

Education Update

To: League of Women Voters of Ohio
From: Joan Platz
Education Update for July 21, 2009

Highlights of Am. Sub. HB1 Education Provisions

The Ohio House and Senate approved the conference committee report on Am. Sub. HB 1 (Sykes), the biennial budget for FY10-11, on July 13, 2009, and Governor Strickland signed it into law on July 17, 2009, vetoing 61 provisions. The House vote was 54 to 44 (one Republican vote), and in the Senate twelve Democrats were joined by five Republicans to approve the measure by a vote of 17 to 15.

The \$50.5 billion budget was seventeen days late. Three interim budget extensions were needed to keep state government operating until the governor and lawmakers were able to reach a compromise on the controversial proposal to raise approximately \$933 million in revenue from video lottery terminals (slot machines). On July 13, 2009 Governor Strickland issued an executive order directing the Ohio Lottery Commission to take action to install up to 17,500 slot machines at the state's seven horse racing tracks. Language was also included in Am. Sub. HB1 that specifies that the Ohio Lottery Commission has the authority to develop the rules to operate the video lottery terminal games.

Over \$2 billion were removed from Am. Sub. HB 1 by the conference committee in order to balance the budget. The FY10-11 budget is actually \$2 billion below GRF spending levels for the FY08-09 biennium. By comparison, Governor Strickland's executive version of HB1, introduced in February 2009, included \$54.4 billion.

The new law minimizes the impact of the massive budget cuts on school districts. State aid to school districts will drop by .25 percent each year over FY09 levels: \$6.54 billion in FY09; \$6.53 in billion FY10 and \$6.51 billion in FY11. The losses for individual school districts will be limited to not more than 1 percent in FY10, and two percent in FY11. Increases in state aid for some school districts through the new evidence-based model are capped at 0.75 percent in both years.

School districts will also receive funds from the American Recovery and Reinvestment Act (ARRA) through federal programs such as Title 1 and the Individuals with Disabilities Education Act. Approximately \$788 million in federal funds will be distributed to schools, and provide some increases in their budgets in FY10. The average increase in overall funding for school districts as a result of the federal funds will be 5.78 percent in FY10 and 5.54 percent in FY11 over FY09 levels. Five school districts will experience decreased funding in FY11, even with the ARRA funds, according to information released by the Governor's office.

The approved state budget establishes a new school funding system, the evidence-based model, which will be phased-in over ten years due to the current economic crisis and lack of sufficient state resources. The evidence-based model provides a structure for distributing money to school districts based on educational components that researchers have identified as successful. When the model is fully phased-in by 2018-2019, the state share of funding for school districts statewide will increase from around 50 percent to 60 percent. The new system also phases-out "phantom revenue" by eventually lowering the state charge-off to 20-mills, and allowing school districts to reach the 20-mill floor through the new conversion levy, and experience some growth in property tax revenue.

Some controversial budget items included in previous versions of the budget (executive, House, or Senate), or recently proposed items (Governor Strickland's framework) are not included in the new law. For example, items not included in the new budget are proposals to lease state lands for oil and gas drilling; re-establish the Legislative Office of Education Oversight; lower state payments for the Public Employee Retirement System; revoke the charters of low performing public schools; change penalties for school districts not meeting adequate yearly progress for all subgroups; the Special Education Scholarship Program; and more. The proposal to cut the Library Fund by \$227 million was reduced to \$84 million, and \$65 million was found to support mental health services.

Governor Strickland also vetoed 61 provisions, including those pertaining to School Based Health Centers; Educational Service Centers; Business Education Standards; the Educational Choice Scholarship; the School Employees Health Care Board; the Early Learning Initiative (ELI); community school calamity days; School Facilities rankings; Federal

Abstinence Education Program; payments for conducting school audits; the Rock and Roll Hall of Fame; and Tangible Personal Property Tax reimbursements.

This biennial budget may be one of the most controversial and frustrating budgets enacted over the past eighteen years. However, in spite of the economy and opposition to the Governor's education reform plan, this budget also includes a structure for modernizing Ohio's K-12 education system. The changes made to Ohio's school funding system, educator preparation and licensure, academic content standards, and state assessment will have a profound impact on the future of Ohio's education system, economy, and way of life. According to a document released by the governor's office, "...Governor Strickland and the state legislature have made an unprecedented commitment to Ohio's schools, ensuring they are funded through a constitutional system. Additionally, it [Am. Sub. HB1] reforms our classrooms and strengthens the teaching profession to prepare students with the skills and knowledge they need to succeed in the jobs of the future. At a time when other states are dramatically reducing education funding, the governor and legislature understand that a commitment to education is critical to Ohio's future economic growth and revival."

The following are highlights of some of the provisions included in Am. Sub. HB 1 related to education. This summary was prepared from the on-line version of Am. Sub. HB 1, the "Comparison Document" prepared by the Legislative Service Commission (July 13, 2009), the "Budget in Detail" prepared by the Legislative Service Commission (July 13, 2009); Governor Strickland's veto message; and a document prepared by Governor Strickland's office entitled "Reforming Ohio's Education System for the Modern Economy." Please NOTE: This is a preliminary analysis of Am. Sub. HB1, and some of the information included may need to be updated after a more in-depth analysis is conducted, and the Legislative Service Commission publishes a reconciled and complete version of Am. Sub. HB 1 – now law.

HIGHLIGHTS OF SCHOOL FUNDING PROVISIONS AND POLICY CHANGES FOR EDUCATION INCLUDED IN AM. SUB. HB 1

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FY10-FY11 FUNDING LEVELS FOR SELECTED STATE AGENCIES

Ohio Arts Council			
Total GRF	FY09 \$ 10,066,406	FY10 \$ 6,594,290	FY11 \$ 6,594,290
All Fund Groups	FY09 \$ 11,439,772	FY10 \$ 7,965,656	FY11 \$ 7,965,656
Ohio Department of Ed.			
Total GRF	FY09 \$ 8,030,441,057	FY10 \$ 7,504,569,256	FY11 \$ 7,175,533,593
All Fund Groups	FY09 \$ 11,365,069,648	FY10 \$ 12,064,962,135	FY11 12,047,434,276
Ohio Board of Regents			
Total GRF	FY09 \$ 2,791,806,331	FY10 \$ 2,541,401,307	FY11 \$ 2,500,750,064
All Fund Groups	FY09 \$ 2,831,332,731	FY10 \$ 2,588,425,629	FY11 \$ 2,547,524,386
State Budget Total GRF			
Total All Funds	FY09 \$26,930,571,344	FY10 \$24,631,183,745	FY11\$25,888,526,989
	FY09 \$ 54,354,427,513	FY10 \$55,676,737,088	FY11\$56,625,000,410

Ohio Department of Education Selected Line Items

GRF 200408 Early Childhood Ed.	FY09 \$ 34,726,409	FY10 \$ 23,268,341	FY \$ 23,268,341
GRF 200421 Alternative Education	FY09 \$ 12,228,069	FY10 \$ 7,814,479	FY11\$ 7,918,749
GRF 200431 School Improvement	FY09 \$ 18,466,893	FY10 \$ 7,294,175	FY11 \$ 7,391,503
GRF 200433 Literacy Improvement Professional Development	FY09 \$ 10,832,393	\$ 0	\$0
GRF 200437 Student Assessment	FY09 \$ 68,751,186	FY10 \$ 55,954,648	FY11\$ 56,703,265
GRF 200511 Auxiliary Services Nonpublic Schools	FY09 \$ 129,247,268	FY10 \$ 111,979,388	FY11\$ 111,979,388
GRF 200532 Nonpublic Administrative Cost Reimbursement	FY09 \$ 58,678,602	FY10 \$ 50,838,939	FY11 \$ 50,838,939
GRF 200457 STEM Initiatives	FY09 \$ 8,313,729	FY10 \$ 5,000,000	FY11 \$ 5,000,000
GRF 200502 Pupil Transportation	FY09 \$ 429,030,948	FY10 \$ 448,022,619	FY11 \$ 462,822,619
GRF 200540 Special Education			

Enhancements	FY09 \$ 140,006,839	FY10 \$ 134,150,233	FY11 \$ 135,820,668
GRF 200545 Career Technical Education Enhancements	FY09 \$ 9,373,926	FY10 \$ 7,752,662	FY11 \$ 7,802,699
GRF 200550 Foundation Funding	FY09 \$ 6,029,943,246	FY10 \$ 5,130,669,418	FY11 \$ 4,746,289,372
GRF 200551 Foundation Funding			
Federal Stimulus	\$ 0	FY10 \$ 387,583,913	FY11 \$ 457,449,362
Sub-Total General Revenue Fund	FY09 \$ 8,030,441,057	FY10 \$ 7,504,569,256	FY11 \$ 7,175,533,593
<i>Total All Funds</i>	<i>FY09 \$ 11,365,069,648</i>	<i>FY10 \$ 12,064,962,135</i>	<i>FY11 \$ 12,047,434,276</i>

