599
of school buildings under section 3302.03 of the Revised Code 1600
prior to the first day of July of the school year, ceases to meet 1601
the criteria in division (B)(1) of this section. 1602

(3) The department shall cease awarding first-time 1603
scholarships pursuant to division (D) of this section with respect 1604
to a school building that, in the most recent ratings of school 1605
buildings under section 3302.03 of the Revised Code prior to the 1606
first day of July of the school year, ceases to meet the criteria 1607
in division (D) of this section. 1608

(4) The department shall cease awarding first-time 1609

scholarships pursuant to division (E) of this section with respect 1610
to a school district subject to section 3302.10 of the Revised 1611
Code when the academic distress commission established for the 1612
district ceases to exist. 1613

(5) However, students who have received scholarships in the 1614
 prior school year remain eligible students pursuant to division 1615
~~(E)~~(F) of this section. 1616

~~(G)~~(H) The state board of education shall adopt rules 1617
 defining excused absences for purposes of division ~~(E)~~(F)(3) of 1618
 this section. 1619

~~(H)~~(I)(1) A student who satisfies only the conditions 1620
 prescribed in divisions (A)(1) to (4) of this section shall not be 1621
 eligible for a scholarship if the student's resident building 1622
 meets any of the following in the most recent rating under section 1623
 3302.03 of the Revised Code published prior to the first day of 1624
 July of the school year for which a scholarship is sought: 1625

(a) The building has an overall designation of excellent or 1626
 effective under section 3302.03 of the Revised Code as it existed 1627
 prior to March 22, 2013. 1628

(b) For the 2012-2013 or 2013-2014 school year or both, the 1629
 building has a grade of "A" or "B" for the performance index score 1630
 under division (A)(1)(b) or (B)(1)(b) of section 3302.03 of the 1631
 Revised Code and for the value-added progress dimension under 1632
 division (A)(1)(e) or (B)(1)(e) of section 3302.03 of the Revised 1633
 Code; or if the building serves only grades ten through twelve, 1634
 the building received a grade of "A" or "B" for the performance 1635
 index score under division (A)(1)(b) or (B)(1)(b) of section 1636
 3302.03 of the Revised Code and had a four-year adjusted cohort 1637
 graduation rate of greater than or equal to seventy-five per cent. 1638

(c) For the 2014-2015 school year or any school year 1639

thereafter, the building has a grade of "A" or "B" under division (C)(3) of section 3302.03 of the Revised Code and a grade of "A" for the value-added progress dimension under division (C)(1)(e) of section 3302.03 of the Revised Code; or if the building serves only grades ten through twelve, the building received a grade of "A" or "B" for the performance index score under division (C)(1)(b) of section 3302.03 of the Revised Code and had a four-year adjusted cohort graduation rate of greater than or equal to seventy-five per cent.

(2) A student who satisfies only the conditions prescribed in division (A)(5) of this section shall not be eligible for a scholarship if the student's resident district meets any of the following in the most recent rating under section 3302.03 of the Revised Code published prior to the first day of July of the school year for which a scholarship is sought:

(a) The district has an overall designation of excellent or effective under section 3302.03 of the Revised Code as it existed prior to March 22, 2013.

(b) The district has a grade of "A" or "B" for the performance index score under division (A)(1)(b) or (B)(1)(b) of section 3302.03 of the Revised Code and for the value-added progress dimension under division (A)(1)(e) or (B)(1)(e) of section 3302.03 of the Revised Code for the 2012-2013 and 2013-2014 school years.

(c) The district has an overall grade of "A" or "B" under division (C)(3) of section 3302.03 of the Revised Code and a grade of "A" for the value-added progress dimension under division (C)(1)(e) of section 3302.03 of the Revised Code for the 2014-2015 school year or any school year thereafter.

