



Ohio Legislative Service Commission

Bill Analysis

William Schwartz and other LSC staff

Sub. S.B. 3*

131st General Assembly
(As Reported by H. Education)

Sens. Hite and Faber, Coley, Gardner, Lehner, Balderson, Beagle, Burke, Eklund, Hottinger, Hughes, Jones, Jordan, LaRose, Manning, Obhof, Oelslager, Patton, Peterson, Seitz, Uecker, Widener

BILL SUMMARY

I. Academic assessments

Limits on state assessments

- Limits the cumulative amount of time spent on the administration of state and district-wide assessments to 2% of the school year beginning with the 2017-2018 school year.
- Limits the cumulative amount of time used for taking practice or diagnostic assessments used to prepare for state and district-wide assessments to 1% of the school year beginning with the 2017-2018 school year.
- Exempts from the time limitation assessments administered to students with disabilities, diagnostic assessments for students who fail to attain a passing score on the third-grade English language arts assessment, assessments used to identify gifted students, and alternatives to certain end-of-course examinations.

Diagnostic assessments

- Eliminates the current requirement that school districts and schools administer diagnostic assessments to students in grades one through three in writing and mathematics, but retains diagnostic assessments for kindergarten students and reading assessments for students in grades one through three beginning with the 2017-2018 school year.

* This analysis was prepared before the report of the House Education Committee appeared in the House Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

Kindergarten readiness assessment for chartered nonpublic schools

- Authorizes chartered nonpublic schools to administer the kindergarten readiness assessment beginning with the 2018-2019 school year.
- Requires the Department of Education to furnish the kindergarten readiness assessment to chartered nonpublic schools.

Substitute end-of-course exams

- Specifies that, in order to calculate a student's score on a substitute end-of-course exam, a score of 2 on an Advanced Placement (AP) exam or a score of 2 or 3 on an International Baccalaureate (IB) exam is equivalent to a proficient level of skill.

Exemption from college and career readiness assessment

- Exempts the following students who are enrolled in public and private high schools from the requirement to take the college and career readiness assessment: (1) students with significant cognitive disabilities, (2) students with an intellectual disability, (3) limited English proficient students who have been enrolled in United States schools for less than two years, and (4) students who received a "remediation-free" score on the assessment.

Alternative measures of career-technical skill attainment

- Requires the Department of Education to consider an industry-recognized credential or a state agency- or board-issued license for practice in a vocation that requires an exam for issuance of that license as an acceptable measure of technical skill attainment, except as otherwise required by federal law.
- Prohibits the Department from (1) requiring a student with such a credential or license to take additional technical assessments, and (2) requiring a student, who has participated in or will be participating in a credentialing assessment aligned to the student's career-technical education program or has participated in or will be participating in taking an examination for issuance of such a license aligned to the student's career-technical education program to take additional technical assessments.
- Specifies that, if a student does not participate in the credentialing assessment or the license examination, then the student must take the applicable technical assessments required by the Department.
- Requires the Department to develop procedures (1) for identifying industry-recognized credentials and licenses aligned to a student's career-technical education

program that can be used as an acceptable measure of technical skill, and (2) for identifying students in the process of earning such credentials or licenses.

- Requires that the procedures described above be developed in consultation with the Ohio Association for Career and Technical Education, the Ohio Association of Career-Technical Superintendents, the Ohio Association of City Career-Technical Schools, and "other stakeholders."

II. Teacher licensure

Ohio Teacher Residency Program

- Specifies which components an individual who is teaching career-technical education courses under an alternative resident educator license must fulfill under the Ohio Teacher Residency Program.
- Exempts an individual who is teaching career-technical courses under an alternative resident educator license from taking the performance-based assessment prescribed by the State Board for resident educators.
- Requires the Department, not later than December 31, 2017, and in collaboration with interested parties, to establish a method to assess if career-technical teachers teaching under an alternative resident educator license are qualified for a professional educator license.
- Permits school districts and schools, beginning with the 2017-2018 school year, to not conduct teacher evaluations for teachers participating in the Ohio Teacher Residency Program for the year during which those teachers take the majority of the required performance-based assessment for resident educators.

Alternative resident educator license

- Qualifies for an alternative resident educator license an individual who has not completed coursework in the subject area for which the individual is applying to teach.

III. Exemptions

Exemptions for certain school districts

- Exempts qualified school districts for three school years from several requirements of current law regarding teacher qualifications under the third-grade reading guarantee, teacher licensing, mentoring under the Ohio Teacher Residency Program, and class size restrictions.



- Qualifies a school district for the above exemptions if, on its most recent report card, the district received (1) at least 85% of the total possible points for the performance index score, (2) an "A" for performance indicators met, and (3) at least 93% and 95% for the four-year and five-year adjusted cohort graduation rate, respectively.

IV. Other K-12 education provisions

Alternative facilities funding proposal

- Requires the School Facilities Commission, by December 15, 2017, to develop and submit to the General Assembly a legislative proposal for assisting certain school districts to receive funding under the Classroom Facilities Assistance Program.

Competitive bidding threshold

- Increases the competitive bidding threshold for school building and repair contracts from \$25,000 to \$50,000.

Mathematics credit for career-technical education students

- Requires the career-based pathway mathematics course that may be used as an alternative to Algebra II for students pursuing a career-technical instructional track to be approved by the Department of Education.

Eligibility for Ed Choice scholarships

- Specifies that a school district or building that is designated at the time of the bill's effective date as eligible for the Educational Choice Scholarship Program continues to be Ed Choice-designated through the 2018-2019 school year, regardless of whether the district or building meets the current law conditions that would make the district or building no longer eligible for Ed Choice.

Correction of tax certifications for foundation funding

- Requires the adjustment, for purposes of foundation funding, of countywide tax certifications for tax years 2012, 2013, and 2014 on the abstracts of real property or real and public utility property if the certified valuations in any of those tax years vary from the countywide aggregate amount of valuation on the tax duplicates by more than \$30 million.

Community school provisions

- Modifies the membership requirements for community school governing authorities.



- Permits a community school to provide admission preference to children of full-time staff members employed by the school.
- Permits the sheriff to enter into contracts with a community school governing authority under which the sheriff may exercise any police power or render any police service for the school.
- Changes the school year by which a community school must comply with the plan for awarding high school credit based on demonstration of subject area competency from the 2016-2017 school year to the 2017-2018 school year.

Grades offered by STEM schools and equivalents

- Expands the grades that STEM schools and STEM school equivalents may offer to any of grades K-12, rather than any of grades 6-12 as under current law.

Performance audits and operations study of ESCs

- Generally, permits the Auditor of State to conduct a performance audit of any educational service center.
- Requires the Auditor of State to conduct a comprehensive operational study of all educational service centers in the state within three years after the bill's effective date.

Diplomas for home-schooled students

- Removes the alternative requirement that a diploma for a home-schooled student include a certification signed by the superintendent of the student's resident school district stating that the student and the student's parents have complied with state law regarding home instruction.

State Seal of Biliteracy

- Requires the State Board of Education to establish the State Seal of Biliteracy, which may be attached or affixed to the transcripts of qualifying public and nonpublic high school students and to the diplomas of homeschooled students, to demonstrate the attainment of a high level of proficiency in one or more languages in addition to English sufficient for meaningful use in college and a career.
- Requires each district and school to identify students who have completed the requirements to earn a State Seal of Biliteracy.

- Prohibits a district or school from charging a fee for assigning a State Seal of Biliteracy on a student's transcript, but permits a student to be required to pay a fee to demonstrate proficiency in a language.

Joint vocational school district board membership

- Allows either a board member of a school district that is part of a joint vocational school district (JVSD) or an individual with experience or knowledge of the labor needs of the region to be a JVSD board member.
- Removes term limits for JVSD board members.
- Permits all JVSD boards, instead of just those with more than 30 members (as under current law) to submit an application to the Superintendent of Public Instruction for approval to stagger its members' terms of office.

Interscholastic athletics

- Permits a student enrolled in a nonpublic school to participate in interscholastic activities at the school district in which the student's nonpublic school is located, so long as certain criteria are met.
- Prohibits a student who participates in the College Credit Plus (CCP) program from being denied the opportunity to participate in interscholastic athletics offered by the student's school, solely due to the student's participation in the program.

Other

- Expands the grade levels (from grades 8 through 11 to grades 6 through 11) for which each public and chartered nonpublic school must provide information to students about the advanced standing programs offered by that school.
- Codifies a provision of uncodified law that specifies the requirements for the nonprofit corporation that implements the Bright New Leaders for Ohio Schools Program and adds two member to that corporation's board of directors.
- Removes a requirement that the State Board adopt a measure, to be reported separately from the district's or school's report card, for the amount of extracurricular services offered to students.
- Eliminates the Department of Education's responsibilities for approval of online lessons and blizzard bags to make up school hours in the case of a calamity day.