MISCELLANEOUS EDUCATION PROVISIONS

- Education Strategic Plan: Requires the Superintendent of Public Instruction, by December 1, 2009, to develop a ten-year strategic plan. Permits the Superintendent to consult with the Chancellor when developing the plan.
- Corporal Punishment: Prohibits corporal punishment in school districts, educational service centers, community schools, and STEM schools. Does not include chartered nonpublic schools in the prohibition. Eliminates the requirement that ODE collect data on the percentage of students receiving corporal punishment.
- Eighth Grade American History: Allows school district boards to waive the requirement to take an American History course for promotion from eighth grade to ninth grade for academically accelerated students who show a mastery of the subject. (Retains current law requiring one unit of American history and government in high school for a diploma.)
- Pledge of Allegiance: Prohibits school districts from preventing a teacher from having students recite the Pledge of Allegiance to the flag in the teacher's classroom. Prohibits school districts from altering the Pledge of Allegiance to the flag from the wording set forth in the United States Code.
- High School Credit: Clarifies that a high school that permits students below the ninth grade to take advanced work for high school credit must award high school credit for successful completion of that work.
- School Fees for Low Income Students: Revises the law prohibiting all school districts from charging instructional or materials fees to students eligible for free lunch.
- Administration of Prescription Drugs to Students: Limits authority to administer prescription drugs beginning July 1, 2011, to employees that are licensed health professionals, or who have completed a drug administration program conducted by a licensed health professional.
- Food Allergy Policy: Requires school districts, community schools, STEM schools, and chartered nonpublic schools to establish policies with respect to protecting students with peanut or other food allergies, in consultation with parents, school nurses, other school employees, school volunteers, students, and community members.
- Use of Federal Funds for Nonpublic Schools: Requires school districts to spend portions of their federal stimulus funds on services to students in nonpublic schools as prescribed by federal law.
- Post-Secondary Enrollment Options Alternative Funding: Authorizes the Superintendent of Public Instruction and the Chancellor of the Ohio Board of Regents jointly to adopt rules allowing school districts, community schools, STEM schools, and nonpublic schools to enter into alternative funding agreements to pay colleges and universities for high school students taking college courses through PSEO programs, including Seniors to Sophomores.
- Meetings of the State Board of Education: Requires the State Board of Education to post via the Internet audio recordings of all regular and special business meetings within five business days of the meeting, beginning with meetings held on and after the provision's effective date. Permits the State Board to contract or consult with the Ohio Government Telecommunications Service in implementing this provision.
- Partnership for Continued Learning: Abolishes the Partnership for Continued Learning and transfers duties of the Partnership to ODE, as applicable. Replaces, and transfers the responsibilities of, the STEM subcommittee of the Partnership to an independent STEM committee, and directs ODE to provide administrative support for the committee.
- Interstate Compact on Educational Opportunity for Military Children: Ratifies the Interstate Compact on Educational

Opportunity for Military Children. Establishes the Council on Educational Opportunity for Military Children within ODE. Directs the Governor to appoint a Compact Commissioner who is responsible for administering the state's participation in the compact. Directs the State Council established by the bill to appoint a Military Family Education Liaison to assist families in implementing the compact. Requires that the annual fee for participation in the Compact be divided evenly between ODE and the Department of Veterans Services.

- Value-Added Data: Requires ODE to share aggregate student value-added data and calculations, analyses, and reports using aggregate student value-added data with the Chancellor of the Board of Regents.
 - Alternative Education Programs: Specifies funding for Alternative Education Programs, be used for the renewal of successful implementation grants and competitive matching grants to urban, rural, and suburban districts. Permits ODE to waive minimum education standards for the alternative schools funded by the grants. Specifies that a portion of the appropriation may be used for program administration, monitoring, technical assistance, support, research, and evaluation.
 - Student Absences for Extracurricular Activities: Requires school districts, community schools, and STEM schools to count as excused absences, up to four days per school year, time that a student is absent from school for the sole purpose of traveling out of state to participate in an enrichment activity approved by the district or school governing body or in an extracurricular activity. Requires the student to make up all missed classroom assignments. Specifies that if the student will be out of state for four or more consecutive school days, a classroom teacher employed by the district or school must accompany the student to provide instructional assistance.
 - School Improvement Initiatives: Specifies funding in each fiscal year to support districts in the development and implementation of continuous improvement plans, and permits up to \$300,000 in each fiscal year be used for administrative costs related to middle school and high school reform programs.
 - National Assessment of Education Progress: Expresses the General Assembly's intention that Ohio school districts participate in the administration of the National Assessment of Education Progress (NAEP). Requires each school and school district selected to participate.
 - Use of Volunteers: Authorizes ODE to use the services of volunteers to accomplish any of the purposes of ODE. Authorizes the Superintendent of Public Instruction to reimburse volunteers for necessary expenses in accordance with state guidelines, and designate volunteers as state employees for the purposes of motor vehicle accident liability insurance and for indemnification from liability incurred in the performance of their duties.
- VETO• School Employees Health Care Board: Transfers the School Employees Health Care Board and any unexpended and unencumbered appropriations or re-appropriations for the Board from DAS to ODE. Requires the transfer to take effect on July 1, 2009, or as soon as possible thereafter. Requires the Director of Budget and Management to make budget changes made necessary by the transfer.
- Parental Involvement Best Practices: Requires the State Board of Education, by January 29, 2010, to develop a list of best practices for improving parental involvement in schools for optional use by public and nonpublic schools. Requires the list be made available on the ODE web site.
 - Un-auditable Community Schools: Retains in temporary law provisions that prescribe procedures for the Auditor of State, community school sponsors, and ODE, with regard to community schools that are declared un-auditable.
 - Creation of Regional Student Education Districts: Authorizes two or more school boards in a county with a population greater than 1,200,000 (currently only Cuyahoga County) to create a regional student education district for the joint funding of special education and behavioral health services for students and their immediate families. The new district may, with approval of a majority of the boards of education of the school districts of which the regional student education district is composed, seek voter approval for a property tax levy to fund the services of the district. The aggregate rate of such tax levies is limited to a maximum of three mills.
 - Earmark Accountability: Authorizes the Superintendent of Public Instruction to request accountability reports from any entity that receives a budget earmark under ODE's budget.

VETO• School-Based Health Centers: Provides that a school-based health center may furnish health assistance services covered under the State Children's Health Insurance Program (SCHIP) Part I, II, or III if it meets the requirements applicable to other providers of those services. By allowing school-based health centers to become health care providers under SCHIP the services the centers provide to eligible children will be reimbursed at the enhanced federal

reimbursement rate.

OHIO EVIDENCE-BASED MODEL

- Ohio Evidence-Based Model: Replaces the current school funding method with a new method called the Ohio Evidence-Based Model which calculates an "adequacy amount" for each city, local, and exempted village school district. The law continues to count all students in the districts in which they reside, rather than where they are educated, to accommodate funding students in charter schools. (The State Board of Education has recommended for several years that the "flow-through" system for distributing funds to chartered schools be changed.) HB 1 appropriates \$6.80 billion in FY10 and \$6.79 billion in FY11 for formula aid for school districts, community schools, STEM schools, and joint vocational school districts.
- Creates a new section in the Ohio Revised Code, Sec. 3306, for the new school funding system. Renames the "SF-3" form developed by ODE to compute each district's foundation funding as the "PASS form" (Pathway to Student Success).
- Directs ODE to calculate and report separately the amount of funding for each factor of a district's adequacy amount.
- Prescribes formula amounts of \$5,732 in FY10 and FY11 for payments for open enrollment students; districts to use in calculating deposits into their textbook and instructional materials fund and capital and maintenance fund; the state to use in calculating payments to colleges and universities under the Post-Secondary Enrollment Options program; and other continuing payments using a formula amount, and prescribes a different amount of \$5,718 for FY10 and \$5,703 for FY11 to be used for payments to community schools and STEM schools.
- Average Daily Membership (ADM): Uses the prior fiscal year to calculate formula ADM, unless that number for the current year exceeds the prior year by 2 percent or more, in which case the current year ADM is to be used. Eliminates the requirement for the second ADM report by school districts during the first full week of February.
- Education Challenge Factor: Defines the Educational Challenge Factor (ECF) as a value used to adjust funding amounts to account for student and community socioeconomic factors. ECFs values are determined for each school district, and are based on the college attainment rate of the district's population; the district's wealth per pupil, based on property valuation and federal adjusted gross income; and the district's concentration of poverty. The ECF is applied to a variety of components of the school funding formula.
- Joint Vocational School Districts: Specifies that each JVSD receive funding equal to the amount received in the previous year inflated by 0.75 percent.

TRANSITIONAL AID

- Transitional Aid: Ensures that no school district receives a decrease in state aid of more than 1 percent in FY10 and 2 percent in FY11, and caps growth so that no school district receives growth in state aid greater than 0.75 percent in FY10 and FY11. (The transitional aid base is defined in law as including specific funding components applied through formulas to calculate transitional aid.)
- Requires an additional transitional aid payment in FY11 to account for the supplemental transportation payment.
- Guarantees each school district at least as much per pupil as the statewide per pupil amount paid for chartered nonpublic schools in auxiliary services funds and administrative cost reimbursement beginning in FY 2012.

ALL DAY KINDERGARTEN

- All Day Kindergarten: Directs that all students enrolled in kindergarten be counted as one full-time equivalent (FTE) student regardless of whether the student is enrolled in a part-day or all-day kindergarten class. Under current law kindergarten students are counted as 0.5 FTE and additional funding is provided for certain districts to provide all-day Kindergarten.
- Requires each school district to offer all-day kindergarten to all kindergarten students, beginning in FY11, subject to the following exceptions: requires districts to continue to accommodate kindergartners whose parents elect to enroll them for only half-day kindergarten; and permits districts to apply for a waiver of the requirement to the Superintendent of Public Instruction. Permits the Superintendent to take into consideration space concerns or alternative delivery approaches when considering the waiver.

- Eliminates the permanent law provision by which districts providing all-day kindergarten may charge tuition or fees, but permits school districts and community schools that, in FY09, offered all-day kindergarten and charged tuition for participating students to continue to charge tuition in FY10 and FY11, at the same per student rate charged in FY09. Prohibits districts and community schools from charging tuition for all-day kindergarten after FY11.
- Permits a school district to use space in a child day-care center licensed by the Department of Job and Family Services to provide all-day kindergarten to district students.
- Permits school districts to use state funds provided under the school funding formula for the modification or purchase of classroom space to provide all-day kindergarten or to reduce class sizes in kindergarten through third grade if those funds are not specifically allocated for another purpose and the district certifies its need for additional space to ODE.

EXTENDING THE SCHOOL YEAR

- Requires the Superintendent of Public Instruction to report recommendations on extending the school year to the General Assembly not later than December 31, 2010.
- Permits up to three calamity days in 2010-2011 school year.
- Directs the State Board of Education to adopt standards to apply in the determination of waivers for districts operating state-approved alternative schedules.