Sec. 3310.032. (A) A student is an "eligible student" for 1669
 purposes of the expansion of the educational choice scholarship 1670
 pilot program under this section if the student's resident 1671
 district is not a school district in which the pilot project 1672
 scholarship program is operating under sections 3313.974 to 1673
 3313.979 of the Revised Code, the student is not eligible for an 1674
 educational choice scholarship under section 3310.03 of the 1675
 Revised Code, and the student's family income is at or below two 1676
 hundred per cent of the federal poverty guidelines, as defined in 1677
 section 5101.46 of the Revised Code. 1678

(B) In each fiscal year for which the general assembly 1679
 appropriates funds for purposes of this section, the department of 1680
 education shall pay scholarships to attend chartered nonpublic 1681
 schools in accordance with section 3310.08 of the Revised Code. 1682
 The number of scholarships awarded under this section shall not 1683
 exceed the number that can be funded with appropriations made by 1684
 the general assembly for this purpose. 1685

(C) Scholarships under this section shall be awarded as 1686
 follows: 1687

(1) For the 2013-2014 school year, to eligible students who 1688
 are entering kindergarten in that school year for the first time; 1689

(2) For each subsequent school year, scholarships shall be 1690
 awarded to eligible students in the next grade level above the 1691
 highest grade level awarded in the preceding school year, in 1692
 addition to the grade levels for which students received 1693
 scholarships in the preceding school year. 1694

(D) If the number of eligible students who apply for a 1695
 scholarship under this section exceeds the scholarships available 1696
 based on the appropriation for this section, the department shall 1697

award scholarships in the following order of priority: 1698

(1) First, to eligible students who received scholarships 1699
under this section in the prior school year; 1700

(2) Second, to eligible students with family incomes at or 1701
below one hundred per cent of the federal poverty guidelines. If 1702
the number of students described in division (D)(2) of this 1703
section who apply for a scholarship exceeds the number of 1704
available scholarships after awards are made under division (D)(1) 1705
of this section, the department shall select students described in 1706
division (D)(2) of this section by lot to receive any remaining 1707
scholarships. 1708

(3) Third, to other eligible students who qualify under this 1709
section. If the number of students described in division (D)(3) of 1710
this section exceeds the number of available scholarships after 1711
awards are made under divisions (D)(1) and (2) of this section, 1712
the department shall select students described in division (D)(3) 1713
of this section by lot to receive any remaining scholarships. 1714

(E) Subject to divisions (E)(1) to (3) of this section, a 1715
student who receives a scholarship under this section remains an 1716
eligible student and may continue to receive scholarships under 1717
this section in subsequent school years until the student 1718
completes grade twelve, so long as the student satisfies the 1719
conditions specified in divisions ~~(E)~~(F)(2) and (3) of section 1720
3310.03 of the Revised Code. 1721

Once a scholarship is awarded under this section, the student 1722
shall remain eligible for that scholarship for the current school 1723
year and subsequent school years even if the student's family 1724
income rises above the amount specified in division (A) of this 1725
section, provided the student remains enrolled in a chartered 1726
nonpublic school, however: 1727

(1) If the student's family income is above two hundred per cent but at or below three hundred per cent of the federal poverty guidelines, the student shall receive a scholarship in the amount of seventy-five per cent of the full scholarship amount.

(2) If the student's family income is above three hundred per cent but at or below four hundred per cent of the federal poverty guidelines, the student shall receive a scholarship in the amount of fifty per cent of the full scholarship amount.

(3) If the student's family income is above four hundred per cent of the federal poverty guidelines, the student is no longer eligible to receive an educational choice scholarship.

Sec. 3310.035. (A) A student who is eligible for an educational choice scholarship under both sections 3310.03 and 3310.032 of the Revised Code, and applies for a scholarship for the first time after ~~the effective date of this section~~ September 29, 2013, shall receive a scholarship under section 3310.03 of the Revised Code.

(B) A student who is eligible under both sections 3310.03 and 3310.032 of the Revised Code and received a scholarship in the previous school year shall continue to receive the scholarship under the section from which the student received the scholarship in the previous school year, so long as:

(1) The number of students who apply for a scholarship does not exceed the number of scholarships available under division (A) of section 3310.02 of the Revised Code.

