

AN ACT

To amend sections 133.06, 3302.01, 3302.036, 3302.04, 3310.02, 3310.03, 3310.032, 3310.035, 3311.29, and 3314.102; to enact new section 3302.10 and sections 3302.11, 3302.16, 3302.17, and 3302.18; and to repeal section 3302.10 of the Revised Code to authorize school districts and community schools to initiate a community learning center process to assist and guide school restructuring and to revise the law regarding academic distress commissions and other supports for lower performing school districts.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 133.06, 3302.01, 3302.036, 3302.04, 3310.02, 3310.03, 3310.032, 3310.035, 3311.29, and 3314.102 be amended and new section 3302.10 and sections 3302.11, 3302.16, 3302.17, and 3302.18 of the Revised Code be enacted to read as follows:

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

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

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

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

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

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

(1) Securities issued to acquire school buses and other equipment used in transporting pupils or issued pursuant to division (D) of section 133.10 of the Revised Code;

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

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

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

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

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

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

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

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

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

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

(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 month in which its board determines to submit to the electors the question of issuing the proposed securities;

(b) 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, determined by the superintendent of public instruction, by which that tax valuation is projected to increase during the next ten years.

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

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

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

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

(2) Upon the declaration of an emergency, the board of education may, by resolution, submit to the electors of the district pursuant to section 133.18 of the Revised Code the question of issuing securities for the purpose of paying the cost, in excess of any insurance or condemnation proceeds received by the district, of permanent improvements to respond to the emergency need.

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

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

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

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

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

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

(G)(1) The board of education may contract with an architect, professional engineer, or other person experienced in the design and implementation of energy conservation measures for an analysis 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 in a state of fiscal emergency pursuant to division (B) of section 3316.03 of the Revised Code shall submit a request without submitting evidence that the installations, modifications, or remodeling have been approved by the district's financial planning and supervision commission established under section 3316.05 of the Revised Code.

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

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

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

(b) The request for approval is complete.

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

Upon receipt of the commission's approval, the district may 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 chapter in excess of the limit specified in division (B) or (C) of this section when necessary to raise the school district portion of the basic project cost and any additional funds necessary to participate in a project under Chapter 3318. of the Revised Code, including the cost of items designated by the school facilities commission as required locally funded initiatives, the cost of other locally funded initiatives in an amount that does not exceed fifty per cent of the district's portion of the basic project cost, and the cost for site acquisition. The commission shall notify the superintendent of public instruction whenever a school district will exceed either limit pursuant to this division.

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

Sec. 3302.01. As used in this chapter:

(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:

(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.

(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.

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

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

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

- (1) Major racial and ethnic groups;
- (2) Students with disabilities;
- (3) Economically disadvantaged students;
- (4) Limited English proficient students;

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

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

(C) "No Child Left Behind Act of 2001" includes the statutes codified at 20 U.S.C. 6301 et seq. and any amendments, waivers, or both thereto, rules and regulations promulgated pursuant to those statutes, guidance documents, and any other policy directives regarding implementation of that act issued by the United States department of education.

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

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

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

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

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

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

(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 sanctions or penalties, but shall not create a new starting point for determinations that are based on ratings over multiple years.

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

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

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

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

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

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

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

(C) Notwithstanding anything in the Revised Code to the contrary and except as provided in Section 3 of H.B. 7 of the 131st general assembly, no school district, community school, or 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 3302.03 of the Revised Code;

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

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

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

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

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

(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;

(3) Identification of the resources that the district will allocate toward improving the academic achievement of the district or building;

(4) A description of any progress that the district or building made in the preceding year toward improving its academic achievement;

(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;

(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.

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.

(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 in academic watch or emergency school districts or buildings.

(2) For the 2012-2013 school year, and for each school year thereafter, a district or building that meets the conditions for intervention prescribed by the agreement described in division (A)

(2) of this section shall be subject to any rules establishing such intervention.