ORGANIZATIONAL UNITS

- Some of the components of the adequacy amount are determined on the basis of organizational units. The number of organizational units are determined in the following way:
 - The number of elementary school organizational units is calculated by dividing formula ADM for grades K-5 by 418;
 - The number of middle school organizational units, which is calculated by dividing formula ADM for grades 6-8 by 557;
 - The number of high school organizational units, which is calculated by dividing formula ADM for grades 9-12 by 733.
- Each small school district, which is defined as having formula ADM of less than 418 students, has one organizational unit.
- Specifies that each school district, regardless of its formula ADM, must have at least one organizational unit. Clarifies that a high school or an elementary school may consist of less than one or more than one organizational unit for school funding purposes.

ADEQUACY COMPONENTS

- Adequacy Amount: Defines the adequacy amount of the proposed school funding formula as the sum of the following:
 - Instructional services support under R.C. 3306.05;
 - Additional services support under R.C. 3306.06;
 - Administrative services support under R.C. 3306.07;
 - Operations and maintenance support under R.C. 3306.08;
 - Gifted education R.C. 3306.09 and enrichment support in R.C. 3306.091.
 - Technology resources support under R.C. 3306.10;
 - The professional development factor, calculated by multiplying the sum of a school district's core teachers, specialist teachers, career-technical teachers, supplemental teachers, lead teachers, and special education teachers by \$1,833.
 - Instructional Materials. The phased in amount for instructional materials is \$33 per student for FY10 and \$49.50 per student for FY11. The instructional materials factor is calculated by multiplying the school district's formula ADM by \$165. The factor is phased in at 20 percent for FY10, 30 percent for FY11, 40 percent for FY12-13, 60 percent for FY14-15, and 80 percent for FY16-17.

INSTRUCTIONAL SERVICES SUPPORT

- Instructional Services Support Component: Funding per teacher ranges from \$43,442 to \$93,784 in FY10 and from \$44,136 to \$95,284 in FY11, depending on the district's Education Challenge Factor.

- Defines the instructional services support component as consisting of funding for core teachers, specialist teachers, lead teachers, special education teachers, special education teacher's aides, limited English proficiency (LEP) teachers, and supplemental teachers. (Career-Tech teachers are not included.)
- Defines a core teacher as an educational professional who provides instruction in math, English language arts, science, and social studies.
- Defines a specialist teacher as one who provides instruction in music, dance, drama and theater, and visual arts.
- Specifies the number of teacher positions funded as:
Core teachers: In grades 4 to 12 the teacher/student ratio is 1:25. In grades K-3 the ratio is phased-in at 1:19 for FY10-FY11; 1:17 for FY12-FY13, and 1:15 for FY14 and thereafter.
- Specialist teachers - 20 percent of the number of core teachers determined for grades K-8, 25 percent of the number of core teachers determined for grades 9-12.
- Lead teachers – one per organizational unit.
- Special education teachers – one per 20 special education students, in which the number of special education students is 90 percent of the weighted number of children with disabilities.
- Allocates one special education teacher's aid for every two special education teachers, but phases-in funding for special education teacher's aides at 50 percent for FY10 and FY11.
- LEP teachers – one per 100 LEP students, where the number of LEP students is the district's formula ADM multiplied by its percentage of LEP students as defined under federal law.
- Supplemental teachers – one per 100 economically disadvantaged students, in which the number of economically disadvantaged students is the district's formula ADM multiplied by the percentage of students who are economically disadvantaged as determined for the district report card.
- Waiver - Teacher/Student Ratio: Permits the Superintendent of Public Instruction to waive the pupil to teacher ratio in grades K-4 in rule 3301-35-05 of the Administrative Code if the following apply: the board of education of the district requests the waiver; ODE determines that meeting the required ratio would impose an extreme hardship on the district; and the board of education provides assurances that it will act in good faith to meet the required ratio as soon as possible.
- Specifies total funding for instructional services support be calculated as the Educational Challenge Factor times the statewide base teacher of \$56,902 in FY10 and \$57,812 in FY11, times the number of teachers funded.
- Accountability: Directs each school district to account for expenditures of the amount received for instructional services support and report it to ODE.

ADDITIONAL SERVICES SUPPORT

- Additional Services Support: Defines the additional services support component as consisting of funding for family and community liaisons, counselors, summer remediation, school nurse wellness coordinators, and district health professionals. Specifies funding for family and community liaisons through a formula using the district's ECF. Does not allocate funding for counselors in FY10 and FY11.
- Specifies that school wellness coordinators be funded as one per organizational unit, but does not provide funding in FY10 and FY11, and stipulates that future funding will be set in law. Specifies that small school districts, defined as having formula ADM of less than 418 students, do not receive funding for a school nurse.
- Specifies that district health professionals be funded as one per school district, but does not provide funding for districts in FY10 and FY11, and stipulates that the funding amount for future biennia will be set by law.
- Accountability: Directs each school district to account for expenditures of the amount received for additional services support and report it to ODE.
- Requires that the Superintendent of Public Instruction's expenditure and reporting standards encourage school districts to give preference to employing or obtaining the services of licensed school nurses with funds received for the school

nurse wellness coordinator factor and the district health professional factor.

ADMINISTRATIVE SERVICES SUPPORT

- Administrative Services Support: Defines the administrative services support component as consisting of funding for superintendents, treasurers, principals, and administrative support personnel.

Combines funding for superintendents and treasurers under district administration and provides funding per district of \$187,176 for FY10 and \$190,801 for FY11.

Specifies principals be funded as one per organizational unit using a salary of \$89,563 in FY10 and \$91,297 in FY11.

Guarantees each “type 1” district (rural/agricultural, high poverty, low median income), and “type 2” district (rural/agricultural, small student population, low poverty, low to moderate median income), funding for at least one principal at each of its buildings.

Specifies that administrative support personnel includes building managers, secretaries, and non instructional aides, and that all school districts must receive funding for at least one building manager, one secretary, and (except in FY10 and FY11) one non instructional aide based on specific salary levels.

Defines a building manager as a person who supervises the non curricular, non instructional administrative functions of school operations. Specifies that a building manager may be, but is not required to be, a licensed educator.

Accountability: Directs each school district to account for expenditures of the amount received for administrative services support and report it to ODE.

OPERATIONS MAINTENANCE SUPPORT

- Operations and Maintenance Support: Calculates operations and maintenance support funding as \$884 per student, phased in at 45 percent in FY10-11 and 75 percent in FY12-13. The phased-in amount is \$397.80 per student in FY10 and FY11.

Accountability: Directs each school district to account for expenditures of the amount received for operations and maintenance support and report it to ODE.

TECHNOLOGY RESOURCES SUPPORT

- Technology Resources Support: Defines the technology resources support component as consisting of funding for licensed librarian and media specialists and technical equipment.

Calculates funding as \$60,000 per organizational unit, and technical equipment funding as \$250 per student.

Phases in funding for 20 percent in FY10, 30 percent in FY11, 40 percent in FY12-FY13, 60 percent in FY14-FY15, and 80 percent in FY16-FY17.

• Accountability: Directs each school district to account for expenditures of the amount received for technology resources support and report it to ODE.

• The phased-in amount for librarian, media specialist, and technical equipment is equal to \$12,000 per organizational unit in FY10 and \$18,000 per organizational unit in FY11, and for technical equipment is equal to \$50 per student in FY10 and \$75 per student in FY11.

GIFTED EDUCATION

- Gifted Education Funding Components: Calculates funding for gifted student identification as \$5 per student.

• Coordinators: Calculates funding for gifted coordinators as one per 2,500 students at \$66,375 in FY10 and \$67,660 in FY11.

• Intervention Specialists: Funding for gifted intervention specialists is calculated as one per organizational unit at the statewide base teacher salary adjusted by the ECF and phased in at 20 percent in FY10, 30 percent in FY11, 40 percent

in FY12-FY13, 60 percent in FY14-FY15, and 80 percent in FY16-FY 2017. The phased-in amount for gifted intervention specialists ranges from \$8,688 to \$18,757 in FY10 and from \$8,827 to \$19,057 in FY11 per organizational unit.

- Professional Development: Calculates funding for gifted intervention specialist professional development at \$1,833 per organizational unit, phased in at 20 percent in FY10, 30 percent in FY11, 40 percent in FY12-FY13, 60 percent in FY14-FY15, and 80 percent in FY16-FY17. The phased-in amount for professional development for gifted intervention specialists per organizational unit is \$366.60 in FY10 and \$549.90 in FY11.
- Student Enrichment: The phased-in amount for student enrichment, prior to the application of the ECF, is \$20 per student in FY10 and \$30 per student FY11.
- Annual Report: Disqualifies a district for gifted education support funding if the district does not submit its annual report specifying the number of students identified as gifted or reports zero students identified as gifted.
- Gifted Education Plan: Allows districts to use up to 15 percent of the gifted intervention specialist funds attributable to grades 6-12 for services specified in gifted students' written education plans, but not described in the laws governing gifted education, subject to ODE's approval.
- Accountability: Requires that funds be spent in accordance with rules adopted by the Superintendent of Public Instruction, and requires that those rules specify the gifted education support component be spent only on staff and services for identified gifted students in accordance with the State Board's operating standards for services to gifted students. Requires the Superintendent's rules take effect July 1, 2011. Directs each school district to account for each of the four factors of gifted education support.
- Maintenance of Support: Requires a district that received gifted unit funding in FY09 to spend on services for identified gifted students in subsequent fiscal years not less than the amount of FY09 gifted unit funding.
- Waivers: Disallows a district that received gifted unit funding in FY09 from applying for or receiving a waiver of this requirement. Allows any other district to apply for a waiver from spending its gifted education support funding on gifted student services, but limits the duration of such a waiver.
- ESC Gifted Funding: Requires each school district that received gifted student services from an educational service center (ESC) in FY09 to do one of the following in each subsequent fiscal year if the services from the ESC were financed with state gifted unit funding: (1) obtain gifted student services from an ESC comparable to that provided in FY09 by an ESC with unit funding, or (2) spend from the district's own state funding at least as much as it received in gifted student services from an ESC in FY09.
- Requires each ESC that received gifted unit funding for FY09 to spend on services to identified gifted students in subsequent fiscal years not less than that amount, and disallows a waiver of this requirement.