(2) A student who receives a scholarship under section 3310.03 of the Revised Code satisfies with the conditions specified in divisions ~~(E)~~(F)(1) to (3) of that section, and a student who receives a scholarship under section 3310.032

satisfies with the conditions specified in divisions ~~(E)~~(F)(2) and 1757
 (3) of section 3310.03 of the Revised Code. 1758

Sec. 3311.29. (A) Except as provided under division (B) ~~or~~ 1759
 (C), or (D) of this section, no school district shall be created 1760
 and no school district shall exist which does not maintain within 1761
 such district public schools consisting of grades kindergarten 1762
 through twelve and any such existing school district not 1763
 maintaining such schools shall be dissolved and its territory 1764
 joined with another school district or districts by order of the 1765
 state board of education if no agreement is made among the 1766
 surrounding districts voluntarily, which order shall provide an 1767
 equitable division of the funds, property, and indebtedness of the 1768
 dissolved school district among the districts receiving its 1769
 territory. The state board of education may authorize exceptions 1770
 to school districts where topography, sparsity of population, and 1771
 other factors make compliance impracticable. 1772

The superintendent of public instruction is without authority 1773
 to distribute funds under Chapter 3317. of the Revised Code to any 1774
 school district that does not maintain schools with grades 1775
 kindergarten through twelve and to which no exception has been 1776
 granted by the state board of education. 1777

(B) Division (A) of this section does not apply to any joint 1778
 vocational school district or any cooperative education school 1779
 district established pursuant to divisions (A) to (C) of section 1780
 3311.52 of the Revised Code. 1781

(C)(1)(a) Except as provided in division (C)(3) of this 1782
 section, division (A) of this section does not apply to any 1783
 cooperative education school district established pursuant to 1784
 section 3311.521 of the Revised Code nor to the city, exempted 1785
 village, or local school districts that have territory within such 1786

a cooperative education district. 1787

(b) The cooperative district and each city, exempted village, 1788
or local district with territory within the cooperative district 1789
shall maintain the grades that the resolution adopted or amended 1790
pursuant to section 3311.521 of the Revised Code specifies. 1791

(2) Any cooperative education school district described under 1792
division (C)(1) of this section that fails to maintain the grades 1793
it is specified to operate shall be dissolved by order of the 1794
state board of education unless prior to such an order the 1795
cooperative district is dissolved pursuant to section 3311.54 of 1796
the Revised Code. Any such order shall provide for the equitable 1797
adjustment, division, and disposition of the assets, property, 1798
debts, and obligations of the district among each city, local, and 1799
exempted village school district whose territory is in the 1800
cooperative district and shall provide that the tax duplicate of 1801
each city, local, and exempted village school district whose 1802
territory is in the cooperative district shall be bound for and 1803
assume its share of the outstanding indebtedness of the 1804
cooperative district. 1805

(3) If any city, exempted village, or local school district 1806
described under division (C)(1) of this section fails to maintain 1807
the grades it is specified to operate the cooperative district 1808
within which it has territory shall be dissolved in accordance 1809
with division (C)(2) of this section and upon that dissolution any 1810
city, exempted village, or local district failing to maintain 1811
grades kindergarten through twelve shall be subject to the 1812
provisions for dissolution in division (A) of this section. 1813

(D) Division (A) of this section does not apply to any school 1814
district that is or has ever been subject to section 3302.10 of 1815
the Revised Code, as it exists on and after the effective date of 1816

this amendment, and has had a majority of its schools 1817
reconstituted or closed under that section. 1818

Sec. 3314.102. (A) As used in this section, ~~"municipal:~~ 1819

(1) "Chief executive officer" means a chief executive officer 1820
appointed by an academic distress commission pursuant to section 1821
3302.10 of the Revised Code. 1822

(2) "Municipal school district" and "mayor" have the same 1823
meanings as in section 3311.71 of the Revised Code. 1824

(B) Notwithstanding section 3314.10 and sections 4117.03 to 1825
4117.18 of the Revised Code and Section 4 of Amended Substitute 1826
Senate Bill No. 133 of the 115th general assembly, the employees 1827
of a conversion community school that is sponsored by the board of 1828
education of a municipal school district or a school district for 1829
which an academic distress commission has been established under 1830
section 3302.10 of the Revised Code shall cease to be subject to 1831
any future collective bargaining agreement, if the mayor or chief 1832
executive officer submits to the board of education sponsoring the 1833
school and to the state employment relations board a statement 1834
requesting that all employees of the community school be removed 1835
from a collective bargaining unit. The employees of the community 1836
school who are covered by a collective bargaining agreement in 1837
effect on the date the mayor or chief executive officer submits 1838
the statement shall remain subject to that collective bargaining 1839
agreement until the collective bargaining agreement expires on its 1840
terms. Upon expiration of that collective bargaining agreement, 1841
the employees of that school are not subject to Chapter 4117. of 1842
the Revised Code and may not organize or collectively bargain 1843
pursuant to that chapter." 1844

