



OHIO LEGISLATIVE SERVICE COMMISSION

Final Analysis

Mike Niemi and other LSC staff

Sub. H.B. 87

132nd General Assembly
(As Passed by the General Assembly)

Reps. Roegner, Becker, Blessing, Butler, Dean, DeVitis, Dever, Duffey, Fedor, Hambley, Henne, Hill, Keller, Leland, Patterson, Patmon, Rezabek, Riedel, Schaffer, Slaby, K. Smith, R. Smith, Stein, Thompson, Vitale, Young, Faber, Anielski, Antonio, Barnes, Boggs, Boyd, Brown, Carfagna, Celebrezze, Cera, Clyde, Craig, Cupp, Galonski, Ginter, Green, Holmes, Ingram, T. Johnson, Koehler, Lepore-Hagan, Manning, O'Brien, Perales, Rogers, Ryan, Schuring, Sheehy, Strahorn, Sweeney, Sykes, West

Sens. Beagle, Coley, Dolan, Eklund, Gardner, Kunze, Oelslager, Peterson, Terhar

Effective date: November 2, 2018

ACT SUMMARY

Return of community school funds due to enrollment audit

- Requires the Department of Education to credit community school funds returned to the state because of an audit of the school's enrollment records to the school districts from which the funds were deducted.

Operation of e-schools

- Requires the Superintendent of Public Instruction to establish standards for learning management software used by e-schools.
- Specifies that the state Superintendent consult with the Auditor of State when adopting policies for reducing payments to an e-school, instead of jointly adopting those policies as under former law.

* This version reflects a Revised Code number change by the LSC Director under R.C. 101.131. (See <https://www.legislature.ohio.gov/download?key=10228&format=pdf>.)

Safe harbor for schools enrolling displaced e-school students

- Contingently amends provisions of S.B. 216 of the 132nd General Assembly that exempt a community school from closure and a school district from being considered a new challenged school district, if a specified percentage of its students were previously enrolled in a suspended e-school.

Five-year financial forecasts

- Prohibits requiring school districts, community schools, and STEM schools to submit their annual five-year financial forecasts prior to November 30.

Signing of documents by school district treasurers

- Makes changes with respect to the capacity in which a school district treasurer may sign certain employment-related or record-keeping documents.

School district "substitute" levy election dates

- Expressly authorizes a school district board to propose a ballot question to substitute an emergency levy at an election held in the year after the emergency levy expires.

Joint health and medical insurance programs

- Permits political subdivisions (including school districts) and county boards of developmental disabilities to enter into agreements with other political subdivisions to procure or contract for providers of medical or health services.

CONTENT AND OPERATION

Return of community school funds due to enrollment audit

The act provides specific guidance to the Department of Education for distributing funds returned from a community (charter) school to the state because of a finding for recovery by the Auditor of State after an audit of the school's enrollment records. In that situation, the Department must credit the returned funds to the school districts from which they were initially deducted.¹

Operation of e-schools

The act makes changes to some of the laws regarding the operation and oversight of Internet- or computer-based community schools (e-schools). An e-school is a

¹ R.C. 3314.53.



community school in which students work primarily from their residences through an Internet- or other computer-based instructional method that does not rely on regular classroom instruction.²

Standards for learning management software

The act requires the Superintendent of Public Instruction to establish standards for learning management software to be used by e-schools.³ Learning management software is an application for the administration, documentation, tracking, reporting, and delivery of educational courses or training programs.

Adopting policies on e-school payment reductions

The act requires that the state Superintendent consult with the Auditor of State when adopting policies under which the Department of Education must reduce the amounts otherwise payable to an e-school if it does not timely install, deliver, and activate a student's computer hardware and software. Former law required that the state Superintendent adopt those policies jointly with the Auditor of State.⁴

Safe harbor for schools enrolling displaced e-school students

The act amends some provisions of S.B. 216 of the 132nd General Assembly regarding the enrollment of students displaced by an e-school that was suspended by its sponsor during the 2017-2018 school year. (Like this act, S.B. 216 passed on June 27, and takes effect November 2, 2018.)