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

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

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

If any school district that is declared to be in a state of academic emergency or in a state of academic watch under section 3302.03 of the Revised Code or encompasses a building that is declared to be in a state of academic emergency or in a state of academic watch fails to demonstrate to the department satisfactory improvement of the district or applicable buildings or fails to submit to the department any information required under rules established by the state board of education, prior to approving a three-year continuous improvement plan under rules established by the state board of education, the department shall conduct a site evaluation of the school district or applicable buildings to determine whether the school district is in compliance with minimum standards established by law or rule.

(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:

(a) Determining whether teachers are assigned to subject areas for which they are licensed or certified;

(b) Determining pupil-teacher ratios;

(c) Examination of compliance with minimum instruction time requirements for each school day and for each school year;

(d) Determining whether materials and equipment necessary to implement the curriculum approved by the school district board are available;

(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;

(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.

(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.

(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:

(a) Provide written notification of the academic issues that 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 yearly progress for three consecutive school years, the district shall do both of the following:

(a) 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, provide 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 provide transportation for students who enroll in alternative buildings under this division to the extent required under division (E)(2) of this section.

(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, offer supplemental educational services to students who are enrolled in the building and who are in the subgroup described in division (B)(3) of section 3302.01 of the Revised Code.

The district shall spend a combined total of 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 division (E)(1)(b) or (E)(2)(a) of this section and to pay the costs of the supplemental educational services provided to students under division (E)(2)(b) of this section, unless the district can satisfy all demand for transportation and pay the costs of supplemental educational services for those students who request them with a lesser amount. 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 under division (E)(2)(b) of this section.

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

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

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

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

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

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

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

(f) Reorganize the administrative structure of the building.

(4) For any school building that fails to make adequate yearly progress for five consecutive school years, the district shall continue to comply with division (E)(2) of this section and shall develop a plan during the next succeeding school year to improve the academic performance of the building, which shall include at least one of the following options:

(a) Reopen the school as a community school under Chapter 3314. of the Revised Code;

(b) Replace personnel;

(c) Contract with a nonprofit or for-profit entity to operate the building;

(d) Turn operation of the building over to the department;

(e) Other significant restructuring of the building's governance.

(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.

(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.

(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.

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

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

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

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

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

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

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

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

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

(4) If a school district has been identified for improvement for four consecutive school years, the department shall continue to monitor implementation of the corrective action taken under division (F)(3) of this section with respect to the district.

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

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

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

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

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

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

(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.

(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.

(B)(1) The academic distress commission shall consist of five members as follows:

(a) Three members appointed by the state superintendent, one of whom is a resident in the county in which a majority of the district's territory is located;

(b) One member appointed by the president of the district board of education, who shall be a teacher employed by the district;

(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.

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.

(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 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.

(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 and shall serve at the pleasure of the commission. 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:

- (a) Replacing school administrators and central office staff;
- (b) Assigning employees to schools and approving transfers;
- (c) Hiring new employees;
- (d) Defining employee responsibilities and job descriptions;
- (e) Establishing employee compensation;
- (f) Allocating teacher class loads;
- (g) Conducting employee evaluations;
- (h) Making reductions in staff under section 3319.17, 3319.171, or 3319.172 of the Revised

Code;

- (i) Setting the school calendar;
- (j) Creating a budget for the district;
- (k) Contracting for services for the district;
- (l) Modifying policies and procedures established by the district board;
- (m) Establishing grade configurations of schools;
- (n) Determining the school curriculum;
- (o) Selecting instructional materials and assessments;
- (p) Setting class sizes;
- (q) Providing for staff professional development.

(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.

(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.

(E)(1) Within thirty days after the chief executive officer is appointed, the chief executive officer shall convene a group of community stakeholders. The purpose of the group shall be to develop expectations for academic improvement in the district and to assist the district in building relationships with organizations in the community that can provide needed services to students. Members of the group shall include, but shall not be limited to, educators, civic and business leaders, and representatives of institutions of higher education and government service agencies. Within ninety days after the chief executive officer is appointed, the chief executive

officer also shall convene a smaller group of community stakeholders for each school operated by the district to develop expectations for academic improvement in that school. The group convened for each school shall have teachers employed in the school and parents of students enrolled in the school among its members.