V. Other education provisions

Sheriff services at private schools and higher education institutions

- Permits the sheriff to enter into contracts with a chartered nonpublic school to provide community preventive education programs.
- Permits the sheriff to enter into contracts with a private institution of higher education to provide police services.

Workforce grants

- Revises the Workforce Grant Program to require institutions of higher education, rather than the Chancellor of Higher Education, to award grants to eligible students.

VI. Tax provisions

Arena property tax exemption

- Authorizes a property tax exemption for an arena that is owned by the Convention Facilities Authority of Franklin County and that is leased to a private enterprise.

Ballot error correction

- Validates a property tax levy that was approved by a ballot measure that stated an erroneous term regarding duration.

VII. Insurance pools

State university or college joint self-insurance pools

- Permits a state university or college to participate in a joint self-insurance pool to provide personal liability coverage to protect the institution and its employees against loss incurred while undertaking official duties.
- Authorizes the joint self-insurance pool to also provide certain types of property or casualty coverage to cover other risks of pool members.
- Permits the board of trustees of the university or college to contract with a pool administrator to administer the joint self-insurance pool.
- Exempts a joint self-insurance pool from the application of Ohio's Insurance Laws and its records from Ohio's Public Records Law.
- Permits a joint self-insurance pool to issue obligations and notes to pay claims expenses.



- Requires the pool administrator to prepare and maintain a public report on pool funds.
- Limits the liability of a state university or college to the amounts payable pursuant to its written agreement with the pool.
- Establishes civil immunities and defenses under the Court of Claims Law with respect to individuals involved in administering a joint self-insurance pool.
- Specifies that an employee of a state university or college who becomes a member of the governing body of a joint self-insurance pool does not violate certain state employee ethics laws.

Political subdivision joint self-insurance pools

- Modifies the reporting requirements for joint self-insurance health and liability programs administered by political subdivisions.

TABLE OF CONTENTS

I. Assessments	10
Achievement assessments.....	10
Limits	10
Background on state achievement assessments.....	11
Diagnostic assessments	12
Background on diagnostic assessments	12
Kindergarten readiness assessment for chartered nonpublic schools	12
Substitute end-of-course exams.....	13
Exemption from college and career readiness assessment.....	13
Background on state assessment exemptions	14
Alternative measures of career-technical skill attainment	15
Background.....	16
II. Teacher licensure	16
Ohio Teacher Residency Program	16
Career-technical teachers with alternative educator licenses	17
Teacher evaluations.....	18
Alternative resident educator license.....	18
Background.....	18
III. Exemptions	18
Exemptions for qualified school districts.....	18
Teacher qualifications under the third-grade reading guarantee.....	19
Teacher licensing requirements	20
Mentoring under the Ohio Teacher Residency Program.....	21
Minimum and maximum class size	21
IV. Other K-12 education provisions	22
Proposal for alternative facility funding for school districts.....	22
Competitive bidding threshold for school building contracts	22
Mathematics credit for career-technical education students	22
Eligibility for Ed Choice scholarships.....	23



Correction of tax certifications for foundation funding	23
Community school provisions.....	24
Membership of governing authorities.....	24
Admission preference to children of school employees	25
Contracts for sheriff services	25
Credit based on subject area competency.....	25
Grades offered by STEM schools and STEM school equivalents	25
Performance audits of educational service centers	26
Operational study of all ESCs	26
Use of report for funding determinations	27
Diplomas for home-schooled students	27
State Seal of Biliteracy	27
Homeschooled students.....	28
Maintenance of records.....	28
Fees related to the State Seal of Biliteracy.....	29
Duties of the State Board	29
Joint vocational school district board membership	29
Nonpublic school student participation in district interscholastic activities	30
Participation in interscholastic athletics by students in the CCP program	31
Information on advanced standing programs	32
Bright New Leaders for Ohio Schools Program	32
Report on extracurricular activities	33
Online lessons and blizzard bags.....	33
V. Other education provisions	34
Sheriff services at private schools and higher education institutions	34
Administration of the Workforce Grant Program	34
Background.....	35
VI. Tax provisions	35
Arena property tax exemption	35
Property tax ballot error correction	36
VII. Insurance pools	36
State university or college joint self-insurance pools – overview	36
Participation in a joint self-insurance pool.....	36
Joint self-insurance pool not an insurance company	37
Joint self-insurance pools not subject to public records requirements	37
Powers and duties of a joint self-insurance pool.....	38
Property or casualty insurance	38
Joint risk-management program	38
Pool may issue obligations and notes.....	39
Allocation of pool costs among members	39
Pool administrator	39
Report on reserved and disbursed funds.....	40
Liability of a university under a joint self-insurance pool	40
Civil action against a state officer or employee.....	41
Public Employee Ethics Laws.....	42
Political subdivision joint self-insurance pools	42



CONTENT AND OPERATION

I. Assessments

Achievement assessments

Limits

Beginning with the 2017-2018 school year, the bill requires school districts, community schools, STEM schools, and college preparatory boarding schools to limit the cumulative amount of time spent on the administration of state and district-wide assessments to 2% of the school year. The assessments included in this limit are the state achievement assessments administered to students in grades three through eight,¹ the end-of-course examinations required in high school under the College and Work Ready Assessment System,² and any assessment required by the district or school to be administered district-wide or school-wide to all students in a specified area or grade level.³ The bill also limits the cumulative amount of time used for taking practice or diagnostic assessments used to prepare for the assessments described above to 1% of the school year.⁴

The time limitations prescribed by the bill do not apply to administration of assessments to students with disabilities, any related diagnostic assessment for students who fail to attain a passing score on the third-grade English language arts achievement assessment, or additional assessments administered to identify a student as gifted. Nor do the limitations apply to the administration of substitute examinations for end-of-course examinations in American history, American government, and science. These examinations include Advanced Placement examinations and International Baccalaureate examinations.⁵

The bill authorizes a school district or school to exceed its prescribed assessment time limitations through the adoption of a resolution. However, before doing so, the district board or school governing authority must conduct at least one public hearing on the proposed resolution.⁶

¹ R.C. 3301.0710(A), not in the bill.

² R.C. 3301.0712(B)(2).

³ R.C. 3301.0729(A)(1). Conforming changes in R.C. 3314.03(A)(11)(d), 3326.11, and 3328.24.

⁴ R.C. 3301.0729(A)(2).

⁵ See R.C. 3301.0712(B)(4).

⁶ R.C. 3301.0729(C).



Background on state achievement assessments

Current law prescribes a series of elementary and secondary state achievement assessments to be aligned with the state academic content standards and model curricula. The aggregate student scores on those assessments are used in computing annual state report card ratings for school districts and schools. All public schools (school district-operated schools, community schools, STEM schools, and college preparatory boarding schools) must administer these assessments to their students. Chartered nonpublic schools must administer achievement assessments for grades three through eight to any student who receives a scholarship through one of the state scholarship programs. In addition, except for a school granted a waiver for meeting prescribed conditions,⁷ a chartered nonpublic school must administer the elementary-level assessments to all its students if at least 65% of its enrollment is made up of students who are participating in any of the state scholarship programs. This requirement is subject to a parental opt-out for nonscholarship students. The composition of elementary-level achievement assessments are shown in the table below:⁸

	English language arts	Math	Science	Social Studies
Grade 3	X	X		
Grade 4	X	X		X
Grade 5	X	X	X	
Grade 6	X	X		X
Grade 7	X	X		
Grade 8	X	X	X	

Students enrolled in public high schools must take seven end-of-course examinations in the areas of English language arts I, English language arts II, science, Algebra I, geometry, American history, and American government.⁹ In addition, eleventh-grade students in public and chartered nonpublic high schools must take a nationally standardized assessment that measures college and career readiness.¹⁰

⁷ R.C. 3301.0711(K)(1)(c).

⁸ R.C. 3301.0710(A)(1).

⁹ R.C. 3301.0711(B)(11) and 3301.0712(B)(2).

¹⁰ R.C. 3301.0712(B)(1).



Diagnostic assessments

Beginning with the 2017-2018 school year, the bill eliminates the requirement for public schools to administer the following diagnostic assessments:

- (1) To students in the first grade, writing and math;
- (2) To students in the second grade, writing and math;
- (3) To students in the third grade, writing.¹¹

However, schools must continue to administer reading, writing, and math diagnostic assessments to kindergarten students, and reading assessments to students in grades one through three.¹²

Background on diagnostic assessments

Under current law, public schools must administer diagnostic assessments in reading, writing, and math to students in kindergarten through second grade, and reading and writing to students in the third grade. The State Board must adopt the assessments that schools, generally, must administer to all students. Each diagnostic assessment must be designed to measure student comprehension of academic content and mastery of related skills for the relevant subject area and grade level.¹³

Kindergarten readiness assessment for chartered nonpublic schools

The bill authorizes chartered nonpublic schools to administer the kindergarten readiness assessment to their students, beginning with the 2018-2019 school year. If a chartered nonpublic school elects to administer the assessment, the bill requires the school's chief administrator to notify the Superintendent of Public Instruction by March 31 prior to the school year in which the assessment will be administered.¹⁴ Additionally, a school that elects to administer the assessment must do the following:

- (1) Enter into a written agreement with the Department specifying that the school will share each participating student's assessment data with the Department and, that for the purpose of reporting the data to the Department, each participating student will be assigned a data verification code;

¹¹ R.C. 3301.079(D)(3)(a) and (b).