S.B. 216 exempts a community school from mandatory closure based on poor academic performance for two out of three years, as required under continuing law,⁵ in the 2017-2018 through 2019-2020 school years, if the school's enrollment increased by more than 10% in the 2017-2018 school year due to displaced enrollees. However, if that school meets the conditions for closure for three consecutive years, that school still must close. The act changes the S.B. 216 exemption so that it applies only if the community school's enrollment increases by 20% due to displaced enrollees. Furthermore, the act stipulates that if the scores of displaced enrollees are omitted from the school's report

² See R.C. 3314.02, not in the act.

³ R.C. 3314.232.

⁴ R.C. 3314.08(J)(2).

⁵ See R.C. 3314.35, not in the act.



card calculations, and the community school still meets the conditions for closure for two out of three years, the community school must close.⁶

Additionally, for the 2018-2019 and 2019-2020 school years, S.B. 216 exempts school districts that had more than a 10% increase in enrollment in the 2017-2018 school year due to displaced enrollees from being considered a new challenged school district, where start-up community schools may be located under continuing law.⁷ The act changes the threshold for that exemption to a 20% enrollment increase.⁸

Five-year financial forecasts

Continuing law requires each school district, community school, and STEM school annually to prepare and submit to the Department of Education a five-year projection of its operating revenue and expenditures in accordance with joint rules of the Department and the Auditor of State. The act specifies that the Department and the Auditor of State, in their joint rules, may not require districts or schools to submit their projections prior to November 30 of any fiscal year.⁹ An identical provision is enacted in S.B. 216, which also passed on June 27, and takes effect November 2, 2018.

The rule in effect prior to the act's effective date required districts and schools to submit their forecasts by October 31.¹⁰

Signing of documents by school district treasurers

The act makes changes with respect to two different types of documents a school district treasurer must sign in a capacity other than a representative of the school district. First, it specifies that the district superintendent or the president of the district's board of education (instead of the school district treasurer as under prior law) must execute on behalf of the district the employment contracts, salary notices, and other employment-related documents of the treasurer or any member of the treasurer's

⁶ Section 3 of the act, amending Section 11(B)(2) of S.B. 216 of the 132nd General Assembly. See the LSC final analysis for S.B. 216 at <https://www.legislature.ohio.gov/download?key=10226&format=pdf>, pp. 20-21.

⁷ See R.C. 3314.02, not in the act.

⁸ Section 3 of the act, amending Section 11(C) of S.B. 216.

⁹ R.C. 5705.391. Applies to community schools and STEM schools through references in R.C. 3314.03(A)(11)(d) and 3326.11, neither in the act.

¹⁰ Ohio Administrative Code 3301-92-04.



family.¹¹ Thus, under the act, the treasurer signs such documents in only a personal capacity.

Second, the act clarifies that the treasurer's recording of district board meetings is a ministerial duty and that the treasurer's attestation required under continuing law is to the accuracy of the information. The act provides that the attestation of the minutes must not be construed to serve as authorization or execution of any action taken or not taken during a meeting.¹²

School district "substitute" levy election dates

The act authorizes a school district board that has an emergency levy to propose a ballot question to substitute the levy at an election held in the year following the last year the emergency levy is imposed.¹³ The act specifies that a substitute levy may be proposed at an election held in February, May (March in presidential primary years), or November of the last year the levy is imposed or at any of those elections in the ensuing year. (A levy is imposed in a year when it is extended on the tax list for that year, as distinct from when the levy begins to be collected, which customarily is not until the ensuing year.)

In addition, the act specifies that where the phrase "existing levy" is used in the statute prescribing the ballot form for an emergency levy renewal, the phrase is controlled by the definition of "existing levy" that permits an emergency levy to be renewed in either the last year of the levy or the ensuing year.¹⁴

Joint health and medical insurance programs

The act specifically permits political subdivisions (including school districts) and county boards of developmental disabilities that provide health care benefits to their officers and employees to enter into agreements with other political subdivisions to procure or contract for providers of medical or health services. Continuing law allows political subdivisions to join together to establish a joint self-insurance program to provide health care benefits.¹⁵

¹¹ R.C. 3313.241.

¹² R.C. 3313.26.

¹³ R.C. 5705.194.

¹⁴ See R.C. 5705.197, not in the act.

¹⁵ R.C. 9.833.



HISTORY

ACTION	DATE
Introduced	02-22-17
Reported, H. Gov't Accountability & Oversight	01-25-18
Passed House (94-2)	03-07-18
Reported, S. Education	06-27-18
Passed Senate (30-2)	06-27-18
House concurred in Senate amendments (70-23)	06-27-18