ENRICHMENT SUPPORT

- Calculates enrichment support funding as \$100 per student, phased in at 20 percent in FY10 and 30 percent in FY11, 40 percent in FY12-FY13, 60 percent in FY14-FY15, and 80 percent in FY16-FY17 and applies the ECF to the calculation.
- Specifies that enrichment activities encourage creative, as well as intellectual pursuits, including fine arts, and requires enrichment support be used for purposes other than gifted education services delivered pursuant to the laws governing services to gifted students.

Accountability: Directs each school district to account for expenditures of the amount received for enrichment support and report it to ODE.

SPECIAL EDUCATION

- Permits funds received to support children with disabilities may be used to pay for providers of related services for those children.
- Special Education Weights: Updates the weights used to calculate weighted special education ADM after FY09 as follows (current law weight in parentheses):

Category 1 = 0.2906 (0.2892)

Category 2 = 0.7374 (0.3691)
Category 3 = 1.7716 (1.7695)
Category 4 = 2.3643 (2.3646)
Category 5 = 3.2022 (3.1129)
Category 6 = 4.7205 (4.7342)

- Moves “vision impaired” students from category three to category four, and moves “orthopedically disabled” students from category four to category five.

- Special Education Enhancements: Makes the following earmarks to GRF appropriation item 200540, Special Education Enhancements:

- Up to \$2,206,875 in each fiscal year for home instruction for children with disabilities.

- Up to \$44,700,561 in FY10 and up to \$45,282,959 in FY11 and decreases to 0.75 percent the percentage by which the per pupil amount received in the prior fiscal year is inflated to support special education and related services at county DD boards and institutions.

- Up to \$1,333,468 in each fiscal year for parent mentoring programs.

- Up to \$2,537,824 in each fiscal year is permitted to be used for school psychology interns.

CAREER TECHNICAL EDUCATION

- Calculates career-technical education funding for school districts in FY10 as 100.75 percent of the aggregate amount of vocational education weighted funding received in FY09, and in FY11 as 100.75 percent of the amount paid in FY10; and specifies that a career-technical teacher must hold a valid license to provide specialized career and technical courses.

- Career Technical Education Enhancements: Specifies GRF appropriation item 200545 to support Career-Technical Education Enhancements:

- Up to \$2,543,531 in FY10 and up to \$2,563,568 in FY11 to fund career technical education at institutions.

- Up to \$2,138,281 in each fiscal year to fund competitive grants to tech prep consortia.

- Up to \$2,800,850 in each fiscal year to support existing High Schools That Work (HSTW) sites, develop and support new sites, fund technical assistance, and support regional centers and middle school programs.

- Up to \$270,000 in FY10 and up to \$300,000 in FY11 to fund the Agriculture 5th Quarter Project.

- Accountability: Requires districts to spend funds only for purposes designated by ODE as approved vocational educational expenses and requires districts to annually report to ODE so that they can monitor compliance.

TRANSPORTATION

- Appropriates \$386.7 million in FY10 and \$401.5 million in FY11 for transportation, of which \$376.9 million in each fiscal year is reserved for the prorated portion of transportation aid.

- Enacts a new formula for transportation funding for school districts based on statewide transportation costs per student and statewide costs per mile.

- Directs additional funds be distributed for transportation of nontraditional riders (community school, STEM school, or nonpublic school students), transportation of high school students, transportation of students enrolled in grades K-8 who live less than two miles but more than one mile from school, and demonstration of efficiency by transporting more than a target number of students per bus.

- Continues to require ODE to pay for students transported by a method other than school bus service using a formula adopted by the State Board.

- Requires that, in FY10 and FY11, ODE pay a prorated portion of the amount calculated for each school district based on state appropriations for transportation.

- Phases in at 30 percent in FY10 and 70 percent in FY11 a supplemental transportation payment to school districts that meet certain requirements.

LOCAL SHARE OF THE ADEQUACY AMOUNT

- Charge-off Amount: Under current law, school districts contribute 23 mills of their recognized valuation toward base cost funding and up to 3.3 mills of recognized valuation toward special education, career-technical education, and transportation funding.

HB 1 Reduces the local share (charge-off amount) from 23 mills in current law to 20 mills phased-in over five years. The state share of the calculated adequacy amount will increase and the local share will decrease for school districts as a result.

Calculates each district's local share ("charge-off") of the adequacy amount as 22 mills in FY10-FY11, 21 mills in FY12-FY13, and 20 mills in FY14 and thereafter times the district's total taxable valuation, for districts that levy less than 20.1 effective class-one current expense mills; or 22 mills in FY10-FY11; 21 mills in FY12-FY13, and 20 mills in FY14 and thereafter 20 mills times the district's recognized valuation for districts that levy 20.1 or more effective class-one current expense mills.

For districts with more than 25 percent of potential taxable valuation exempted from taxation, subtracts the difference between the tax exempt value and 25 percent of potential value from the recognized valuation prior to calculating the local share.

SCHOOL SPENDING ACCOUNTABILITY

- Requires the State Superintendent to adopt rules prescribing spending and reporting requirements for particular components of the adequacy amount, classified into three categories: core academic strategies, academic improvement, and other funded components.
- Specifies that these rules for spending and reporting core academic strategies provide flexibility depending on a district's performance rating.
- Excellent Districts: Specifies that "excellent" districts are not subject to the spending rules, but are subject to the reporting rules (and all day Kindergarten).
- Requires that rules for spending and reporting for academic improvement apply only to school districts in academic emergency or academic watch for two or more consecutive years.
- Requires each school district to submit to ODE a spending plan for state funds received for components of the school funding adequacy amount.
- Requires the rules for reporting not take effect earlier than July 1, 2010 and the rules for spending not take effect earlier than July 1, 2011, but the accountability sanctions may not apply until after 2012.
- Requires certain high schools with a three-year average graduation rate of 80 percent or less to seek approval of a spending plan by the ODE and the Governor's Closing the Achievement Gap Initiative for items related to closing the achievement gap activities.
- Requires ODE to annually reconcile each district's spending plan with its actual spending.
- Requires the Superintendent of Public Instruction to certify to the State Board of Education by July 15 each year the amount each city, local, and exempted village school district spent in the previous fiscal year on each component of the district's adequacy amount.
- Specifies that the ODE must take action when school districts fail to comply with spending and reporting requirements. The actions to be taken include provide technical assistance and require the district or school to develop a three-year operations improvement plan in the first year of noncompliance; require the ODE to appoint a State Intervention Team to assist the district or school in the second year of noncompliance; the Superintendent of Public Instruction to appoint an Accountability Compliance Commission or a trustee to manage the district or school in the third year of noncompliance; and the State Board of Education to revoke the district's charter in the fourth year of noncompliance.

- Specifies that the State Board of Education, at any time that a school district fails to comply with the spending accountability measures or to comply with the State Board's new operating standards, may revoke the district's charter.
- Permits school districts to apply to the Superintendent of Public Instruction for a waiver of the bill's spending requirements or the State Board of Education's new operating standards. Directs that the waiver may be in effect for up to five years and may be renewed.
- Requires ODE to develop the "Formula Accountability and Transparency" form (FACT form) to provide a public comparison of funded components and actual spending for school districts.

REPORT CARD INDICATORS

- Requires the State Board of Education to establish new performance indicators for the school district and building report cards, based on recommendations of the Superintendent of Public Instruction. Sets a deadline of one year after adoption of rules for implementation of the bill's new assessment system for high school graduation, and at least every six years thereafter.
- Eliminates the requirement that there be a minimum of 17 performance indicators.
- Repeals a requirement that the State Board include measures of high school graduates' preparedness for higher education and the workforce on the report cards, beginning with report cards issued for 2012-2013.
- Requires the State Board of Education, by December 31, 2011, and upon recommendation of the Superintendent, to establish a performance indicator that reflects the level of services provided to, and performance of, gifted students.
- Permits that a portion of GRF appropriation item Accountability/Report Cards may be used to train district and regional specialists and district educators in the use of value-added progress dimension, and may include the use of data to improve student learning and understand valued-added reports and their use in measuring teacher and administrator effectiveness.
- Policy Analysis/Fiscal Reporting: Specifies that GRF appropriation item 200424, Policy Analysis, be used to support a system of administrative, statistical, and legislative education information to be used for policy analysis. Specifies that a portion of funds be used in conjunction with GRF appropriation item 200439, Accountability/Report Cards, to develop a fiscal reporting dimension for the school report card beginning in FY11, based on prior year fiscal data.
- Specifies that the remainder of the appropriation be used to incorporate a statewide pilot value-added progress dimension into performance ratings for school districts, and for the development of an accountability system that includes the preparation and distribution of school report cards, and expenditure accountability reports.

CLOSING THE ACHIEVEMENT GAP

- Allocates up to \$500,000 in each fiscal year for expenses associated with the Governor's Closing the Achievement Gap Initiative.
- Requires the Governor's Closing the Achievement Gap Initiative to assist each school district that has a high school with a three-year average graduation rate of 80 percent or less, and seek approval of a spending plan by the ODE and the Governor's Closing the Achievement Gap Initiative for items related to closing the achievement gap activities. Requires a linkage coordinator in each organizational unit, and requires the linkage coordinator to meet guidelines established by the Governor's Closing the Achievement Gap Initiative.
- Requires a qualifying district to implement actions prescribed by the Initiative in each high school and each elementary and middle school where less than 50 percent of the students have attained a proficient score on the 4th and 7th grade achievement tests in English language arts and mathematics. Requires the Initiative to work with each organizational unit of a qualifying district to assess its progress and assist it in ensuring compliance with the district's annual spending plan.