¹² R.C. 3301.079(D)(1).

¹³ R.C. 3301.079(D).

¹⁴ R.C. 3301.0715(F).

(2) Require the assessment to be administered by a certified teacher who either has completed training on administering the kindergarten readiness assessment provided by the Department or has been trained by another person who has completed such training; and

(3) Administer the assessment in the same manner as school districts do.

Finally, the bill explicitly requires the Department to furnish the kindergarten readiness assessment to chartered nonpublic schools at no cost to the schools.

Substitute end-of-course exams

The bill specifies that, in order to calculate a student's score on a substitute end-of-course exam used for purposes of high school graduation, the following must be considered equivalent to a proficient level of skill:

(1) A score of a 2 on an Advanced Placement (AP) examination; or

(2) A score of a 2 or 3 on an International Baccalaureate (IB) examination.

These score equivalents conform to those currently used by the Department of Education to calculate student's scores on AP and IB exams.¹⁵

Under current law, students who are enrolled in AP or IB courses in the subject areas of science, American history, or American government must take the corresponding AP or IB exam (as a substitute end-of-course exam) in lieu of the prescribed end-of-course exam. The State Board of Education is required to develop a table of corresponding score equivalents for the substitute and the prescribed end-of-course exams for purposes of determining the students' levels of achievement — advanced, accelerated, proficient, basic, or limited. The levels (scores) attained on each end-of-course exam are then used to calculate the student's cumulative score on all end-of-course exams, which must meet a minimum threshold in order to obtain a high school diploma.¹⁶

Exemption from college and career readiness assessment

The bill exempts specified students in public and chartered nonpublic high schools from the requirement to take the nationally standardized assessment that

¹⁵ "18 Points on State Tests," Ohio Department of Education. For access, go to <http://education.ohio.gov/Topics/Ohio-Graduation-Requirements/Graduation-Requirements-2018-and-Beyond/18-Points-on-State-Tests>.

¹⁶ R.C. 3301.0712(B)(4) and (5).

measures college and career readiness. The following students are exempt under the bill from the requirement to take the assessment:

(1) A student who has significant cognitive disabilities and is administered an alternate assessment in accordance with the student's individual education plan (IEP);¹⁷

(2) A student who has a disability that includes an intellectual disability, as outlined in guidance issued by the Department of Education;¹⁸

(3) A student who is a limited English proficient student who has been enrolled in United States schools for less than two years and for whom no appropriate accommodations are available based on guidance issued by the Department;¹⁹

(4) A student who received a "remediation-free" score on the required nationally standardized assessment and has presented evidence of that fact to the student's district, school, or chartered nonpublic school.²⁰

In addition, the bill specifically prohibits a district board or chartered nonpublic school governing authority from prohibiting such a student from taking the nationally standardized assessment that measures college and career readiness.²¹

Background on state assessment exemptions

Current law generally requires students in public and chartered nonpublic schools (private schools) to take a series of elementary and secondary assessments. However, the law provides for exemptions from certain assessments for specified students. Those exemptions include the following: (1) private school students generally are not required to take any of the elementary assessments,²² (2) students who are attending a chartered nonpublic high school that is accredited by the Independent Schools Association of the Central States and who are not attending the school under a state scholarship are not required to take any high school assessments,²³ (3) students in public schools whose individualized education plan (IEP) excuses them to take an

¹⁷ R.C. 3301.0711(C)(1)(a) and (C)(1)(c)(ii).

¹⁸ R.C. 3301.0711(C)(1)(a) and (C)(1)(c)(ii).

¹⁹ R.C. 3301.0711(C)(2)(a) and (C)(4)(b).

²⁰ R.C. 3301.0711(B)(11)(b), (L)(1), and (L)(3)(b).

²¹ R.C. 3301.0711(B)(11)(b), (C)(1)(a), (C)(1)(c)(iii), (C)(3)(b), second paragraph, (C)(4)(c), (L)(1), and (L)(3)(b).

²² R.C. 3301.0711(K)(1).

²³ R.C. 3301.0711(L)(2).



assessment and to whom an alternate assessment is administered are not required to take specified assessments that are reflected in their IEP,²⁴ (4) private school students with a disability who have a plan developed for them are not required to take specified assessments reflected in their plan, pursuant to State Board of Education rules,²⁵ (5) limited English proficient students enrolled in public or private schools who have been enrolled in United States schools for less than one school year are not required to take reading, writing, or English language arts assessments,²⁶ and (6) students enrolled in a private school (a) in which 95% of students have disabilities, (b) for which a waiver from the Superintendent of Public Instruction has been issued, and (c) other statutory conditions have been met.²⁷

Alternative measures of career-technical skill attainment

The bill requires the Department of Education to consider an industry-recognized credential or a license issued by a state agency or board for practice in a vocation that requires an exam for issuance of that license as an acceptable measure of technical skill attainment, except as otherwise required by federal law.²⁸ Under current law, possession of such a credential or license is considered completion of one-half of the "workforce readiness" pathway that qualifies a student for high school graduation under current law (see "**Background**" below).

The bill also prohibits the Department from (1) requiring a student with such a credential or license to take additional technical assessments, and (2) requiring a student, who has participated in or will be participating in a credentialing assessment aligned to the student's career-technical education program or has participated in or will be participating in taking an examination for issuance of such a license aligned to the student's career-technical education program to take additional technical assessments.²⁹ However, if a student does not participate in the credentialing assessment or the license examination, then the student must take the applicable technical assessments required by the Department.

The bill requires the Department to develop procedures (1) for identifying industry-recognized credentials and licenses aligned to a student's career-technical

²⁴ R.C. 3301.0711(C)(1)(a) and (b).

²⁵ R.C. 3301.0711(C)(1)(c).

²⁶ R.C. 3301.0711(C)(3).

²⁷ R.C. 3301.0711(K)(2).

²⁸ R.C. 3313.903, first paragraph.

²⁹ R.C. 3313.903, second paragraph.

education program that can be used as an acceptable measure of technical skill, and (2) for identifying students in the process of earning such credentials or licenses. Those procedures must be developed in consultation with the Ohio Association for Career and Technical Education, the Ohio Association of Career-Technical Superintendents, the Ohio Association of City Career-Technical Schools, and "other stakeholders."³⁰

Finally, the bill states that its provisions regarding alternative measures of career-technical skill attainment do not exempt a student who wishes to graduate under the workforce readiness pathway from taking the nationally recognized job skills assessment that is required under that pathway. And it states that the term "technical assessments" does not include the job skills assessment that may be used to qualify for a high school diploma.

Background

Students enrolled in career-technical education schools or in a career-technical education track are required under current law to take technical assessments for purposes of measuring technical skill attainment and in order to evaluate the skills and knowledge attained in their career-technical education program.

As a requirement for high school graduation, students must complete one of three prescribed testing pathways, which include a "workforce readiness" pathway. That pathway requires a student to (1) attain a passing score on the WorkKeys³¹ assessment and (2) obtain either an industry-recognized credential or a state agency- or board-issued license for practice in a specific vocation.³² The Department of Education has a list of State Board of Education-approved industry-recognized credentials that can be used for high school graduation purposes, which can be found at <http://education.ohio.gov/Topics/Ohio-Graduation-Requirements/Graduation-Requirements-2018-and-Beyond/Industry-Recognized-Credentials>.

II. Teacher licensure

Ohio Teacher Residency Program

Under current law, most newly licensed educators are issued either a resident educator license or an alternative resident educator license under which they also must

³⁰ R.C. 3313.903, third paragraph.

³¹ <http://education.ohio.gov/Topics/Ohio-Graduation-Requirements/Graduation-Requirements-2018-and-Beyond/Workforce-Readiness-Score>.

³² R.C. 3313.618(A)(3).



complete a four-year teacher residency program – the Ohio Teacher Residency Program. The bill makes changes to that program.