(2) The chief executive officer shall create a plan to improve the district's academic performance. In creating the plan, the chief executive officer shall consult with the groups convened under division (E)(1) of this section. The chief executive officer also shall consider the availability of funding to ensure sustainability of the plan. The plan shall establish clear, measurable performance goals for the district and for each school operated by the district. The performance goals shall include, but not be limited to, the performance measures prescribed for report cards issued under section 3302.03 of the Revised Code. Within ninety days after the chief executive officer is appointed, the chief executive officer shall submit the plan to the academic distress commission for approval. Within thirty days after the submission of the plan, the commission shall approve the plan or suggest modifications to the plan that will render it acceptable. If the commission suggests modifications, the chief executive officer may revise the plan before resubmitting it to the commission. The chief executive officer shall resubmit the plan, whether revised or not, within fifteen days after the commission suggests modifications. The commission shall approve the plan within thirty days after the plan is resubmitted. Upon approval of the plan by the commission, the chief executive officer shall implement the plan.

(F) Notwithstanding any provision to the contrary in Chapter 4117. of the Revised Code, if the district board has entered into, modified, renewed, or extended a collective bargaining agreement on or after the effective date of this section that contains provisions relinquishing one or more of the rights or responsibilities listed in division (C) of section 4117.08 of the Revised Code, those provisions are not enforceable and the chief executive officer and the district board shall resume holding those rights or responsibilities as if the district board had not relinquished them in that agreement until such time as both the academic distress commission ceases to exist and the district board agrees to relinquish those rights or responsibilities in a new collective bargaining agreement. For purposes of this section, "collective bargaining agreement" shall include any labor contract or agreement in effect with any applicable bargaining representative. The chief executive officer and the district board are not required to bargain on subjects reserved to the management and direction of the school district, including, but not limited to, the rights or responsibilities listed in division (C) of section 4117.08 of the Revised Code. The way in which these subjects and these rights or responsibilities may affect the wages, hours, terms and conditions of employment, or the continuation, modification, or deletion of an existing provision of a collective bargaining agreement is not subject to collective bargaining or effects bargaining under Chapter 4117. of the Revised Code. The provisions of this paragraph apply to a collective bargaining agreement entered into, modified, renewed, or extended on or after the effective date of this section and those provisions are deemed to be part of that agreement regardless of whether the district satisfied the conditions prescribed in division (A) of this section at the time the district entered into that agreement. If the district board relinquished one or more of the rights or responsibilities listed in division (C) of section 4117.08 of the Revised Code in a collective bargaining agreement entered into prior to the effective date of this section and had resumed holding those rights or responsibilities pursuant to division (K) of former section 3302.10 of the Revised Code, as it existed prior to that date, the district board shall continue to hold those rights or responsibilities until such time as both the new academic distress commission appointed under this section ceases to exist upon completion of the transition period specified in division (N)(1) of this section and the district board agrees to relinquish those rights or responsibilities in a new collective bargaining agreement.

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

(1) The chief executive officer shall implement the improvement plan approved under

division (E)(2) of this section and shall review the plan annually to determine if changes are needed. The chief executive officer may modify the plan upon the approval of the modifications by the academic distress commission.

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

- (a) Address the physical and mental well-being of students and their families;
- (b) Provide mentoring;
- (c) Provide job resources;
- (d) Disseminate higher education information;
- (e) Offer recreational or cultural activities;
- (f) Provide any other services that will contribute to a successful learning environment.

The chief executive officer shall establish a separate fund to support innovative education programs and shall deposit any moneys appropriated by the general assembly for the purposes of division (G)(2) of this section in the fund. The chief executive officer shall have sole authority to disburse moneys from the fund until the district is no longer subject to this section. All disbursements shall support the improvement plan approved under division (E)(2) of this section.

(3) If the 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, each student who is entitled to attend school in the district under section 3313.64 or 3313.65 of the Revised Code and is enrolled in a school operated by the district or in a community school, or will be both enrolling in any of grades kindergarten through twelve in this state for the first time and at least five years of age by the first day of January of the following school year, shall be eligible to participate in the educational choice scholarship pilot program established under sections 3310.01 to 3310.17 of the Revised Code and an application for the student may be submitted during the next application period.