In line 264, after "2." insert "That existing sections 1845

131.06, 3302.01, 3302.036, 3302.04, 3310.02, 3310.03, 3310.032, 1846
 3310.035, 3311.29, and 3314.102 and section 3302.10 of the Revised 1847
 Code are hereby repealed. 1848

Section 3. " 1849

After line 266, insert: 1850

"**Section 4.** Notwithstanding the repeal of section 3302.10 of 1851
 the Revised Code by this act, if an academic distress commission 1852
 established for a school district under that former section is 1853
 still in existence on the effective date of this section and the 1854
 district does not qualify for an academic distress commission 1855
 under section 3302.10 of the Revised Code as it exists on and 1856
 after the effective date of this section, the district shall 1857
 remain subject to former section 3302.10 of the Revised Code as it 1858
 existed prior to the effective date of this section until the 1859
 commission established for the district ceases to exist pursuant 1860
 to division (L) of that former section or the district qualifies 1861
 for an academic distress commission under section 3302.10 of the 1862
 Revised Code as it exists on and after the effective date of this 1863
 section. 1864

Section 5. Not later than January 15, 2016, the 1865
 Superintendent of Public Instruction shall submit to the General 1866
 Assembly recommendations regarding academic performance bonus 1867
 payments to school districts; community schools; science, 1868
 technology, engineering, and mathematics schools; and chartered 1869
 nonpublic schools under division (M) of section 3302.10 of the 1870
 Revised Code as enacted by this act. The recommendations shall 1871
 address the following: 1872

(A) The amount of the academic performance bonus payments; 1873

(B) A method for distributing the academic performance bonus payments in conjunction with payments for:	1874
	1875
(1) Open enrollment under section 3313.98 of the Revised Code;	1876
	1877
(2) Educational choice scholarships awarded under sections 3310.01 to 3310.17 of the Revised Code;	1878
	1879
(3) Community school funding under section 3314.08 of the Revised Code;	1880
	1881
(4) STEM school funding under section 3326.33 of the Revised Code.	1882
	1883
(C) The measures and expectations of academic accountability required for districts and schools to receive the academic performance bonus payments.	1884
	1885
	1886
Section 6. (A) If the requirement to assign an overall letter grade for school districts under division (C) of section 3302.03 of the Revised Code is delayed beyond the report card issued for the 2015-2016 school year, the Department of Education shall use the following equivalencies for the purposes of section 3302.10 of the Revised Code until such time as the Department is authorized to assign an overall letter grade for districts:	1887
	1888
	1889
	1890
	1891
	1892
	1893
(1) A combination of a grade of "C" or higher for the performance index score and a grade of "C" or higher for the value-added progress dimension under division (C) of section 3302.03 of the Revised Code shall be equivalent to an overall letter grade of "C" or higher.	1894
	1895
	1896
	1897
	1898
(2) A combination of a grade of "F" for the performance index score and a grade of "F" for the value-added progress dimension under division (C) of section 3302.03 of the Revised Code shall be	1899
	1900
	1901

equivalent to an overall letter grade of "F." 1902

(B) The equivalencies established in this section shall not 1903
 be used for any purpose other than as prescribed in this section. 1904

Section 7. Section 133.06 of the Revised Code is presented in 1905
 this act as a composite of the section as amended by both Am. Sub. 1906
 H.B. 483 and Am. Sub. H.B. 487 of the 130th General Assembly. The 1907
 General Assembly, applying the principle stated in division (B) of 1908
 section 1.52 of the Revised Code that amendments are to be 1909
 harmonized if reasonably capable of simultaneous operation, finds 1910
 that the composite is the resulting version of the section in 1911
 effect prior to the effective date of the section as presented in 1912
 this act." 1913

The motion was _____ agreed to.