Career-technical teachers with alternative educator licenses

The bill specifically sets forth the components an individual who is teaching career-technical education courses under an alternative resident educator license must fulfill under the residency program. Those components include:

(1) Conditions necessary for a participant in the third and fourth year of the program to complete prior to applying for the professional educator license;

(2) Four years of successful teaching experience under the alternative educator license, as verified by the superintendent of the employing district;

(3) Successful completion of a career-technical workforce development teacher preparation program from a state university that consists of at least 24 semester hours. This program must include a performance-based assessment, which the institution offering the program must verify.³³

Further the bill exempts an individual who is teaching career-technical education courses under an alternative resident educator license from taking the performance-based assessment prescribed by the State Board for resident educators. Currently, that assessment is the Resident Educator Summative Assessment (RESA). Current law requires such an assessment to be administered in the third year of the residency program³⁴ and already exempts such teachers from the conditions of the residency program that a participant would have been required to complete during the first and second year of teaching under an alternative resident educator license.³⁵ Instead, for those individuals, the bill requires the Department of Education, in collaboration with the Ohio Association for Career and Technical Education, Ohio Association of Career-Technical Superintendents, and the Ohio Association of City Career-Technical Schools, to establish a method for assessing the qualifications of career-technical teachers teaching under an alternative resident educator license for a professional educator license. It will be an alternative to completion of the Ohio Teacher Residency Program for those teachers. The method will assess teacher preparedness and qualifications for a professional educator license as part of the college coursework in which the teachers

³³ R.C. 3319.223(B)(1).

³⁴ R.C. 3319.223(A)(3).

³⁵ R.C. 3319.223(B)(2)(a).



participate as a condition of holding a resident educator license. The Department must establish this method not later than December 31, 2017.³⁶

Teacher evaluations

The bill also permits districts and schools, beginning with the 2017-2018 school year, to forgo evaluations for teachers participating in the residency program for the year during which those teachers take, for the first time, the majority of the assessment required under the program (see above). Currently, districts and schools must conduct an annual evaluation under OTES for each teacher participating in the program.³⁷

Alternative resident educator license

The bill qualifies for an alternative resident educator license an individual who has not completed coursework in the subject area for which the individual is applying to teach. This is in addition to current law specifying that participants must not be required to have completed a *major* in such a subject area in order to qualify for such a license.³⁸

Background

An alternative resident educator license is granted to the holder of a bachelor's degree who has not completed a traditional teacher preparation program but who has completed certain pedagogical training and passed a test prescribed by the State Board. Then, while teaching under that license the individual must complete further coursework and pass further written tests and observational evaluations.³⁹ Holders of the alternative license also must complete the Ohio Teacher Residency Program.

III. Exemptions

Exemptions for qualified school districts

The bill exempts certain qualifying school districts for three school years from several requirements of current law, including provisions related to teacher qualifications under the third-grade reading guarantee, teacher licensing, mentoring under the Ohio Teacher Residency Program, and class size restrictions (see below for a

³⁶ Section 13 of the bill.

³⁷ R.C. 3319.111(C)(2)(e).

³⁸ R.C. 3319.26(C).

³⁹ R.C. 3319.26 and Ohio Administrative Code (O.A.C.) 3301-24-19.

more detailed explanation of each).⁴⁰ The bill also specifies that noncompliance with any of the exempted requirements does not disqualify such school districts from receiving state operating funds.⁴¹ Finally, the bill states that the exemptions begin in the school year in which the qualifying report card is issued.⁴²

To qualify for the bill's exemptions, a school district must have received all of the following on the district's most recent state report card:

- (1) At least 85% of the total possible points for the performance index score;
- (2) A grade of an "A" for performance indicators met;
- (3) A four-year adjusted cohort graduation rate of at least 93%; and
- (4) A five-year adjusted cohort graduation rate of at least 95%.⁴³

Teacher qualifications under the third-grade reading guarantee

The bill exempts a qualified school district from the requirement to provide an experienced teacher with specific qualifications to each student who is retained under the third-grade reading guarantee. However, the bill specifies that the teacher still must hold a valid educator license issued by the State Board of Education.⁴⁴

Under current law, districts must provide to each student retained under the guarantee a teacher who has one or more years of teaching experience and who also meets one of the following qualifications:

- (1) Holds a reading endorsement and passed the corresponding reading endorsement assessment.
- (2) Completed a master's degree program with a major in reading.
- (3) Was rated "most effective" for reading instruction consecutively for the two most recent years, based on vendor assessments that measure student growth and are approved by the State Board.

⁴⁰ R.C. 3302.151(A).

⁴¹ R.C. 3302.151(C).

⁴² R.C. 3302.16(E).

⁴³ R.C. 3302.151(D)(1)(a) through (c). See also R.C. 3302.03(C)(1).

⁴⁴ R.C. 3302.151(A)(1).

(4) Was rated "above expected value added," in reading instruction, as determined by the Department of Education, consecutively for the two most recent years.

(5) Earned a passing score on a rigorous test of principles of scientifically research-based reading instruction, as approved by the State Board.

(6) Holds an educator license, issued on or after July 1, 2017, for teaching grades pre-K through three, or four through nine.⁴⁵

Teacher licensing requirements

The bill exempts a qualified school district, unless otherwise required by federal law, from any provision in statutory law or in the State Board's rules or standards that requires teachers to be licensed in the grade levels in which they are teaching. However, under this exemption, the bill specifies that the teacher still must hold a valid educator license in any grade level that is determined appropriate by the district board. The bill maintains the requirement that teachers be licensed in the subject area in which they are teaching. It also expressly states that the exemption does not apply to special education teachers.⁴⁶

The bill also permits the superintendent of a qualified school district to employ an individual who does not hold an educator license issued by the State Board to teach classes in the district, so long as the individual is otherwise qualified based on experience.⁴⁷ As a condition of employment:

(1) The district board must (a) approve the individual's employment and (b) provide mentoring and professional development opportunities to the individual, as determined necessary by the district board.

(2) The individual is subject to a criminal records check and must, in the manner prescribed by the Department, submit that criminal records check to the Department and register with the Department during the period in which the individual is employed by the district.

⁴⁵ R.C. 3313.608(B)(3)(c) and (H), not in the bill.

⁴⁶ R.C. 3302.151(A)(4).

⁴⁷ R.C. 3302.151(B)(1).



(3) The Department must use the information submitted to enroll the individual in the Retained Applicant Fingerprint Database (Rapback).⁴⁸

(4) The individual is subject to the State Teachers Retirement System.⁴⁹

Additionally, if the Department is notified through Rapback of the arrest or conviction of an unlicensed individual employed under the bill, the Department must promptly notify the employing district and may take any investigatory and disciplinary action authorized under current law that it considers appropriate. Further, the bill prohibits any district from employing such an individual if the district learns that the individual has plead guilty to, has been found guilty of, or has been convicted of any offense for which the State Board must revoke an educator's license.⁵⁰

Under current law, an individual must hold a valid educator license issued by the State Board in order to be compensated for teaching in a public school, unless that individual holds a limited permit issued by the State Board for nonlicensed teaching.⁵¹ Moreover, a provision of the Administrative Code requires each teacher to hold the "appropriate credentials for (the teacher's) assigned position."⁵²

Mentoring under the Ohio Teacher Residency Program

The bill exempts a qualified school district from the mentoring component of the Ohio Teacher Residency Program, so long as the district utilizes a local approach to train and support new teachers.⁵³

Minimum and maximum class size

The bill exempts a qualified school district from any provision in statutory law, or in the State Board's rules or standards, that prescribes a minimum or maximum class size.⁵⁴ Currently, no such requirement exists in the Revised Code. However, a provision in the Administrative Code specifies a maximum district-wide ratio of 25 students to

⁴⁸ R.C. 3302.151(B)(2). See also R.C. 109.5721 and 3319.391, neither in the bill.

⁴⁹ R.C. 3302.151(B)(3). See also Chapter 3307., not in the bill.

⁵⁰ See R.C. 3319.31(C), not in the bill. For a list of these offenses by name, see pp. 8-11 of the LSC Final Analysis for H.B. 482 of the 127th General Assembly. (For access, go to <http://archives.legislature.state.oh.us/search.cfm>.)

⁵¹ R.C. 3319.30, 3319.301, and 3319.36, none in the bill.

⁵² O.A.C. 3301-35-05.

⁵³ R.C. 3302.16(A)(2).

⁵⁴ R.C. 3302.16(A)(3).



one teacher. Additionally, the provision specifies a maximum district-wide ratio of 25 students in grades kindergarten through fourth grade to one teacher.⁵⁵

IV. Other K-12 education provisions

Proposal for alternative facility funding for school districts

The bill requires the School Facilities Commission (SFC), by December 15, 2017, to develop and submit to the General Assembly a proposal with regard to funding under the Classroom Facilities Assistance Program (CFAP). Specifically, the proposal must contain legislative provisions under which school districts that have not received assistance under CFAP may, upon becoming eligible for assistance under the program, apply for and receive a portion of the state funds for which they are eligible, to be used for technology, building expansion, and physical alterations to improve school safety or security.⁵⁶

Competitive bidding threshold for school building contracts

Current law specifies that school district boards of education must fulfill various competitive bidding requirements when contracting for public improvement projects valued over \$25,000, except in cases of urgent necessity or security. The bill increases the competitive bidding threshold from \$25,000 to \$50,000 for such public improvement contracts, including contracts to build, repair, enlarge, improve, or demolish any school building.⁵⁷

Mathematics credit for career-technical education students

Current law permits students who enter ninth grade for the first time on or after July 1, 2015, who are pursuing a "career-technical instructional track" to take a career-based pathway mathematics course as an alternative to completing one unit of Algebra II in order to graduate from high school.⁵⁸ The bill specifies that the career-based pathway mathematics course must be approved by the Department of Education.