(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;
- (c) Replace a majority of the school's staff, including teaching and nonteaching employees;
- (d) Contract with a nonprofit or for-profit entity to manage the operations of the school. The contract may provide for the entity to supply all or some of the staff for the school.
- (e) Reopen the school as a community school under Chapter 3314. of the Revised Code or a science, technology, engineering, and mathematics school under Chapter 3326. of the Revised

Code:

(f) Permanently close the school.

If the chief executive officer plans to reconstitute a school under division (H)(1)(e) or (f) of this section, the commission shall review the plan for that school and either approve or reject it by the thirtieth day of June of the school year. Upon approval of the plan by the commission, the chief executive officer shall reconstitute the school as outlined in the plan.

(2) Notwithstanding any provision to the contrary in Chapter 4117. of the Revised Code, the chief executive officer, in consultation with the chairperson of the academic distress commission, may reopen any collective bargaining agreement entered into, modified, renewed, or extended on or after the effective date of this section for the purpose of renegotiating its terms. The chief executive officer shall have the sole discretion to designate any provisions of a collective bargaining agreement as subject to reopening by providing written notice to the bargaining representative. Any provisions designated for reopening by the chief executive officer shall be subject to collective bargaining as set forth in Chapter 4117. of the Revised Code. Any changes to the provisions subject to reopening shall take effect on the following first day of July or another date agreed to by the parties. The chief executive officer may reopen a collective bargaining agreement under division (H)(2) of this section as necessary to reconstitute a school under division (H)(1) of this section.

(I) If the report card for the district has been issued under section 3302.03 of the Revised Code for the second 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 exercise any of the powers authorized under division (H) of this section.

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

(J) If the report card for the district has been issued under section 3302.03 of the Revised Code for the third 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 exercise any of the powers authorized under division (H) or (I) of this section.

(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.

(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:

(1) The chief executive officer may exercise any of the powers authorized under division (H), (I), or (J) of this section.

(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.

(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.

(M) If division (I), (J), (K), or (L) of this section applies 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 for teachers employed by the district;

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

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

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

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

(F) Not later than thirty days after receiving the slate of candidates, the mayor shall select five members from the slate for appointment to the district board of education. Initial members of the board shall take office on the first day of January following their appointment and their terms shall expire on the thirtieth day of June following the referendum election required by division (G)(1) of this section.

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

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

The board of elections of the county in which the majority of the district's territory is located shall make all necessary arrangements for the submission of the question to the electors, and the election shall be conducted, canvassed, and certified in the same manner as regular elections in the district for the election of county officers, provided that in any such election in which only part of the electors of a precinct are qualified to vote, the board of elections may assign voters in such part to an adjoining precinct. Such an assignment may be made to an adjoining precinct in another county with the consent and approval of the board of elections of such other county. Notice of the election shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election. If the board of elections operates and maintains a web site, the board of elections shall post notice of the election on its web site for thirty days prior to the election. The notice shall state the question on which the election is being held. The ballot shall be in the form prescribed by the secretary of state. Costs of submitting the question to the electors shall be charged to the district in accordance with section 3501.17 of the Revised Code.

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

(3) If a majority of the electors voting on the question proposed in division (G)(1) of this section disapprove the question, a new board of education shall be elected at the next regular election occurring in November of an odd-numbered year. The board shall have the same number of members as the board in place prior to the board appointed under this section. At such election, one-half of the total number of members rounded up to the next whole number shall be elected for terms of four years and the remaining members shall be elected for terms of two years. Thereafter, their successors shall be elected in the same manner and for the same terms as provided in the Revised Code for members of boards of education. All members of the board of education appointed under this section shall continue to serve after the end of the terms to which they were appointed until their successors are qualified and assume office in accordance with section 3313.09 of the Revised Code.

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

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

(2) The members of the board shall designate one of its members as the chairperson of the board. The chairperson shall have all the rights, authority, and duties conferred upon the

president of a board of education by the Revised Code.