OHIO SCHOOL FUNDING ADVISORY COUNCIL

Establishes the Ohio School Funding Advisory Council to submit biennial recommendations for revisions to the components of the adequacy amount calculation. Requires the Council, when preparing its first report, to analyze the

adequacy of the model's financing for the following:

- Gifted education services
- Career-technical education, and the extent to which current funding for joint vocational school districts and compact and comprehensive career-technical schools is responsive to state, regional, and local business and industry needs
- Arts education
- Services for limited English proficient students
- Early college high schools
- Special education
- Educational Service Centers, and the extent to which they serve school districts.
- Regional Service Delivery System, including governance structure and accountability metrics
- Compensation and retirement benefits for teachers
- Community and STEM schools reporting requirements
- Open Enrollment
- Strategies and incentives to promote school cost-saving measures and efficiencies
- Options for adding learning time to the school year
- The adequacy of the model's accounting for and financing of operation costs
- The accuracy of the funding model's component calculations and the model as a whole
- Options to encourage "excellent" school districts and schools to go beyond state standards and aspire to higher international norms

- The Council may establish a subcommittee to make recommendations for fostering collaboration between school districts and community schools, including fiscal incentives for collaboration. Requires the subcommittee to report its findings by September 1, 2010, and periodically thereafter.
- Permits the Council to establish other subcommittees and to appoint non-Council members to those subcommittees.
- The Council is also required to make recommendations for a student-centered evidence-based model that uses a per pupil level of funding to follow a student to the school that best meets the student's individual learning needs.
- The Superintendent of Public Instruction, or designee, will serve as the chair of the Council, which will include The Governor, or designee; The Chancellor of the Board of Regents, or designee and others appointed by the Governor, Speaker of the House, and President of the Senate.
- Establishes the deadlines for certain reports as December 1, 2010, and then July 1 of each even-numbered year thereafter.

SCHOOL OPERATING STANDARDS

- Requires the State Board to adopt additional "minimal" standards for school districts including standards for the effective and efficient organization, administration, and supervision of each district; standards for the establishment of a business advisory committee and a family and community engagement team; standards that categorize the components of the adequacy amount into "core academic strategy components" and "academic improvement components"; and standards for district organizational units. Requires among other things that the standards prescribe a commitment to closing the achievement gap.
- Specifies that the standards for organizational units require effective and efficient organization, administration, and supervision of the unit, including planning time for teachers and reasonable access to classrooms for administrators; and a school organizational unit leadership team.
- Specifies that these additional standards as part of the State Board's authority to prescribe minimum standards for schools under R.C. 3301.07 (D), which, under current law, prevail over collective bargaining agreements per R.C. 4117.10 (A).
- Permits the Superintendent of Public Instruction to waive these additional standards as they relate to school district schools.

ACADEMIC CONTENT STANDARDS

- Requires the State Board of Education, by June 30, 2010, and at least once every five years thereafter, to adopt new

statewide academic standards for all grades in English language arts, math, science, and social studies to replace the current content standards in reading, writing, math, science, and social studies. Requires the State Board to adopt model curricula reflecting these standards by March 31, 2011. The law appropriates \$5.3 million in each fiscal year for development, revision, and communication to school districts of the academic standards and curriculum models.

- Requires the State Board to convene a committee of national and state experts and local practitioners by September 15, 2009, to provide guidance in the design of the updated standards and model curricula.
- Requires the State Board, after completing the standards listed above, to revise the academic standards and model curricula for grades K-12 in fine arts and foreign language, to revise the standards and curricula in computer literacy, and to expand them to cover grades K-12 (instead of 3-12 as in current law), and to adopt standards and curricula for K-12 in the new areas of financial literacy and entrepreneurship.
- Requires that the standards emphasize coherence, focus, and rigor, and specify skills related to creativity and innovation, critical thinking and problem solving, and communication and collaboration; skills that promote information, media, and technological literacy; skills that promote personal management, productivity and accountability, leadership and responsibility; and interdisciplinary, project-based real world learning opportunities.
- Requires the State Board to periodically revise and update the physical education standards.
- Requires ODE to inform schools that are affected (school districts, STEM schools, nonpublic schools, and community schools) about the content of the new academic standards; the completion of the development of an achievement assessment; the content of the adopted model curricula. Requires ODE to provide technical assistance to school districts and community schools in the implementation of the model curricula or the physical education standards.

VETO• Business Education Standards: Requires the State Board of Education to adopt standards for business education in grades seven through twelve. Vetoes the date, by July 1, 2010, for the standards to be developed. Permits any school district, community school, or STEM school to use the standards.

- **Life and Career Ready Skills in Curriculum:** Requires the Superintendent to develop model curriculum for instruction in college and career readiness for grades seven through twelve, and makes implementation of this curriculum optional for all school districts, community schools, and STEM schools.
- Requires each school district, community school, and STEM school to adopt and submit to ODE a resolution describing how the district or school will address college and career readiness and financial literacy in its curriculum for at least the seventh or eighth grade.
- Requires the Superintendent to present the revised standards and model curricula in the core academic areas to the House and Senate education committees at least 45 days prior to the deadline for their adoption.

COMMUNITY SERVICE

- Gives permissive authority to community schools and STEM schools to add community service education to their curriculum. School districts already have this authority under current law. Specifies that if community schools or STEM schools add community service education programs, then they must also create community service advisory committees and develop and implement community service plans.
- Requires the Superintendent to develop guidelines for a scoring rubric for school officials to use to evaluate community service projects, and to adopt rules for granting a student special certification, recognition, or notification upon successful completion of an approved community service project.

STUDENT ASSESSMENT

- Requires the State Board of Education to develop achievement assessments that reflect the new academic standards.
- Reduces the reported levels of achievement on the assessments from 5 to 3 by eliminating the accelerated and basic levels. Retains the advanced, proficient, and limited skill levels.
- Requires the State Board of Education to determine a date by which the state assessments in reading and writing, and levels of achievement, will be combined into an English language arts assessment.

- Repeals current law restrictions on the dates and times for administering each assessment, and instead requires the Superintendent of Public Instruction to designate these dates and times.
- Requires the State Board, the Superintendent, and the Chancellor of the Board of Regents to develop a new high school assessment system to replace the Ohio Graduation Tests (OGT) as a requirement for a high school diploma.
- Specifies that the new assessment system consist of: a nationally standardized assessment in science, math, and English language arts; a series of end-of-course examinations in science, math, English language arts, and social studies; and a senior project completed individually or by a group of students.
- Requires the State Board to adopt rules for implementation of the new high school assessment system, including timelines, high school diploma requirements, and application to dropout programs. Requires the Superintendent to present the new high school assessment system to the House and Senate education committees at least 45 days before the State Board adopts a resolution directing ODE to file the rules implementing the system in final form.
- Prohibits the release of the OGT as a public record.
- Requires the State Board to adopt a diagnostic assessment for each of grades K to 3 in English language arts rather than reading and writing diagnostics for grades K to 2, and a writing diagnostic assessment for grade 3, as in current law. Allocates up to \$100,000 in each fiscal year for diagnostic assessments.
- Prohibits the administration of the elementary writing and social studies achievement assessments during the 2009-2010 and 2010-2011 school years, unless the Superintendent of Public Instruction determines ODE has sufficient funds to pay the costs of furnishing and scoring the assessments.
- Specifies that the remainder of the appropriation for assessment be used to develop, field test, print, distribute, score, and report results of tests, including the English language arts, mathematics, science, and social studies assessments, the Ohio Graduation Test, and the new Ohio high school assessments. If funds remain in this appropriation after all other purposes have been fulfilled, permits ODE to use the remainder to develop end-of-course exams.
- Authorizes the Director of Budget and Management to transfer unspent and unencumbered funds within ODE, as necessary, to GRF appropriation item 200437, Student Assessments, to fully fund the student assessment requirements of state law. If these transferred funds are not sufficient, permits the Superintendent of Public Instruction to seek Controlling Board approval to transfer up to \$9 million from the Lottery Profits Education Reserve Fund to the GRF to be appropriated to this item.
- GED Testing: Provides funding to support the GED Testing Program, but eliminates provision for providing applicants with the test at no cost.
- Reading First: Specifies that FED Fund 3Y40 appropriation item 200632, Reading First, be used by school districts to administer federal diagnostic tests as well as other functions permitted by federal statute. Specifies that federal diagnostic tests may be recognized as meeting the state diagnostic testing requirements.

EDUCATOR PREPARATION

- Transfers responsibility for approving teacher preparation programs from the State Board of Education to the Chancellor of the Board of Regents, and expands the requirement to include approval of preparation programs for other school personnel. Requires the Chancellor to issue an annual report on the quality of approved teacher preparation institutions.

EDUCATOR TENURE

- Teacher Tenure: Adds to the qualifications for a continuing contract (tenure) for regular classroom teachers who become licensed for the first time on or after January 1, 2011, a requirement that the teacher has held an educator license for at least seven years.
- Stipulates that these tenure requirements override any conflicting collective bargaining agreement entered into on or after the provision's effective date.
- Clarifies that classroom teachers first licensed prior to January 1, 2011, are eligible for tenure if they have completed current continuing education requirements since the initial receipt of an educator license, unless that license was a substitute teaching license.

TERMINATION OF CONTRACTS

- Termination of Teacher Employment Contracts: Eliminates “gross inefficiency or immorality” and “willful and persistent violations of reasonable regulations of the board of education” as statutory grounds for termination of a school district teacher employment contract. Retains “good and just cause” as statutory grounds for termination of a school district teacher employment contract.
- Specifies that the changes to the grounds for termination prevail over any conflicting collective bargaining agreement entered into after the changes’ effective date.
- RIF Language: Retains language that permits boards of education to reduce teaching staffs (reduction in force) based on “financial reasons.”