(The required one unit of Algebra II is part of the state minimum high school curriculum of 20 specified units of study that, generally, must be completed to qualify for a high school diploma. One unit equals at least 120 hours of course instruction.)

⁵⁵ O.A.C. 3301-35-05.

⁵⁶ Section 14.

⁵⁷ R.C. 3313.46.

⁵⁸ R.C. 3313.603(C)(3).



Eligibility for Ed Choice scholarships

The bill specifies that a school district or building that is designated at the time of the bill's effective date as eligible for the Educational Choice Scholarship Program (Ed Choice) continues to be Ed Choice-designated through the 2018-2019 school year, regardless of whether the district or building meets the conditions that would remove the designation.⁵⁹

Under current law, students enrolled in a district or building that is designated as an Ed Choice district or building, due to the poor academic performance, are eligible to apply for an Ed Choice scholarship to use at a private school. Districts and buildings can be removed from the Ed Choice-designated list if the academic performance improves to specified levels. Specifically, a district or building is no longer Ed Choice-designated if, on the most recent state report, the school meets any of the conditions described in the table below.⁶⁰

District	Building
Received a grade of "A" or "B" <i>and</i> a grade of "A" for the value-added progress dimension; or if the building serves only grades 10 through 12, the building received a grade of "A" or "B" for the performance index score <i>and</i> had a four-year adjusted cohort graduation rate of greater than or equal to 75%.	An overall grade of "A" or "B" <i>and</i> a grade of "A" for the value-added progress dimension.

Correction of tax certifications for foundation funding

The bill provides for certain corrections to tax valuations to be used on computing state foundation funding for school districts. Under the bill, if, in any county, the countywide taxable valuations certified to the Tax Commissioner for tax years 2012, 2013, and 2014 on the abstracts of real property or real and public utility property vary from the "countywide aggregate amount of valuation on the tax duplicates" in any of those years by greater than \$30 million, that county's auditor must certify corrected valuations, by taxing district, to the Tax Commissioner within 60 days after the bill's effective date.

⁵⁹ Section 12.

⁶⁰ R.C. 3310.03(I), not in the bill.



Within 30 days after receiving these corrected valuations, the Tax Commissioner must certify those valuations, aggregated by school district, to the Department of Education. The Department must then (1) use those valuations for purposes of calculating foundation funding for fiscal year 2016 and for each fiscal year thereafter and (2) make any adjustments to calculations of each school district's foundation funding payments that are necessary to reflect the corrected valuations.⁶¹

Community school provisions

Membership of governing authorities

The bill modifies a provision that prohibits certain individuals from serving on a community school governing authority. Currently, no present or former governing authority member, or immediate relative of a past or former member, can be an owner, employee, or consultant of any community school's sponsor or operator, unless at least one year has elapsed since the person was a member of the governing authority. The bill makes the following changes to this provision:

(1) If the community school is not sponsored by a school district or an educational service center (ESC), maintains current law, except that the limitation applies only to owners, employees, and consultants of that specific community school's sponsor or operator, not to those of all community school sponsors and operators (as under current law).

(2) If the school is sponsored by a school district or ESC, specifies that no present or former member, or immediate relative of a past or former member, can be either (a) an officer of the district or ESC board that is serving as the community school's sponsor, or (b) an employee, supervisor, or consultant of the sponsoring district's department, division, or section that is directly responsible for sponsoring community schools.

(3) Specifies that, as under current law, the bill's limitations on membership do not apply if at least one year has elapsed since the person was a member of the governing authority.

(4) Modifies the definition of "immediate relatives" to include in-laws that are residing in the same household as the person serving on the governing authority, rather than all in-laws.⁶²

⁶¹ Section 10.

⁶² R.C. 3314.02(E).



Admission preference to children of school employees

The bill provides that a community school may offer admission preference to students who are the children of full-time staff members employed by the community school, provided the total number of students receiving the preference is less than 5% of the school's total enrollment. Under continuing law, students must be admitted to community schools by lot from all those submitting applications, except that preference must be given to students who attended the school the previous year. Additionally, preference may be given to students who reside in the district in which the school is located and siblings of students attending the school the previous year.⁶³

Contracts for sheriff services

The bill permits a county sheriff to enter into contracts with a community school to perform any police function, exercise of any police power, or render any police service on behalf of the community school that the community school may perform, exercise, or render. Under continuing law, the sheriff is permitted to enter into these types of agreements with any municipal corporation, township, township police district, joint police district, metropolitan housing authority, port authority, water or sewer district, or school district.⁶⁴ (See also "**Sheriff services at private schools and higher education institutions**," below.)

Credit based on subject area competency

The bill changes the school year by which a community school must comply with the plan for awarding high school credit based on demonstration of subject area competency from the 2016-2017 school year to the 2017-2018 school year.⁶⁵ This revision conforms the Community School Law with the requirement for school districts.

Grades offered by STEM schools and STEM school equivalents

The bill expands the grades that STEM schools and STEM school equivalents may offer to any of grades K-12, rather than grades 6-12 as under current law.⁶⁶

A STEM school is a stand-alone public school that offers a rigorous curriculum that integrates STEM disciplines with arts and humanities and receives state funds on a per-pupil basis through one of two distinct funding methods. A STEM school

⁶³ R.C. 3314.06.

⁶⁴ R.C. 311.29.

⁶⁵ R.C. 3314.03(A)(11)(f).

⁶⁶ R.C. 3326.03 and 3326.032.

equivalent is a community school or chartered nonpublic school that has received that designation from the STEM committee upon submission of a proposal for designation. A STEM school equivalent is not subject to any of the requirements that apply to STEM schools except for those regarding a STEM school's curriculum and working partnerships with outside public and private entities, and it is not eligible for any of the state operating funding that is provided to STEM schools.

Performance audits of educational service centers

The bill provides express general authority to the Auditor of State to conduct performance audits of educational service centers (ESCs), on the Auditor's initiative.⁶⁷

Operational study of all ESCs

In an uncodified provision the bill also specifically requires the Auditor of State to conduct a "comprehensive operational study" of all ESCs in the state, not later than three years after the bill's effective date. The cost of the audit must be paid by the ESCs in a manner agreed upon by the Auditor of State and the state association representing ESCs. The bill caps the combined amount to be paid by all ESCs at \$375,000. The Auditor of State must pay for any costs that exceed that amount.⁶⁸

The Auditor of State must submit a report of the operational study to all of the following:

- (1) The Department of Education;
- (2) The State Board of Education;
- (3) The Superintendent of Public Instruction;
- (4) The Governor;
- (5) The ESCs;
- (6) The Speaker and Minority Leader of the House of Representatives; and
- (7) The President and Minority Leader of the Senate.⁶⁹

⁶⁷ R.C. 3311.051.

⁶⁸ Section 11.

⁶⁹ Section 11, second paragraph.

Use of report for funding determinations

The bill expressly permits the State Board to use the Auditor of State's comprehensive operational study report (described above) to determine what a "high-performing" ESC is for funding purposes under current law.⁷⁰ The operating budget act for the 2015-2017 biennium directs the Department of Education, for fiscal year 2017, to pay \$35 for each student in a "high-performing" ESC's student count, instead of \$33 per student as otherwise provided by that act. Under that provision, a "high-performing" ESC is one "that reduces client school district expenditures in fiscal year 2016 through efficiencies attained by coordinating and consolidating services." In administering that payment provision, the State Board must adopt rules for criteria the Department will use in determining the degree of efficiencies that must be attained by an ESC in order to qualify for the extra payment.⁷¹

Diplomas for home-schooled students

Law enacted in 2015, provides for high school diplomas that may be issued by the parents of home-schooled students. Under that law, the diploma must include either (1) a certification signed by the superintendent of the student's resident school district that the student and the student's parents have complied with state law regarding home instruction, or (2) the official letter of excuse issued by the district superintendent for the student's final year of home education. The bill removes the alternative for the certification signed by the district superintendent. However, the bill maintains the requirement that a diploma issued to a home-schooled student, be accompanied by the official letter of excuse issued by the district superintendent.⁷²

State Seal of Biliteracy

The bill requires the State Board of Education to establish the "State Seal of Biliteracy," which may be attached or affixed by participating public and chartered nonpublic high schools to the transcripts of students who meet specified requirements and criteria set by the State Board.

