

# AN ACT

To amend sections 3301.075, 3310.08, 3313.843, 3314.014, 3319.01, and 3319.17 and to enact sections 3301.0713, 3312.01 to 3312.13, and 3313.845 of the Revised Code to establish the Educational Regional Service System and the EMIS Advisory Board, to revise the financing of Educational Choice Scholarships for kindergartners, to permit the governing authority of a start-up community school that meets certain conditions to establish another community school above the cap on the number of community schools, to permit school districts to establish residency requirements for superintendents, and to make an appropriation.

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

SECTION 1. That sections 3301.075, 3310.08, 3313.843, 3314.014, 3319.01, and 3319.17 be amended and sections 3301.0713, 3312.01, 3312.02, 3312.03, 3312.04, 3312.05, 3312.06, 3312.07, 3312.08, 3312.09, 3312.10, 3312.11, 3312.12, 3312.13, and 3313.845 of the Revised Code be enacted to read as follows:

Sec. 3301.075. The state board of education shall adopt rules governing the purchasing and leasing of data processing services and equipment for all local, exempted village, city, and joint vocational school districts and all educational service centers. Such rules shall include provisions for the establishment of an Ohio education computer network under procedures, guidelines, and specifications of the department of education.

The department shall administer funds appropriated for the Ohio education computer network to ensure its efficient and economical operation and shall approve no more than twenty-seven data acquisition sites to operate concurrently. Such sites shall be approved for funding in accordance with rules of the state board adopted under this section that shall provide for the superintendent of public instruction to require the membership of each

data acquisition site to be composed of combinations of school districts and educational service centers having sufficient students to support an efficient, economical comprehensive program of computer services to member districts and educational service centers. However, no such rule shall prohibit a school district or educational service center from receiving computer services from any data acquisition site established under this section or from any other public or private vendor. Each data acquisition site shall be organized in accordance with section 3313.92 or Chapter 167. of the Revised Code.

The department of education may contract with an independent for profit or nonprofit entity to provide current and historical information on Ohio government through the Ohio education computer network to school district libraries operating in accordance with section 3375.14 of the Revised Code in order to assist school teachers in social studies course instruction and support student research projects. Any such contract shall be awarded in accordance with Chapter 125. of the Revised Code.

Sec. 3301.0713. (A) The education management information system advisory board is hereby established. The board shall make recommendations to the department of education for improving the operation of the education management information system established under section 3301.0714 of the Revised Code. Topics that may be addressed by the recommendations include the definitions used for the data maintained in the system, reporting deadlines, rules and guidelines for the operation of the system adopted by the state board of education pursuant to section 3301.0714 of the Revised Code, and any other issues raised by education personnel who work with the system.

(B) The board shall consist of the following members:

(1) Two members of the state board, appointed by the state board;

(2) One person appointed by the Ohio educational service center association;

(3) One person appointed by the buckeye association of school administrators;

(4) One person appointed by the Ohio association of school business officials;

(5) One person appointed by the Ohio association of EMIS professionals;

(6) One representative of four-year institutions of higher education, appointed by the Ohio board of regents;

(7) One representative of two-year institutions of higher education, appointed by the Ohio association of community colleges;

(8) Two representatives of the department, appointed by the superintendent of public instruction;

(9) Two persons appointed by the management council of the Ohio education computer network;

(10) One classroom teacher appointed jointly by the Ohio education association and the Ohio federation of teachers.

The chairpersons and ranking minority members of the education committees of the senate and house of representatives, or their designees, shall be ex officio, nonvoting members of the board.

(C) Members of the board initially appointed under division (B) of this section shall serve until January 1, 2008. Thereafter, terms of office shall be for two years, each term ending on the same day of the same month as did the term that it succeeds. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. Members may be reappointed.

(D) Vacancies shall be filled in the same manner as the original appointment. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. Members shall receive no compensation for their services.

(E) The chairpersons of the education committees of the senate and house of representatives, or their designees, shall alternate annually as chairperson of the board. The board shall meet once every two months and at other times upon the call of the chairperson.

(F) If at any time the education management information system is replaced with a new system for collecting financial and student performance data for school districts and buildings, the board established by this section shall continue to function in the manner prescribed by this section in relation to the new data collection system after the new system is operational.

Sec. 3310.08. (A) The amount paid for an eligible student under the educational choice scholarship pilot program shall be the lesser of the tuition of the chartered nonpublic school in which the student is enrolled or the maximum amount prescribed in section 3310.09 of the Revised Code.

(B)(1) The department shall pay to the parent of each eligible student for whom a scholarship is awarded under the program, or to the student if at least eighteen years of age, periodic partial payments of the scholarship.

(2) The department shall proportionately reduce or terminate the payments for any student who withdraws from a chartered nonpublic school prior to the end of the school year.

(C)(1) The department shall deduct from the payments made to each

school district under Chapter 3317. and, if necessary, sections 321.24 and 323.156 of the Revised Code ~~the amount of five thousand two hundred dollars~~ one of the following amounts, as applicable, for each eligible student awarded a scholarship under the educational choice scholarship pilot program who is entitled under section 3313.64 or 3313.65 of the Revised Code to attend school in the district.~~The:~~

(a) For each scholarship student enrolled in kindergarten, two thousand seven hundred dollars;

(b) For each scholarship student enrolled in grades one to twelve, five thousand two hundred dollars.