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

Sec. 3302.16. (A)(1) As used in sections 3302.17 and 3302.18 of the Revised Code, "community learning center" means a school operated by a city, exempted village, or local school district or community school established under Chapter 3314. of the Revised Code that participates in a coordinated, community-based effort with community partners to provide comprehensive educational, developmental, family, and health services to students, families, and community members during school hours and hours in which school is not in session.

(2) For purposes of this section and sections 3302.17 and 3302.18 of the Revised Code, "community partner" means a provider to students, families, or community members of health care services, on-site resource coordinators, and any other services or programs determined appropriate by a school action team created under section 3302.18 of the Revised Code.

(B) Prior to providing health services to a student, a community learning center shall obtain the written consent of the student's parent, guardian, or custodian, if the student is less than eighteen years old, or the written consent of the student, if the student is at least eighteen years old.

(C) A community learning center and any employee, contractor, or volunteer of a community learning center shall, in accordance with all applicable state and federal laws, maintain the confidentiality of patient-identifying information obtained in the course of providing health services.

Sec. 3302.17. (A) Any school building operated by a city, exempted village, or local school district, or a community school established under Chapter 3314. of the Revised Code is eligible to initiate the community learning center process as prescribed by this section.

(B) Beginning with the 2015-2016 school year, each district board of education or community school governing authority may initiate a community learning center process for any school building to which this section applies.

First, the board or governing authority shall conduct a public information hearing at each school building to which this section applies to inform the community of the community learning center process. The board or governing authority may do all of the following with regard to the public information hearing:

(1) Announce the meeting not less than forty-five days in advance at the school and on the school's or district's web sites and using tools to ensure effective communication with individuals with disabilities;

(2) Schedule the meeting for an evening or weekend time;

(3) Provide interpretation services and written materials in all languages spoken by five per cent or more of the students enrolled in the school;

(4) Provide child care services for parents attending the meeting;

(5) Provide parents, students, teachers, nonteaching employees, and community members with the opportunity to speak at the meeting;

(6) Comply with section 149.43 of the Revised Code.

In preparing for the public information hearing, the board or governing authority shall ensure that information about the hearing is broadly distributed throughout the community.

The board or governing authority may enter into an agreement with any civic engagement organizations, community organizations, or employee organizations to support the implementation of the community learning center process.

The board or governing authority shall conduct a follow-up hearing at least once annually until action is further taken under the section with respect to the school building or until the conditions described in division (A) of this section no longer apply to the school building.

(C) Not sooner than forty-five days after the first public information hearing, the board or

governing authority shall conduct an election, by paper ballot, to initiate the process to become a community learning center. Only parents or guardians of students enrolled in the school and students enrolled in a different school operated by a joint vocational school district but are otherwise entitled to attend the school, and teachers and nonteaching employees who are assigned to the school may vote in the election.

The board or governing authority shall distribute the ballots by mail and shall make copies available at the school and on the web site of the school. The board or governing authority also may distribute the ballots by directly giving ballots to teachers and nonteaching employees and sending home ballots with every student enrolled in the school building.

(D) The board or governing authority shall initiate the transition of the building to a community learning center if the results of the election held under division (C) of this section are as follows:

(1) At least fifty per cent of parents and guardians of students enrolled in the eligible school building and students enrolled in a different building operated by a joint vocational school district but who are entitled to attend the school cast ballots by a date set by the board or governing authority, and of those ballots at least sixty-seven per cent are in favor of initiating the process; and

(2) At least fifty per cent of teachers and nonteaching employees who are assigned to the school cast ballots by a date set by the board or governing authority, and of those ballots at least sixty-seven per cent are in favor of initiating the process.

(E) If a community learning center process is initiated under this section, the board or governing authority shall create a school action team under section 3302.18 of the Revised Code. Within four months upon selection, the school action team shall conduct and complete, in consultation with community partners, a performance audit of the school and review, with parental input, the needs of the school with regard to restructuring under section 3302.10, 3302.12, or 3302.042 of the Revised Code, or federal law.

The school action team shall provide quarterly updates of its work in a public hearing that complies with the same specifications prescribed in division (B) of this section.