According to the bill, the Seal must demonstrate "the attainment of a high level of proficiency by a graduate of a public or chartered nonpublic high school in one or more languages in addition to English, sufficient for meaningful use in college and a career." It adds that the purpose of the Seal is to (1) encourage students to study languages, (2) certify the attainment of biliteracy, (3) provide employers with a method of

⁷⁰ Section 11, third paragraph.

⁷¹ Section 263.390 of H.B. 64 of the 131st General Assembly, not affected by the bill.

⁷² R.C. 3313.6110(B).



identifying individuals with language and biliteracy skills, (4) provide institutions of higher education with an additional method to recognize applicants for admission, (5) prepare students with 21st century skills, (6) recognize the value of foreign language and native language instruction in public schools, and (7) strengthen inter-group relationships, affirm the value of diversity, and honor the multiple cultures and languages of a community.⁷³

For its purposes, the bill defines "foreign language" as any language other than English, including modern languages, Latin, American Sign Language, Native American languages, and native languages.⁷⁴

The bill expressly authorizes a public school district or school and chartered nonpublic school to participate in assigning the State Seal of Biliteracy to a qualifying student's transcript. However, it further specifies that a district or school may not be required to participate in assigning a Seal. If a district or school has a policy of participating in assigning the State Seal of Biliteracy, the district or school must make the designation on the transcript of a student who completes the specified requirements.⁷⁵

Homeschooled students

The bill expressly authorizes the parent or guardian of a homeschooled student to assign the State Seal of Biliteracy to the student's diploma in the same manner as prescribed for districts and nonpublic schools under the bill. Current law permits the parent or guardian of a homeschooled student to grant a diploma to a homeschooled student who has completed their final year of home instruction and has successfully fulfilled the high school curriculum.⁷⁶

Maintenance of records

The bill requires each district and school to identify students who have completed the requirements to earn a State Seal of Biliteracy. It appears that this requirement applies to districts and schools regardless of whether the district or school has a policy participating in the assigning of a State Seal of Biliteracy.⁷⁷

⁷³ R.C. 3313.6111(A) and (B). Conforming change in R.C. 3313.618(B).

⁷⁴ R.C. 3313.6111(E).

⁷⁵ R.C. 3313.6111(B).

⁷⁶ R.C. 3313.6110(F).

⁷⁷ R.C. 3313.6111(B)(2).

Fees related to the State Seal of Biliteracy

The bill prohibits a district or school from charging a fee for assigning a State Seal of Biliteracy on a student's transcript. However, the bill adds that a student may be required to pay a fee to demonstrate proficiency in a language, including the cost of a standardized test to determine proficiency in that language.⁷⁸

Duties of the State Board

The bill requires the State Board to do the following:

(1) Establish the requirements and criteria for earning a State Seal of Biliteracy, including assessments of foreign language and English proficiency;

(2) Direct the Department of Education to prepare and deliver to participating districts and schools an appropriate mechanism for assigning a State Seal of Biliteracy on a student's transcript;

(3) Direct the Department to provide any other information the State Board considers necessary for districts and schools to participate in the assigning of a State Seal of Biliteracy; and

(4) Adopt rules to implement the bill's provisions.⁷⁹

Joint vocational school district board membership

The bill changes the qualifications of joint vocational school district (JVSD) board members. Under the bill, JVSD board members may either be a current elected board member of a school district that is part of the joint vocational school district or an individual who has experience or knowledge regarding the labor needs of the state and the region with an understanding of the skills, training, and education needed for current and future employment opportunities in the state. Current law requires JVSD board members to meet specific professional qualifications and be selected based on the diversity of the employers from the geographical region of the state in which the JVSD is located. An individual who is a member of a school district board may serve on a JVSD board only if that member meets the professional qualifications.⁸⁰

Though current law does not require members of the JVSD board to be residents of one of its member districts or educational service center, it does require that not less

⁷⁸ R.C. 3313.6111(D).

⁷⁹ R.C. 3313.6111(C).

⁸⁰ R.C. 3311.19(C).



than $\frac{3}{5}$ of the total number of a JVSD's board members must either reside in or be employed within the JVSD territory. The bill removes the $\frac{3}{5}$ provision.⁸¹

The bill also removes the term limit for JVSD board members. Current law limits each member to two consecutive three-year terms of office. Terms are considered consecutive unless separated by three or more years. The length of term, three years, is unchanged by the bill.⁸²

Current law permits a joint vocational school district board of education with more than 30 members to submit an application to the Superintendent of Public Instruction for approval to revise its membership plan to stagger its members' terms of office. Each board eligible to submit such an application may do so only one time. The application must include the revisions proposed to be made to the members' terms, the manner by which terms will be staggered, and any other information the state Superintendent requires. The bill expands this provision to allow all joint vocational school districts to submit an application to stagger members' term of office.⁸³

Nonpublic school student participation in district interscholastic activities

Current law authorizes, but does not require, a school district superintendent to afford any student who is enrolled in a chartered nonpublic or nonchartered nonpublic school and is not a resident student of that district, the opportunity to participate in an extracurricular activity offered by a school of the district, if (1) the student's nonpublic school does not offer the activity, and (2) the activity is not interscholastic athletics, interscholastic contests, or competition in music, drama, or forensics.

The bill, instead, permits such a student to participate in interscholastic athletics or interscholastic contests or competition in music, drama, or forensics, at the school district in which the student's nonpublic school is located. In order to participate under this provision, the superintendent of the student's resident district and the superintendent of the nonresident district must mutually agree, in writing, to allow the student to participate in that activity.

Additionally, the bill prohibits the student from participating at both the resident district and the district in which the student's nonpublic school is located in the same school year, by requiring that:

⁸¹ R.C. 3311.19(B).

⁸² R.C. 3311.19(B).

⁸³ R.C. 3319.191.

(1) The student must choose to participate at either the student's resident district or the district in which the nonpublic school is located. Under continuing law, nonpublic students are entitled to participate at the student's resident district.

(2) The superintendent of the resident district must certify that the student has not participated in interscholastic activities at the resident district during the school year. If the student has participated, then the student is not eligible to participate at the nonresident district during that school year.⁸⁴

Under continuing law, the student also must be of the appropriate age and grade level, as determined by the student's nonresident district superintendent, and fulfill the same academic, nonacademic, and financial requirements as any other participant.

Participation in interscholastic athletics by students in the CCP program

The bill prohibits a student who is enrolled in a public or nonpublic school from being denied the opportunity to participate in interscholastic athletics offered by that school solely because the student is participating or has participated in the College Credit Plus (CCP) program. Additionally, the bill applies the same prohibition from being denied the opportunity to participate in interscholastic athletics that are offered by the district school to which the student would have been assigned, if the CCP student is enrolled in a community school, STEM school, or nonpublic school or is home-instructed, provided the student is of the appropriate age and grade level and fulfills the same academic, nonacademic, and financial requirements as any other participant that are not related to the program.⁸⁵

Current law requires each school district to afford the district's resident students who do not attend a district school the opportunity to participate in extracurricular activities offered by the school to which the student would otherwise be assigned during the current school year. This includes resident students who are enrolled in community schools, STEM schools, or chartered nonpublic schools, as well as those students who are home-instructed.⁸⁶

The CCP program allows high school students who are enrolled in public or nonpublic high schools or who are home-instructed to enroll in nonsectarian college

⁸⁴ R.C. 3313.5311.

⁸⁵ R.C. 3313.5314.

⁸⁶ R.C. 3313.5311. Also R.C. 3313.537 and 3313.5312, neither in the bill.

courses to receive high school and college credit. College courses under CCP may be taken at any public or private college, as well as any eligible out-of-state college.⁸⁷

Information on advanced standing programs

The bill expands the grade levels (from grades 8 through 11 to grades 6 through 11) for which each public and chartered nonpublic school must provide information to students about the advanced standing programs offered by that school. Advanced standing programs include the College Credit Plus (CCP) program, Advanced Placement (AP) courses, International Baccalaureate (IB) diploma courses, and Early College High School (ECHS) programs.⁸⁸

Under continuing law, the information provided must include all of the following, as well as any additional information the school determines is appropriate:

(1) The process colleges and universities use in awarding credit for AP and IB courses and examinations, including the minimum scores required by the state institutions of higher education.

(2) The availability of (a) tuition and fee waivers for AP and IB examinations, and (b) online AP and IB courses, including no-cost options.

(3) The benefits of earning college credit through AP or IB courses.

(4) The availability of AP or IB courses offered throughout the school district or system of schools.