EDUCATOR LICENSES

- Educator License: Requires the State Board of Education to establish qualifications for the following types of educator licenses and to begin issuing them January 1, 2011:

-A four-year, nonrenewable resident educator license for which the minimum qualifications must be a bachelor’s degree from a teacher preparation program.

-A five-year, renewable professional educator license for which the minimum qualifications must be a bachelor’s degree from an accredited institution of higher education, and successful completion of the Ohio Teacher Residency Program for applicants whose prior license was a resident educator license or an alternative resident educator license.

-A five-year, renewable senior professional educator license for which the minimum qualifications must be a master’s degree from an accredited institution of higher education, previous receipt of a professional educator license, and meeting the criteria for the accomplished or distinguished level of performance described in the Educator Standards Board’s teacher standards.

-A five-year, renewable lead professional educator license for which the minimum qualifications must be a master’s degree from an accredited institution of higher education, previous receipt of a professional or senior professional educator license, meeting the criteria for the distinguished level of performance described in the Educator Standards Board’s teacher standards, and either certification from the National Board for Professional Teaching Standards or meeting the Educator Standards Board’s criteria for a lead teacher,

- Specifies that applicants for a professional, senior, or lead educator license must have degrees from institutions of higher education that are accredited from a regional accrediting organization.
- Permits the State Board of Education to extend the duration of the resident educator license, on a case-by case basis, to enable the license holder to complete the Ohio Teacher Residency Program.
- Requires the Educator Standards Board to make recommendations to incorporate a measure of annual student academic achievement (value added.)
- Specifies that the State Board’s qualifications for obtaining a principal license must be aligned with the Educator Standards Board’s principal standards.
- Repeals the prohibition on the State Board requiring an educator license for teaching children two years old or younger.
- Alternative Educator License: Renames the alternative educator license as the “alternative resident educator license” and makes it a four-year nonrenewable license for teaching in grades 4-12, instead of a two-year license limited to grades 7-12. Requires applicants for the license to complete an intensive pedagogical training institute to be developed by the Superintendent and the Chancellor of the Board of Regents. Requires a holder of the license to participate in the Ohio Teacher Residency Program. Permits the State Board of Education to extend the duration of the alternative resident educator license, on a case-by-case basis, to enable the license holder to complete the Ohio Teacher Residency Program.
- Eliminates the one-year conditional teaching permit for teaching in grades 7-12 and the one-year conditional teaching permit in the area of intervention specialist, which are optional precursors to the current alternative educator license.

- Requires the holder of a provisional educator license for teaching in a STEM school who seeks a professional educator license to meet all of the State Board’s requirements for the professional license in addition to current requirements.
- Requires the State Board to accept applications for the current types of educator licenses through December 31, 2010, and to issue the licenses in accordance with existing requirements. Specifies these licenses remain valid until they expire, at which point the applicants must meet the State Board’s new licensure qualifications.
- Ohio Teacher Residency Program: Requires the Superintendent of Public Instruction and the Chancellor of the Board of Regents, by January 1, 2011, to establish the Ohio Teacher Residency Program, which is a four-year, entry-level program for classroom teachers. Requires the Educator Standards Board to make recommendations to incorporate a measure of annual student academic achievement.
- Intervention Specialists: Repeals the provision of current law permitting an applicant for an alternative educator license in the area of intervention specialist to delay passage of the applicable Praxis II subject content assessment until after completing the additional college coursework required as a condition of holding the license. Eliminates this option also for intervention specialists who apply for the renamed alternative resident educator license under the bill.

CRIMINAL BACKGROUND CHECKS

- Criminal Background Checks: Requires criminal records checks of persons applying for issuance of an educator license or for employment with a public or chartered nonpublic school or educational service center (ESC) to include only an FBI check if the person has previously had a Bureau of Criminal Identification and Investigation (BCII) check for licensure or employment purposes, and the person provides proof of continuous Ohio residency for the previous five-year period. Establishes the effective date of January 1, 2010. Prohibits the State Board of Education from requiring a criminal records check for licensure purposes any more often than every five years, and establishes the effective date of January 1, 2010.

LICENSURE OF SCHOOL NURSES

- Requires the State Board of Education to adopt rules establishing standards and requirements for obtaining a school nurse or school nurse wellness coordinator license. Requires that at a minimum, the rules require an applicant for the school nurse license to be a registered nurse.
- Directs that if any examinations are required for licensure the results be provided by ODE to the Chancellor of the Board of Regents, to the extent permitted by law.
- School Health Advisory Council: Establishes the nine-member School Health Services Advisory Council to make recommendations on the content of courses of instruction required to obtain a school nurse license or a school nurse wellness coordinator license; and best practices for the use of school nurses and school nurse wellness coordinators in providing health and wellness programs for students and employees of public schools.

EDUCATOR STANDARDS BOARD

- Adds a school district treasurer or business manager member, a parent member, and two additional teachers, one high school teacher and one elementary teacher, to the Educator Standards Board, to be appointed by the State Board of Education. Adds the ranking minority members from the education committees of the Senate and House of Representatives as nonvoting, ex officio members. Requires that the Educator Standards Board’s membership reflect the diversity of the state in terms of gender, race, ethnic background, and geographic distribution.
- Changes the appointing authority of the three members employed by institutions of higher education that offer teacher preparation programs from the State Board of Education to the Chancellor of the Board of Regents. Specifies the institutions offer “educator” preparation programs instead of “teacher” preparation programs.
- Not later than December 31, 2010, the Department of Education, in consultation with the Educator Standards Board, shall develop a model peer assistance and review program and shall develop recommendations to expand the use of peer assistance and review programs in school districts throughout the state.
- Requires that the standards developed for teachers and principals align with the operational standards adopted by the State Board. Requires that the standards developed for teachers align with certain aspects of the academic standards and reflect the Ohio leadership framework.

- Directs the Educator Standards Board to develop and recommend to the State Board of Education standards for school district superintendents and standards for school district treasurers and business managers. Creates the Subcommittee on Superintendent Standards and the Subcommittee on School Treasurer and Business Manager Standards.
- Directs the Educator Standards Board to investigate and make recommendations for the creation, expansion, and implementation of school building and district leadership academies.
- Value Added: Directs the Educator Standards Board to develop model teacher and principal evaluation instruments based on the standards, and directs the Educator Standards Board to develop a method of measuring the academic improvement of individual students over a one year period and make recommendations incorporating the measurement into the evaluation criteria for eligibility for teacher and principal licenses, the Ohio Teacher Residency Program, and the Board's model teacher and principal evaluation instruments.
- Requires the Educator Standards Board to propose new standards to the State Board of Education by September 1, 2010.

SCHOOL SAFETY AND VIOLENCE INSERVICE TRAINING

- Extends to public middle and high schools a requirement that under existing law applies to public elementary schools, under which specified employees must complete four hours of in-service training in the prevention of child abuse, violence, and substance abuse, and the promotion of positive youth development.
- Establishes a deadline of two years after the effective date of the amendment for the specified middle and high school employees to take the required four hours of in-service training.
- Allows districts and schools to adapt or adopt the curriculum developed by ODE for that in-service training, as an alternative to the existing law requirement that each district or school develop its own curriculum.
- Directs districts and schools to incorporate training in school safety and violence prevention into their in-service training in the prevention of child abuse, violence, and substance abuse, and the promotion of positive youth development.

FAMILY AND CIVIC ENGAGEMENT TEAMS

- Requires each school district to appoint a family and civic engagement team, to include parents, community representatives, health and human service representatives, business representatives, and other representatives identified by the board. The teams will work with local county family and children first councils; develop five-year family and civic engagement plans; make recommendations; and report progress.
- Permits community schools and STEM schools to appoint family and civic engagement teams.

SCHOOL HEALTH SAFETY NETWORK

- Repeals current law establishing the School Health and Safety Network under which boards of health, in accordance with standards and procedures adopted by the Director of Health, must inspect public and chartered nonpublic schools and their grounds at least annually to identify conditions dangerous to public health and safety.
- Requires boards of health to inspect the sanitary condition of schools semiannually, rather than annually, as under current law.
- Repeals authorization for boards of health to close a school for imminent public health threat other than an epidemic or a high prevalence of communicable disease.
- Requires school districts, community schools, STEM schools, and chartered nonpublic schools to periodically review their policies and procedures to ensure the safety of persons using a school from known hazards that pose an immediate risk to health or safety, and compliance with federal health and safety laws and regulations applicable to schools.

SCHOOL MANAGEMENT ASSISTANCE

- Specifies funding for School Management Assistance to provide fiscal technical assistance and inservice education for school district management personnel, and to administer, monitor, and implement the fiscal caution, fiscal watch, and fiscal emergency provisions of the Revised Code.

VETO• Allocates funding for the Auditor of State for the Auditor’s role in performing audits of districts in fiscal distress. Requires that the Auditor, in consultation with ODE, determine districts employing fiscal practices or experiencing budgetary conditions that could produce a state of fiscal watch or emergency. The veto applies to the amount allocated to the State Auditor for conducting the audits. Instead, the Auditor of State and the ODE will be required to work together to arrange the scope of work and fee arrangements appropriate to the auditor’s performance audit responsibilities.

- Permits the Director of Budget and Management, in FY10 and FY11, to transfer unexpended and unencumbered GRF appropriations in ODE’s budget on the recommendation of the Superintendent of Public Instruction, if the Superintendent determines additional funds are needed to meet the reporting requirements of the American Recovery and Reinvestment Act.
- School District Solvency Assistance: Specifies that funds for School District Solvency Assistance be used to provide assistance and grants to school districts to enable them to remain solvent. Requires that assistance and grants be subject to the approval of the Controlling Board. Earmarks \$9 million in each fiscal year for the School District Shared Resource Account to make advances to districts that must be repaid. Earmarks \$9 million in each fiscal year for the Catastrophic Expenditures Account to make grants to school districts that need be repaid only if the district receives third party reimbursement funding.
- Schools Medicaid Administrative Claims: Allows the Director of Budget and Management, at the request of the Superintendent of Public Instruction, to transfer funds to support Schools Medicaid Administrative Claims, to pay expenses incurred in administering the Medicaid School Component of the Medicaid program.