(F) Upon completion of the audit and review, the school action team shall present its findings at a public hearing that complies with the same specifications prescribed in division (B) of this section. After the school action team presents its findings at the public hearing, it shall create a community learning center improvement plan that designates appropriate interventions, which may be based on the recommendations developed by the department under division (H)(1)(b) of this section.

If there is a federally mandated school improvement planning process, the team shall coordinate its work with that plan.

The school action team shall approve the plan by a majority vote.

(G) Upon approval of the plan by the school action team, the team shall submit the community learning center improvement plan to the same individuals described in division (C) of this section. Ballots shall be distributed and an election shall be conducted in the same manner as indicated under that division.

The school action team shall submit the plan to the district board of education or community school governing authority, if the results of the election under division (G) of this section are as follows:

(1) At least thirty per cent of parents and guardians of students enrolled in the eligible school building and students enrolled in a different building operated by a joint vocational school district but who are entitled to attend the school cast ballots by a date set by the board or governing authority, and of those ballots at least fifty per cent are in favor of initiating the process; and

(2) At least thirty per cent of teachers and nonteaching employees who are assigned to the

school cast ballots by a date set by the board or governing authority, and of those ballots at least fifty per cent are in favor of initiating the process.

The board or governing authority shall evaluate the plan and determine whether to adopt it. The board or governing authority shall adopt the plan in full or adopt portions of the plan. If the board or governing authority does not adopt the plan in full, it shall provide a written explanation of why portions of the plan were rejected.

(H)(1) The department shall do all of the following with respect to this section:

(a) Adopt rules regarding the elections required under this section;

(b) Develop appropriate interventions for a community learning center improvement plan that may be used by a school action team under division (F) of this section;

(c) Publish a menu of programs and services that may be offered by community learning centers. The information shall be posted on the department's web site. To compile this information the department shall solicit input from resource coordinators of existing community learning centers;

(d) Provide information regarding implementation of comprehensive community-based programs and supportive services including the community learning center model to school buildings meeting any of the following conditions:

(i) The building is in improvement status as defined by the "No Child Left Behind Act of 2001" or under an agreement between the Ohio department of education and the United States secretary of education.

(ii) The building is a secondary school that is among the lowest achieving fifteen per cent of secondary schools statewide, as determined by the department.

(iii) The building is a secondary school with a graduation rate of sixty per cent or lower for three or more consecutive years.

(iv) The building is a school that the department determines is persistently low-performing.

(2) The department may do the following with respect to this section:

(a) Provide assistance, facilitation, and training to school action teams in the conducting of the audit required under this section;

(b) Provide opportunities for members of school action teams from different schools to share school improvement strategies with parents, teachers, and other relevant stakeholders in higher performing schools;

(c) Provide financial support in a school action team's planning process and create a grant program to assist in the implementation of a qualified community learning center plan.

(I) Notwithstanding any provision to the contrary in Chapter 4117. of the Revised Code, the requirements of this section prevail over any conflicting provisions of a collective bargaining agreement entered into on or after the effective date of this section. However, the board or governing authority and the teachers' labor organization may negotiate additional factors to be considered in the adoption of a community learning center plan.

Sec. 3302.18. (A)(1) If a community learning center process is initiated under section 3302.17 of the Revised Code for any school building operated by a city, exempted village, or local school district or a community school established under Chapter 3314. of the Revised Code, the district board of education or community school governing authority shall create a school action team for the school building. The team shall consist of twelve members, as follows:

(a) Seven individuals, consisting of parents or guardians of students enrolled in the school and members of the community who are not teachers or nonteaching employees, as elected by their peers;

(b) Five teachers and nonteaching employees who are assigned to the school building and are not parents or guardians of students enrolled in the school, as elected by their peers.

(2) To assist a school action team initiated under section 3302.17 of the Revised Code, the district board, community school governing authority, or community partner shall select an

individual who is employed by the district, school, or community partner to serve as the resource coordinator for the community learning center. The school action team shall make recommendations to the board, governing authority, or community partner on potential candidates. The resource coordinator shall not be considered a member of a school action team. The resource coordinator shall assist in the development and coordination of programs and services for the community learning center.

(B) All members of a school action team shall serve as voting members. Terms of office shall be for three years, and vacancies shall be filled in the same manner as the original appointment.