A separate provision, unchanged by the bill, also requires public schools and participating nonpublic schools to provide specified information on the CCP program to all students in grades 6 through 11 by March 1 of each school year.⁸⁹

Bright New Leaders for Ohio Schools Program

The bill codifies a provision of uncodified law enacted in 2013 that specifies the requirements for the nonprofit corporation that implements the Bright New Leaders for Ohio Schools Program. That program provides an alternative path for individuals to

⁸⁷ R.C. Chapter 3365., not in the bill.

⁸⁸ R.C. 3313.6013(A) and (C).

⁸⁹ R.C. 3365.04, not in the bill.



receive training, earn degrees, and obtain licenses in public school administration.⁹⁰ In codifying that provision, the bill also makes two changes to the nonprofit corporation. First, it changes the name of the nonprofit corporation to "Bright New Leaders for Ohio Schools." Under current law, the corporation is named "New Leaders for Ohio Schools."

Additionally, it adds two members to the corporation's Board of Directors, both of which must represent major business interests in Ohio. Under current law, the Board of Directors consists of nine individuals: the Governor (or the Governor's designee); the Superintendent of Public Instruction (or the Superintendent's designee); the Chancellor of Higher Education (or the Chancellor's designee); two individuals that represent major business enterprises in Ohio; two individuals appointed by the Speaker of the House of Representatives, one of whom must be an active duty or retired military officer; and two individuals appointed by the President of the Senate, one of whom must be a current or retired teacher or principal.

Report on extracurricular activities

Currently, the State Board of Education is required to adopt several measures to be reported for each district and each building in a district, as well as each community school, STEM school, and college-preparatory boarding school. These measures are reported separately from those included on the district's or school's report card, and the Department of Education must make the measures available on its website.

The bill removes as one of these required measures the amount of extracurricular services offered to students at the district or school.⁹¹

Online lessons and blizzard bags

The bill eliminates the Department of Education's responsibilities for approval of a school district's or community school's plans to make up calamity hours with either online lessons or paper "blizzard bags." A calamity for which a school may be closed includes disease epidemic, hazardous weather conditions, law enforcement emergencies, inoperability of school buses or other equipment necessary to the school's operations, damage to a school building, or other temporary circumstances due to utility failure rendering the school building unfit for school use.⁹² Under current law, a district or community school must submit to the Department a plan to make up days by

⁹⁰ Section 733.40 of H.B. 59 of the 130th General Assembly, as amended by H.B. 64 of the 131st General Assembly, which is codified as R.C. 3319.271 in Sections 3 and 4 of the bill. Also, as a conforming change, existing R.C. 3319.271 is renumbered as R.C. 3319.272 in Section 1 of the bill.

⁹¹ R.C. 3302.034(A)(8).

⁹² R.C. 3313.482(B).

online or paper lessons, if it desires to make up days in this manner. The Department then must permit a district or school to implement such a plan if it meets all the requirements of law. Instead, the bill authorizes school districts and schools independently to adopt a policy under the requirements of current law.⁹³ (A district or school may make up no more than the equivalent of three school days in this manner.)

V. Other education provisions

Sheriff services at private schools and higher education institutions

The bill permits a county sheriff to enter into contracts with chartered nonpublic schools located in the sheriff's territorial jurisdiction to provide community preventive education programs.⁹⁴ Community preventive education programs include, but are not limited to, DARE programs and other programs designed to educate adults or children with respect to the dangers associated with using drugs of abuse.⁹⁵

Further, the bill permits a county sheriff to enter into contracts with private institutions of higher education located in the sheriff's territorial jurisdiction to provide police services.⁹⁶ Under continuing law, the sheriff is permitted to enter into these types of agreements with any municipal corporation, township, township police district, joint police district, metropolitan housing authority, port authority, water or sewer district, or school district.⁹⁷

The bill specifies that a sheriff, under these contracts, may perform any police function, exercise of any police power, or render any police service upon the grounds of the chartered nonpublic school or private institution of higher education that the sheriff is authorized by law to perform, exercise, or render in any other part of the county within the sheriff's territorial jurisdiction.⁹⁸

Administration of the Workforce Grant Program

The bill revises the Workforce Grant Program to require public and private institutions to award grants to eligible students, rather than requiring the Chancellor to

⁹³ R.C. 3313.482(A).

⁹⁴ R.C. 311.29(F)(1).

⁹⁵ R.C. 2981.13, not in the bill.

⁹⁶ R.C. 311.29(F)(2).

⁹⁷ R.C. 311.29(B).

⁹⁸ R.C. 311.29(F).



award those grants directly to eligible students as under current law.⁹⁹ For purposes of the Program, "public and private institutions" are (1) state institutions of higher education, (2) private nonprofit colleges and universities, and (3) Ohio Technical Centers that provide adult technical education services as recognized by the Chancellor.¹⁰⁰

Background

The Workforce Grant Program awards grants to students enrolled in public or private institutions who pursue a degree, certification, or license that is required to become employed in an in-demand job.¹⁰¹ Grants are awarded to an eligible student for the period of time the student takes to complete the qualifying degree, certification, or license. The annual maximum award available to each student is \$5,000, but the grant also cannot exceed 75% of the cost of tuition during an academic year.¹⁰² The Program ends on December 31, 2019.¹⁰³

VI. Tax provisions

Arena property tax exemption

The bill authorizes a property tax exemption for an arena that is owned by the Convention Facilities Authority of a county with a population of more than one million people and that is leased to a private enterprise. Continuing law exempts property owned by a Convention Facilities Authority from taxation unless the property is leased to, or used exclusively by, a private enterprise.¹⁰⁴ There are several exceptions to this rule for certain qualifying arenas and convention centers in the state. The bill creates an additional exception which, in effect, would exempt Nationwide Arena in Franklin County.¹⁰⁵

The exemption applies in tax year 2016 and every tax year thereafter. Applications for exemption are generally due by December 31 of the year for which the

⁹⁹ R.C. 3333.93(B) and Section 7; Section 369.473 of H.B. 64 of the 131st General Assembly, as amended in Sections 5 and 6 of the bill.

¹⁰⁰ R.C. 3333.93(A)(3).

¹⁰¹ R.C. 3333.93(A)(1) and (4).

¹⁰² R.C. 3333.93(C).

¹⁰³ Section 125.10 of H.B. 340 of the 131st General Assembly, not in the bill.

¹⁰⁴ R.C. 351.12, not in the bill.

¹⁰⁵ R.C. 5709.084.



exemption is sought. The bill extends the deadline for Convention Facilities Authority seeking the new exemption to the 31st day following the bill's effective date.¹⁰⁶

Property tax ballot error correction

The bill validates a property tax levy that was approved by the electors of a political subdivision for a number of years in excess of that permitted by law. The duration of the levy would be reduced to the maximum number of years authorized at the time of the election under the applicable section of the Revised Code (R.C. 5705.19 through 5705.215). The bill specifies that the levy may be renewed or replaced in the same manner as would have been permissible had the levy been originally approved for an appropriate number of years.¹⁰⁷

VII. Insurance pools

State university or college joint self-insurance pools – overview

Ohio law permits the board of trustees of a state university or college to provide insurance coverage for the institution, its employees, and other authorized personnel. The insurance coverage is to protect against loss or liability arising from an individual's acts or omissions while acting within the scope of his or her employment. The insurance coverage can be provided through any of the following:

- Liability insurance purchased from an insurer licensed in Ohio;
- Participation in a self-insurance program;
- Participation in a licensed captive insurance company (an insurance company that insures only the risks of its parent or affiliated companies).¹⁰⁸

Participation in a joint self-insurance pool

The bill expands the list of permitted insurance sources by also allowing a board of trustees to participate in a joint self-insurance pool with other state universities or colleges. The board can participate in a joint self-insurance pool regardless of whether

¹⁰⁶ Section 8.

¹⁰⁷ Section 9.

¹⁰⁸ R.C. 3345.202 and R.C. 3964.01, not in the bill.



the university or college secures insurance through one of the other permitted sources.¹⁰⁹

The bill also adopts criteria in relation to a joint self-insurance pool. The joint self-insurance pool must be pursuant to a written agreement and to the extent that the board considers the pool to be necessary. Additionally, the joint self-insurance pool must do both of the following:

- Provide for claims expenses that arise from an act or omission of the state university or college, its employees, or any other persons authorized by the board while (1) acting in the scope of their official duties or (2) engaging in activities undertaken at the request or for the benefit of the state university or college;
- Indemnify or hold harmless the employees against the loss or damage.¹¹⁰

Joint self-insurance pool not an insurance company

The bill specifies that a joint self-insurance pool is not an insurance company. Its operation does not constitute doing insurance business and it is not subject to Ohio's Insurance Law.¹¹¹ Furthermore, the bill does not affect the ability of a state university or college to self-insure under any other authority of law.¹¹²

Joint self-insurance pools not subject to public records requirements

Additionally, the bill exempts joint self-insurance pools from certain public records requirements under Ohio law. Continuing law requires nonprofit organizations entering into contracts with the federal or state government, or a unit of state government, to keep accurate and complete financial records of any moneys spent in relation to the contract. Those records are public records for purposes of Ohio's Public Records Law. The bill exempts from this requirement the records of joint self-insurance pools.¹¹³

¹⁰⁹ R.C. 3345.202(B)(4) and 3345.203(B).