CENTER FOR CREATIVITY AND INNOVATION

- Specifies that the Superintendent of Public Instruction “may create” the Center for Creativity and Innovation within ODE to monitor, develop, and disseminate information about creative and innovative education practices to assist school districts, STEM schools, community schools, and JVSs, including practices in arts education and creativity. However, no specific funding is provided.
- Requires the Center to study best practices and innovative programming developed by community schools and promote collaboration between school districts and community schools.

HARMON COMMISSION

- Permits the establishment of the Harmon Commission to review applications for and designate classrooms operated by school districts and community schools as creative learning environments in accordance with guidelines adopted by the State Board of Education. No state funds are provided for the Commission’s operation or for payments to school districts or schools for creative classrooms.
- Membership on the commission consists of 21 members, 6 appointed by the Speaker of the House, 6 appointed by the President of the Senate, and 9 appointed by the Governor.
- Permits the Harmon Commission, beginning in fiscal year 2011, to award grants or stipends to school districts and community schools that have classrooms designated as creative learning environments, to the extent that the Commission determines that sufficient funds are available.
- Permits ODE to accept gifts, devises, or bequests of money, lands, or other properties for the operation of the Harmon Commission and for the award of grants or stipends made by the Commission.

EDUCATIONAL SERVICE CENTERS

- Earmarks up to \$8,100,000 in each fiscal year to fund gifted education units at educational service centers (ESCs).
- Earmarks up to \$46,400,000 in each fiscal year to fund the state reimbursement of educational service centers (ESCs).
- Continues to require that educational service centers (ESCs) report the ADM of the schools under the ESC superintendent’s supervision.
- Requires that if the amount appropriated by the state to Educational Service Centers is not enough to cover the total amount calculated under law per student, ODE use the same methodology it used in FY09 to allocate funding.

- Clarifies provisions regarding the dissolution of an Educational Service Center, its governing board, and assets.

VETO• Places a two-year moratorium on the consideration and effect of resolutions for local school districts to relocate from their current ESCs to adjacent ESCs, and voids recently approved, as well as pending, resolutions for such relocations, and revises the procedure for the State Board of Education's consideration of a resolution by a local school district to sever from its current ESC and annex to another adjacent ESC.

STEM SCHOOLS

- Specifies the funding methodology and distribution for STEM schools. Funds STEM schools in the manner prescribed for open enrollment students for students who live outside the governing district using the formula amount of \$5,718 in FY10 and \$5,703 in FY11 for base cost funding only, and calculates weighted funding for special education and career-technical education using the weights prescribed under current law applied to the formula amount of \$5,732 in FY10 and FY11.

COMMUNITY SCHOOLS

- E-schools and community schools are funded on a per pupil basis as a deduction from the state aid allocated to the districts of residence of students attending community schools.
- Calculates a per pupil amount to be deducted from each community school student's district of residence in the manner prescribed under current law, using the formula amount of \$5,718 in FY10 and \$5,703 in FY11 for base cost payments only, and calculates weighted funding for special education and career-technical education using the weights prescribed under current law applied to a formula amount of \$5,732 in FY10 and FY11.
- Community School Report Cards: Eliminates the requirement that a community school must be in operation for two full school years before ODE may issue a report card for that community school, but exempts the performance ratings on the report cards issued in these first two years from consideration for automatic closure or any other matter based on report card ratings.
- Community School Sponsor Oversight: Clarifies that ODE's authority to oversee and monitor community school sponsors applies to all sponsors, regardless of whether they were initially approved by ODE for sponsorship, and requires ODE's annual report on community schools to include the performance of community school sponsors.

However, does not include provisions recommended by the State Board of Education, and included in the Executive and House versions of HB1, that would permit the ODE to place a sponsor in probationary status or suspend or restrict the sponsor's authority to sponsor community schools for failure to intervene to correct problems at a school, and permit the ODE to prescribe other, graduated sanctions if the sponsor fails to take certain oversight actions, or if one or more of the sponsor's community schools fails to meet certain criteria.

- New Start-Up Community Schools: Revises the exception to the cap on new start-up community schools by prohibiting contracts with operators that manage other schools in Ohio, unless at least one of those schools has a report card rating higher than academic watch.
- JVSD Conversion Community Schools: Permits the conversion of a building operated by a joint vocational school district board of education into a community school, in the same manner as a building operated by a city, local, or exempted village school district board of education, or an educational service center governing board may be converted under current law.
- Community School Accountability: Specifies that if a community school closes, the chief administrative officer must transmit all educational records to the student's resident district within seven business days.

VETO• Community School Calamity Days: Requires the ODE to waive the number of hours a community school is closed for a public calamity as long as the school provides the required minimum number of learning opportunities to students in the school year.

- E-School Instructional Spending: Adds computers and software to the instructional items for which Internet or computer-based community schools (e-schools) may use the per pupil amount of state funds calculated for base classroom teachers. (Current law allows those funds to be used only for teachers, curriculum, academic materials other than computers, and other instructional purposes designated by the Superintendent of Public Instruction.)

- Closure of Community Schools: Revises the current performance criteria that trigger automatic closure of a community school effective July 1, 2009, as follows:

- For schools that do not offer a grade higher than 3, requires closure if the school has been in academic emergency for three of the four most recent years, instead of four consecutive years;

- For schools that offer any of grades 4 to 8 but no grade higher than 9, requires closure if the school has been in academic emergency for two of the three most recent years, instead of three consecutive years, and has shown less than one year of academic growth in reading or math for at least two of the three most recent years;

- For a school that offers any of grades 10 to 12, requires closure if the school has been in academic emergency for three of the four most recent years, instead of three consecutive years, with two years not showing two years of academic growth in reading or math.

- Exempts from automatic closure community schools in which a majority of the enrolled students are children with disabilities receiving special education and related services.

- Community School Subsidy: Continues the payment in FY10 and FY11 of a subsidy for certain community schools with at least 50 percent of students enrolled receiving education and services for a severe behavior handicap (SBH). Specifies that the amount of the subsidy not be deducted from the students' resident school district, and conform to the new school funding system.

- Early College Start Up Community School: Continues to permit an early college high school that is currently run by a Big Eight school district in partnership with a private university to operate as a start-up community school if certain conditions are met.

- Community Schools: Specifies funds to support the State Office of Community Schools in ODE; the development and conduction of training sessions for community schools, sponsors; and prospective sponsors of community schools.

NON PUBLIC SCHOOLS

- Educational Choice Scholarship: Continues the practice of counting Educational Choice Scholarship recipients in the formula ADM of their resident school districts, and then deducting amounts from the district.

- Increases the deduction for kindergarten students from \$2,700 to \$5,200 per pupil to account for the new school funding model's counting each kindergarten student as one instead of one-half student.

VETO• Increases the scholarship amount to \$4,500 for grades K-8 and \$5,300 for grades 9-12. The veto retains the current scholarship levels.

VETO• Qualifies for the Educational Choice Scholarship students who are enrolled in, are eligible to enroll in kindergarten in the school year for which the scholarship is sought and would otherwise be assigned to, or are enrolled in a community school, but would otherwise be assigned to, a new school building that is operated by the student's resident district, under certain conditions related to academic achievement based on the state report card. The veto removes this provision, and retains the current eligibility requirements.

- Specifies that up to \$11,901,887 in each fiscal year of the foundation program funds credited to the Cleveland Municipal School District be used to operate the school choice program in that district. Further specifies that of that amount, up to \$1 million in each fiscal year be used by the district to provide tutorial assistance. Requires that the use of funds for tutorial assistance be reported in the district's three year continuous improvement plan.

- Assessments at Nonpublic Schools: Requires all nonpublic schools that participate in the Cleveland Scholarship Program to administer state assessments to participating students. Requires ODE to post disaggregated assessment data for voucher students on its web site, and to provide parents of students eligible for vouchers with that information. Requires ODE to provide the parent of each voucher student with information comparing the student's performance on the assessments with the performance of similar students enrolled in the school district building the student would otherwise attend. Students participating in the Educational Choice Scholarship Program are already required to take state assessments.

- Post-Secondary Enrollment Options: Earmarks up to \$1,789,943 in each fiscal year for nonpublic school student

participation in the Post-Secondary Enrollment Options Program, and requires ODE to adopt rules governing the distribution of these funds.

OHIO EDUCATION COMPUTER NETWORK

- Eliminates current law that permits ODE to contract with an independent for-profit or nonprofit entity to provide information on Ohio government through the Ohio Education Computer Network (OECN) to school district libraries to assist teachers in social studies course instruction and support student research projects.
- Permits ODE to approve and administer funding for educational technology technical support, maintenance, consulting, and group purchasing services for information technology centers, school districts, educational service centers, and other entities, and to deliver to schools programs operated by the InfOhio Network and the OECN Management Council.
- Specifies that Information Technology Centers (ITCs) are not required to have operating reserve accounts or funds or minimum cash balances relative to their operating funding. (A rule of the State Board of Education requires all ITCs to maintain “a minimum cash balance equivalent to the higher of an average of thirty days’ expenditures for the previous twelve month period or anticipated expenditures for the next sixty days.”)

OHIO SCHOOL FACILITIES COMMISSION

- Makes a variety of changes to laws regarding the Ohio School Facilities Commission and particular projects funded by the Commission.

VETO• Changes the way that the Ohio School Facilities Commission (OSFC) prioritizes projects under its Classroom Facilities Assistance Program (CFAP) and determines the state-local share for construction projects.