Members shall serve without compensation.

(C) In addition to the responsibilities listed in section 3302.17 of the Revised Code, the school action team shall do all of the following:

(1) Monitor and assist in the implementation of the school improvement plan, if adopted;

(2) Meet with candidates for principal and other administrative positions and make recommendations to the superintendent and board of education of the district or governing authority of the community school;

(3) Advise on school budgets;

(4) Establish ongoing mechanisms that engage students, parents, and community members in the school;

(5) Continue to collect feedback and information from parents using an annual survey;

(6) Develop and approve a written parent involvement policy that outlines the role of parents and guardians in the school;

(7) Monitor school progress on data related to academic achievement; attendance, suspensions, and expulsions; graduation rates; and reclassifications disaggregated by major racial and ethnic groups, limited English proficient students, economically disadvantaged students, and students with disabilities;

(8) Receive regular updates from the principal on policy matters affecting the school and provide advice on such matters;

(9) Meet regularly with parents and community members to discuss policy matters affecting the school.

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

students described in division (B)(3) of this section by lot to receive any remaining scholarships.

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

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

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

(7) Seventh, to other eligible students who qualify under 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), ~~(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 section 3302.03 of the Revised Code for the 2012-2013 or 2013-2014 school year, or both; or if the building serves only grades ten through twelve, 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 had a four-year adjusted cohort graduation rate of less than seventy-five per cent.

(c) The building received an overall grade of "D" or "F" under division (C)(3) of section 3302.03 of the Revised Code or a grade of "F" 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.

(2) The student will be enrolling in any of grades kindergarten through twelve in this state for the first time in the school year for which a scholarship is sought, will be at least five years of age by the first day of January of the school year for which a scholarship is sought, and

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

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

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

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

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

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

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

(ii) The district 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 section 3302.03 of the Revised Code for the 2012-2013 or 2013-2014 school year, or both.

(c) The district received an overall grade of "D" or "F" under division (C)(3) of section 3302.03 of the Revised Code or a grade of "F" 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.

(6) Beginning in the 2016-2017 school year, the student is enrolled in or will be enrolling in a building in the school year for which the scholarship is sought that serves any of grades nine through twelve and that received a grade of "D" or "F" for the four-year adjusted cohort graduation rate under division (A)(1)(d), (B)(1)(d), or (C)(1)(d) of section 3302.03 of the Revised Code in 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.

(B)(1) The student is enrolled in a school building operated by the student's resident district and to which both of the following apply:

(a) The building was ranked, for at least two of the three most recent rankings published under section 3302.21 of the Revised Code prior to the first day of July of the school year for which a scholarship is sought, in the lowest ten per cent of all public school buildings according to performance index score under section 3302.21 of the Revised Code.

(b) The building was not declared to be excellent or effective, or the equivalent of such ratings as determined by the department of education, under section 3302.03 of the Revised Code in the most recent rating published prior to the first day of July of the school year for which a scholarship is sought.

(2) The student will be enrolling in any of grades kindergarten through twelve in this state for the first time in the school year for which a scholarship is sought, will be at least five years of age, as defined in section 3321.01 of the Revised Code, by the first day of January of the school year for which a scholarship is sought, and otherwise would be assigned under section 3319.01 of the Revised Code in the school year for which a scholarship is sought, to a school building

described in division (B)(1) of this section.

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

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

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

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

(1) The building, in at least two of the three most recent ratings of school buildings published prior to the first day of July of the school year for which a scholarship is sought, received a grade of "D" or "F" for making progress in improving literacy in grades kindergarten through three under division (B)(1)(g) or (C)(1)(g) of section 3302.03 of the Revised Code;

(2) The building did not receive a grade of "A" for making progress in improving literacy in grades kindergarten through three under division (B)(1)(g) or (C)(1)(g) of section 3302.03 of the Revised Code in the most recent rating published prior to the first day of July of the school year for which a scholarship is sought.