¹¹⁰ R.C. 3345.203(B).

¹¹¹ R.C. 3345.203(G)(2).

¹¹² R.C. 3345.203(I).

¹¹³ R.C. 149.431 and 3345.203(C)(1).



Powers and duties of a joint self-insurance pool

The bill establishes certain powers and duties pertaining to a joint self-insurance pool, as described below.

Property or casualty insurance

In addition to providing self-insurance against personal liability, the bill permits a joint self-insurance pool to also include certain forms of property or casualty self-insurance to cover any other risks of pool members. The authorized forms of property or casualty self-insurance are:

- Public general liability, professional liability, or employee liability;
- Individual or fleet motor vehicle or automobile liability and protection against other loss associated with motor vehicles;
- Aircraft liability and protection against other loss associated with the use of aircraft;
- Loss or damage to property by fire, lightning, hail, tempest, flood, earthquake, or snow, explosion, accident, or other risk;
- Marine, inland transportation and navigation, boiler containers, pipes, engines, flywheels, elevators, and machinery;
- Environmental impairment;
- Loss or damage by any other risk to which state universities or colleges are subject, not prohibited by law from being the subject of casualty or property insurance.¹¹⁴

Joint risk-management program

Two or more state universities or colleges may establish a joint risk-management program, including the employment of risk managers and consultants, to reduce the risks covered by insurance, self-insurance, or joint self-insurance programs.¹¹⁵ The joint risk-management program cannot include fidelity, surety, or guaranty coverage, however.¹¹⁶

¹¹⁴ R.C. 3345.203(G)(1).

¹¹⁵ R.C. 3345.203(D).

¹¹⁶ R.C. 3345.203(D).



Pool may issue obligations and notes

The bill permits a state university or college to issue obligation bonds and notes by resolution of its board of trustees or other governing body. The bonds and notes are subject to the applicable provisions of continuing law and must provide funds to do both of the following:

- Pay claims expenses, whether by reserve or otherwise;
- Pay the state university's or college's portion of the cost of establishing and maintaining a joint self-insurance pool or to provide for funds held in reserve under the pool.

The continuing law requirements pertaining to private sector bond financings apply to such bonds or notes.¹¹⁷

Allocation of pool costs among members

Finally, a joint self-insurance pool can allocate the costs of funding the pool among its members on the basis of the member's relative exposure and loss experience. It can also require any deductible under the program to be paid from funds or accounts in the treasury of the state university or college from which a loss was directly attributable.¹¹⁸

Pool administrator

The bill permits a board of trustees establishing a joint self-insurance pool to award a contract, without competitive bidding, to a pool administrator to administer the pool. The pool administrator can be any person or political subdivision, or a limited liability company, nonprofit corporation, or regional council of governments organized or created under Ohio law.

The bill prohibits the board from entering into a contract with a pool administrator without prior public disclosure of all contract terms and conditions. The disclosure must include a statement listing all representations made in connection with any possible savings and losses resulting from the contract, and potential liability of any state university or college or employee. In addition, the proposed contract and disclosure statement must be presented at a meeting of the board of trustees prior to the meeting when the board authorizes the contract.¹¹⁹

¹¹⁷ R.C. 3345.203(F) and R.C. 9.98 to 9.983 and 3345.12, not in the bill.

¹¹⁸ R.C. 3345.203(C)(4).

¹¹⁹ R.C. 3345.203(C)(2).



Report on reserved and disbursed funds

The bill imposes on a pool administrator certain reporting requirements pertaining to funds held in a joint self-insurance pool. Pool funds must be reserved as necessary, in the exercise of sound and prudent actuarial judgment, to cover potential liabilities, loss, and damages. The bill requires a report on the aggregate amounts reserved and disbursed from pool funds to be prepared within 90 days after the close of the pool's fiscal year. The report must be maintained in the pool administrator's office.

The report must include the aggregate disbursements made for the administration of the pool, including claims paid, costs of the legal representation of the state universities or colleges and employees, and fees paid to consultants. The report must also be accompanied by a written report from a member of the American Academy of Actuaries certifying whether the amounts reserved:

- (1) Conform to the bill's reporting requirements;
- (2) Are computed in accordance with accepted loss reserving standards; and
- (3) Are fairly stated in accordance with sound loss-reserving principles (see below).

The bill requires the pool administrator to make the report available for public inspection during regular business hours. At the request of any person, the pool administrator must make copies of the report within reasonable time and at cost. The pool administrator also must submit a copy of the report to the State Auditor.

The report is in lieu of the records requirements under Ohio's Public Records Law.¹²⁰

Additionally, in order to comply with these reporting requirements, the bill requires a self-insurance pool to contract with a member of the American Academy of Actuaries to prepare the written evaluation of the pool's reserve funds.¹²¹

Liability of a university under a joint self-insurance pool

A state university or college is not liable under a joint self-insurance pool for any amount in excess of the amounts payable under its written participation agreement. However, a state university or college may assume the risks of any other state university or college, including the indemnification of its employees.

¹²⁰ R.C. 3345.203(C)(1).

¹²¹ R.C. 3345.203(C)(3).



A joint self-insurance pool is a separate legal entity for the public purpose of enabling pool members to obtain insurance or to provide for a formalized, jointly administered self-insurance fund. An entity created pursuant to the bill is exempt from all state and local taxes.¹²²

Civil action against a state officer or employee

The Court of Claims Law generally waives the state's sovereign immunity and permits the state to be sued, subject to certain limitations, in the Court of Claims.¹²³ The bill establishes civil immunities and defenses with respect to individuals involved in administering a joint self-insurance pool. While in the course of administering a joint self-insurance pool, for purposes of the Court of Claims Law, the pool administrator and any of its employees are:

- An instrumentality of the state;
- Performing a public duty; and
- Able to use the available defenses to, and immunities from, civil liability.¹²⁴

In a civil action against a state officer or employee, the bill requires both of the following to be determined in the Court of Claims according to the Court of Claims Law:

- Any claims or litigation relating to the administration of a joint self-insurance pool, including any immunities or defenses;
- Any claims relating to the scope of or denial of coverage under that pool or its administration.¹²⁵

Participation in a joint self-insurance pool does not constitute a waiver of any immunity or defense available to the member state university or college or to any covered entity.¹²⁶

¹²² R.C. 3345.203(E).

¹²³ R.C. 2743.02, not in the bill.

¹²⁴ R.C. 3345.203(K)(2).

¹²⁵ R.C. 3345.203(K)(1).

¹²⁶ R.C. 3345.203(J).



Public Employee Ethics Laws

Likewise, the bill regulates the application of Ohio's Public Employee Ethics Law with respect to employees of state universities or colleges who are involved in administering a joint self-insurance pool. Under the bill, a public official or employee of a state university or college who is or becomes a member of the governing body of a self-insurance pool does not violate any of the following provisions of current law because of the institution participating in the pool:

- The prohibition against a public official or employee soliciting, or using his or her authority or influence to secure, anything of value that would constitute a substantial and improper influence.
- The prohibition against an elected or appointed official accepting outside compensation for any service the official rendered personally in any matter before the employing agency.
- The prohibition against a public official knowingly having an unlawful interest in a public contract.¹²⁷

Political subdivision joint self-insurance pools

Current law authorizes any political subdivision to join together with any combination of other subdivisions to jointly administer (1) a self-insured health insurance program or (2) a self-insured liability insurance program. A political subdivision is:

- A municipal corporation;
- A township;
- A county;
- A school district; and
- Any other body responsible for governmental activities in a geographic area smaller than the state.

Under the bill and continuing law, these joint self-insurance programs must comply with certain reporting and records requirements. The pool administrator for a political subdivision joint self-insurance health or liability program must prepare a

¹²⁷ R.C. 3345.203(H) and R.C. 102.03(D) and (E), 102.04(C), and 2921.42, not in the bill.



report on the aggregate amounts reserved and disbursed from program funds, within 90 days after the close of the program's fiscal year.

The bill modifies these reporting requirements in the following ways:

- With respect to joint self-insurance health programs, removing the requirement that the accompanying financial statement be certified by an auditor;
- With respect to joint self-insurance liability programs, requiring the report to also be submitted to the State Auditor.¹²⁸

HISTORY

ACTION	DATE
Introduced	02-02-15
Reported, S. Education	03-25-15
Passed Senate (24-9)	03-25-15
Reported, H. Education	---

S0003-RH-131.docx/ks

¹²⁸ R.C. 9.833(C)(1) and 2744.081(A)(1).