LOTTERY

- Lottery Profits Education Reserve Fund: Creates the Lottery Profits Education Reserve Fund (Fund 7018) in the State Treasury. Stipulates that at no time shall the amount to the credit of the fund exceed \$75 million and that investment earnings of the fund be credited to the fund.
- Appropriates in each fiscal year an amount necessary to make adjustments in state aid to school districts with certain amounts of uncollected local taxes. Requires these adjustments to be paid back to ODE if the taxes are eventually collected.
- Requires that the Director of Budget and Management, on or before July 15 following the respective fiscal year, determine the amount by which the lottery profit transfers received by the Lottery Profits Education Fund for FY09 exceed \$667.9 million and for FY10 exceed \$705 million.

TAX PROVISIONS

- Conversion Levy: Authorizes school districts levying current expense taxes with an aggregate effective tax rate exceeding 20 mills on residential/agricultural real property to convert that excess millage, with voter approval, to a single levy for a specified amount of money. Specifies that a school district conversion levy applies to the tax year in which voters approve it. Requires a conversion levy and a renewal of a conversion levy to be proposed only at a primary or general election.
- Requires the state to reimburse a school district levying a conversion tax for the amount of tax revenue lost from nonresidential/agricultural real property and public utility personal property due to the conversion. Phases out the reimbursement over 13 years in increments equal to 50 percent of the annual inflationary revenue growth from residential/agricultural property resulting from the suspension of the H.B. 920 reduction.
- Authorizes a school board eligible to impose a conversion levy under the bill to impose that levy (with voter approval) in any year after 2009.

VETO• Reimbursement Taxes: Makes permanent the levy loss reimbursement for each school district (for which 70 percent of CAT revenue is earmarked) and each other local taxing unit (for which 30 percent of CAT revenue is earmarked) for the losses resulting from the phase-out of taxes on business personal property and telecommunications property.

- School District Income Tax: Specifically excludes, from the determination of a school district's tuition rate or whether the district has met its obligation to levy at least the equivalent of 20 mills for operation of the district, income tax revenues allocated for the project cost, debt service, or maintenance set-aside associated with a state-assisted school facilities project. Authorizes a school district to combine two or more simultaneously expiring income tax levies into a single renewal levy.

EARLY CHILDHOOD EDUCATION

- Early Childhood Education: The bill appropriates \$23.3 million in each fiscal year for Early Childhood Education, including an earmark of 2 percent in each fiscal year to be used by ODE for support and technical assistance of early childhood education programs. This funding supports early childhood education programs at school districts, joint vocational school districts, or educational service centers for children at least three years old as of the district entry date for kindergarten (except that children with an IEP where the early childhood education program is the least restrictive environment may be enrolled on their third birthday), not eligible for kindergarten, and whose families earn not more than 200 percent of the federal poverty guidelines. Requires ODE to provide an annual report regarding early childhood education programs and the early learning program guidelines.
 - Requires eligible expenditures to be claimed each fiscal year to help meet the state's TANF maintenance of effort requirement and requires the Superintendent of Public Instruction, and the Director of Job and Family Services to enter into an interagency agreement to fulfill this requirement including developing reporting guidelines for these expenditures.
 - Center for Early Childhood Development (265.70.10): Directs the Governor to partner with the Superintendent of Public Instruction to create the Center for Early Childhood Development, comprised of staff from ODE, the departments of Job and Family Services and Health, and any other state agency as determined necessary, to research and make recommendations regarding the transfer from various state agencies to ODE of the authority and responsibility to implement and coordinate early childhood programs and services for children, beginning with prenatal care until entry into kindergarten. Directs the Superintendent of Public Instruction with the Governor to hire a Director for the Center, and requires the Director to report to the Superintendent.
 - Requires the Director of the Center for Early Childhood Development, in partnership with staff from ODE, the staff of the departments of Job and Family Services and Health, and any other state agency as determined necessary in the development of the implementation plan, and with the advice of the Early Childhood Advisory Council, to submit an implementation plan regarding coordination and implementation of early childhood education plans to the Superintendent and Governor not later than December 31, 2009. Requires the Center to promote family centered programs and services that acknowledge and support the social, emotional, cognitive, intellectual, and physical development of children, and the vital role of families in ensuring the wellbeing and success of children.
 - Requires the Governor to appoint a representative of local boards of health to the Early Childhood Cabinet.
 - Early Childhood Financing Workgroup (265.70.20): Establishes an Early Childhood Financing Workgroup. The chairperson of the Early Childhood Advisory Council shall serve as chairperson of the Early Childhood Financing Workgroup. The Early Childhood Financing Workgroup shall develop recommendations for a single financing system for early care and education programs, and not later than December 31, 2009 submit its recommendations to the Governor.
- VETO • Early Learning Initiative 309.40.60: Reauthorizes the Early Learning Initiative (ELI), jointly administered by ODE and the Department of Job and Family Services (ODJFS) to provide early learning services on a full-day and part-day basis to TANF eligible children.
- Committee to Study Publicly Funded Child Care Services: Creates a committee to study publicly funded child care services. Requires that the committee provide a report of its findings by June 30, 2010.

OHIO BOARD OF REGENTS

- Includes a number of provisions regarding individual public institutions of higher education. Requires the Chancellor to establish procedures for allocating GRF appropriation items State Share of Instruction (SSI), State Share of Instruction – Federal Stimulus – Education, and State Share of Instruction – Federal Stimulus – Government Services, based on certain formulas, enrollment, course completion, degree attainment, and student access factors in the instructional models.
- Defines the “University System of Ohio” as the collective group of state institutions of higher education. Defines “member of the University System of Ohio” as any individual state institution of higher education.

- Specifies that it is the public policy of the state that boards of trustees of state assisted institutions of higher education facilitate and assist with establishing and developing entrepreneurial projects for economic development pursuant to Section 13 of Article VII of the Ohio Constitution.
- Requires that state-assisted institutions report their enrollments to the Chancellor. Requires the Chancellor to exclude all undergraduate students who are not Ohio residents (except those under reciprocity agreements or employer contracts) in defining the number of full-time equivalent (FTE) students for the formulas.
- Requires that, in counting core subsidy entitlements for university branch and main campuses, the Chancellor only use FTE students who successfully complete a course. Specifies that successful course completion FTEs are to be weighted by campus-specific rates determined for each discipline and level, and a statewide OIG/OCOG course completion weight determined by the percentage of students completing courses that receive the Ohio Instructional Grant or the Ohio College Opportunity Grant. Establishes tables and weights to determine student costs based on course enrollment, degree program, and degree attainment.
- Requires the Chancellor, in consultation with state colleges and universities, to conduct a study in FY10 to identify the factors that identify a student as being “at-risk” of academic failure, and make recommendations for the SSI allocations after FY10. Requires the study to be completed by April 15, 2010.
- Requires that 5 percent of the SSI appropriation for community colleges, state community colleges, and technical colleges, in FY11 be allocated in proportion to each campus’s share of college student success factors. Specifies that student success factors include all measurable student outcomes that contribute to student achievement, as determined by the Chancellor, based on the recommendations of the Study on the Use of Success Points.
- Maintains funding for the Articulation and Transfer Council, funds for membership in the Midwest Higher Education Compact, funds for the Ohio Learning Network, and the Appalachian New Economy Partnership.
- Makes changes to the Ohio College Opportunity Grant Program (OCOG). Requires the Chancellor to adopt rules to carry out the Ohio College Opportunity Grant program. Limits eligibility for OCOG grants to students with an expected family contribution of \$2,190 or less attending a state-assisted institution of higher education or nonprofit private institution, but not a post-secondary proprietary school. Requires eligible institutions to collect “at risk” and “performance” data on eligible students, report that information to the Chancellor, and make recommendation on students considered most “at risk”. The bill appropriates \$95 million in FY10 and \$76 million in FY11 for OCOG, with an earmark of \$41 million per year for nonprofit private institutions.
- Eliminates the Student Choice Grant Program.
- Allows the Chancellor to authorize institutions of higher education to award Choose Ohio First Scholarships in a particular amount to certain undergraduate students enrolled in certain programs.
- Requires the Chancellor to submit to the Controlling Board, by June 1, 2010, a plan for the integration of funding support for adult workforce training and development programs, beginning in FY11.
- Permits the board of trustees of a state assisted institution of higher education to adopt a policy providing for mandatory furloughs for employees, including faculty, to reduce institutional budget deficits.

eTECH

- State Education Technology Plan: Requires the eTech Ohio Commission, instead of the State Board of Education as specified under current law, to develop a state education technology plan. Changes the purpose of the plan from “promoting the use of technological advancements in educational settings” to “creating an aligned preschool to postsecondary educational technology system that complies with federal mandates.” Requires eTech to consult with the State Board of Education. Requires eTech to “implement” the plan. Requires eTech to periodically modify the plan as it deems necessary.
- Interactive Distance Learning Pilot Project: Requires eTech to develop and implement an interactive distance learning pilot project to provide, beginning with the 2009-2010 school year, access to at least three free interactive distance learning courses for all high schools operated by school districts, including two advanced placement courses and one foreign language course. Requires ODE, in consultation with the Chancellor of the Board of Regents, to select courses to be offered by the pilot project and to develop standards for the curriculum of each course selected. Specifies that each

high school determine the manner in which and facilities at which students may participate in courses consistent with specifications for technology and connectivity required by eTech.

- Interactive Distance Learning Program: Requires eTech to provide competitive grants to schools that qualify for the federal Enhancing Education Through Technology (EETT) for participation in the Interactive Distance Learning Program, and designates the funding source as EETT.
- Earmarks \$2 million in FY10 of GRF appropriation item 935409, Technology Operations, for contracting with an entity to provide the common statewide platform and online advanced placement courses to public school students in Ohio, and earmarks \$1 million in FY11 of the same item for maintaining the distance learning clearinghouse established under section 3333.82 of the Revised Code for online advanced placement courses.