(E) The student's resident district is subject to section 3302.10 of the Revised Code and the student either:

(1) Is enrolled in a school building operated by the resident district or in a community school established under Chapter 3314. of the Revised Code;

(2) Will be both enrolling in any of grades kindergarten through twelve in this state for the first time and at least five years of age by the first day of January of the school year for which a scholarship is sought.

(F) A student who receives a scholarship under the educational choice scholarship pilot program remains an eligible student and may continue to receive scholarships in subsequent school years until the student completes grade twelve, so long as all of the following apply:

(1) The student's resident district remains the same, or the student transfers to a new resident district and otherwise would be assigned in the new resident district to a school building described in division (A)(1), (B)(1), ~~(D)~~, or (E) of this section;

(2) The student takes each assessment prescribed for the student's grade level under section 3301.0710 or 3301.0712 of the Revised Code while enrolled in a chartered nonpublic school;

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

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

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

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

(4) The department shall cease awarding first-time scholarships pursuant to division (E) of this section with respect to a school district subject to section 3302.10 of the Revised Code when the academic distress commission established for the district ceases to exist.

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

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

~~(H)~~(I)(1) A student who satisfies only the conditions prescribed in divisions (A)(1) to (4) of this section shall not be eligible for a scholarship if the student's resident building 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 building 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) For the 2012-2013 or 2013-2014 school year or both, the building 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; 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 (A)(1)(b) or (B)(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.

(c) For the 2014-2015 school year or any school year 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 purposes of the expansion of the

educational choice scholarship pilot program under this section 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, the student is not eligible for an educational choice scholarship under section 3310.03 of the Revised Code, and the student's family income is at or below two hundred per cent of the federal poverty guidelines, as defined in section 5101.46 of the Revised Code.

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

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

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

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

(D) If the number of eligible students who apply for a scholarship under this section exceeds the scholarships available based on the appropriation for this section, the department shall award scholarships in the following order of priority:

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

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

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

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

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

(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)(2) and (3) of section 3310.03 of the Revised Code.

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

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

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

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

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

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

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

this section.

(D) Division (A) of this section does not apply to any school district that is or has ever been subject to section 3302.10 of the Revised Code, as it exists on and after the effective date of this amendment, and has had a majority of its schools reconstituted or closed under that section.

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

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

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

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

SECTION 2. That existing sections 133.06, 3302.01, 3302.036, 3302.04, 3310.02, 3310.03, 3310.032, 3310.035, 3311.29, and 3314.102 and section 3302.10 of the Revised Code are hereby repealed.

SECTION 3. It is not the intent of this act to impact or otherwise limit any provisions of state law relating to parental consent for an abortion.

SECTION 4. Notwithstanding the repeal of section 3302.10 of the Revised Code by this act, if an academic distress commission established for a school district under that former section is still in existence on the effective date of this section and the district does not qualify for an academic distress commission under section 3302.10 of the Revised Code as it exists on and after the effective date of this section, the district shall remain subject to former section 3302.10 of the Revised Code as it existed prior to the effective date of this section until the commission established for the district ceases to exist pursuant to division (L) of that former section or the district qualifies for an academic distress commission under section 3302.10 of the Revised Code as it exists on and after the effective date of this section.

SECTION 5. Not later than January 15, 2016, the Superintendent of Public Instruction shall submit to the General Assembly recommendations regarding academic performance bonus

payments to school districts; community schools; science, technology, engineering, and mathematics schools; and chartered nonpublic schools under division (M) of section 3302.10 of the Revised Code as enacted by this act. The recommendations shall address the following:

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

(B) A method for distributing the academic performance bonus payments in conjunction with payments for:

(1) Open enrollment under section 3313.98 of the Revised Code;

(2) Educational choice scholarships awarded under sections 3310.01 to 3310.17 of the Revised Code;

(3) Community school funding under section 3314.08 of the Revised Code;

(4) STEM school funding under section 3326.33 of the Revised Code.

(C) The measures and expectations of academic accountability required for districts and schools to receive the academic performance bonus payments.

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:

(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.

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

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

SECTION 7. Section 133.06 of the Revised Code is presented in this act as a composite of

the section as amended by both Am. Sub. H.B. 483 and Am. Sub. H.B. 487 of the 130th General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____