The amount deducted under this division (C)(1) of this section funds scholarships for students under both the educational choice scholarship pilot program and the pilot project scholarship program under sections 3313.974 to 3313.979 of the Revised Code.

(2) If the department reduces or terminates payments to a parent or a student, as prescribed in division (B)(2) of this section, and the student enrolls in the schools of the student's resident district or in a community school, established under Chapter 3314. of the Revised Code, before the end of the school year, the department shall proportionally restore to the resident district the amount deducted for that student under division (C)(1) of this section.

(D) In the case of any school district from which a deduction is made under division (C) of this section, the department shall disclose on the district's SF-3 form, or any successor to that form used to calculate a district's state funding for operating expenses, a comparison of the following:

(1) The district's state base-cost payment, as calculated under division (A)(1) of section 3317.022 of the Revised Code prior to making the adjustments under divisions (A)(2) and (3) of that section, with the scholarship students included in the district's formula ADM;

(2) What the district's state base-cost payment would have been, as calculated under division (A)(1) of that section prior to making the adjustments under divisions (A)(2) and (3) of that section, if the scholarship students were not included in the district's formula ADM.

This comparison shall display both the aggregate difference between the amounts described in divisions (D)(1) and (2) of this section, and the quotient of that aggregate difference divided by the number of eligible students for whom deductions are made under division (C) of this section.

Sec. 3312.01. (A) The educational regional service system is hereby established. The system shall support state and regional education initiatives

and efforts to improve school effectiveness and student achievement. Services, including special education and related services, shall be provided under the system to school districts, community schools established under Chapter 3314. of the Revised Code, and chartered nonpublic schools.

It is the intent of the general assembly that the educational regional service system reduce the unnecessary duplication of programs and services and provide for a more streamlined and efficient delivery of educational services without reducing the availability of the services needed by school districts and schools.

(B) The educational regional service system shall consist of the following:

(1) The state regional alliance advisory board established under section 3312.11 of the Revised Code;

(2) The advisory councils and subcommittees established under sections 3312.03 and 3312.05 of the Revised Code;

(3) A fiscal agent for each of the regions as configured under section 3312.02 of the Revised Code;

(4) Educational service centers, data acquisition sites established under section 3301.075 of the Revised Code, and other regional education service providers.

(C) Educational service centers shall provide the services that they are specifically required to provide by the Revised Code and may enter into agreements pursuant to section 3313.843, 3313.844, or 3313.845 of the Revised Code for the provision of other services, which may include any of the following:

(1) Assistance in improving student performance;

(2) Services to enable a school district or school to operate more efficiently or economically;

(3) Professional development for teachers or administrators;

(4) Assistance in the recruitment and retention of teachers and administrators;

(5) Any other educational, administrative, or operational services.

In addition to implementing state and regional education initiatives and school improvement efforts under the educational regional service system, educational service centers shall implement state or federally funded initiatives assigned to the service centers by the general assembly or the department of education.

Any educational service center selected to be a fiscal agent for its region pursuant to section 3312.07 of the Revised Code shall continue to operate as an educational service center for the part of the region that comprises its

territory.

(D) Data acquisition sites may enter into agreements for the provision of services pursuant to section 3312.10 of the Revised Code.

(E) No school district, community school, or chartered nonpublic school shall be required to purchase services from an educational service center or data acquisition site in the region in which the district or school is located, except that a local school district shall receive any services required by the Revised Code to be provided by an educational service center to the local school districts in its territory from the educational service center in whose territory the district is located.

Sec. 3312.02. (A) There shall be the following sixteen regions in the educational regional service system:

(1) Region one shall consist of the territory contained in Defiance, Fulton, Hancock, Henry, Lucas, Ottawa, Paulding, Putnam, Sandusky, Seneca, Van Wert, Williams, and Wood counties.

(2) Region two shall consist of the territory contained in Erie, Huron, and Lorain counties.

(3) Region three shall consist of the territory contained in Cuyahoga county.

(4) Region four shall consist of the territory contained in Geauga and Lake counties.

(5) Region five shall consist of the territory contained in Ashtabula, Mahoning, and Trumbull counties.

(6) Region six shall consist of the territory contained in Allen, Auglaize, Champaign, Hardin, Logan, Mercer, and Shelby counties.

(7) Region seven shall consist of the territory contained in Ashland, Crawford, Knox, Marion, Morrow, Richland, and Wyandot counties.

(8) Region eight shall consist of the territory contained in Medina, Portage, and Summit counties.

(9) Region nine shall consist of the territory contained in Columbiana, Stark, and Wayne counties.

(10) Region ten shall consist of the territory contained in Clark, Darke, Greene, Miami, Montgomery, and Preble counties.

(11) Region eleven shall consist of the territory contained in Delaware, Fairfield, Franklin, Licking, Madison, Pickaway, and Union counties.

(12) Region twelve shall consist of the territory contained in Belmont, Carroll, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Noble, and Tuscarawas counties.

(13) Region thirteen shall consist of the territory contained in Butler, Clermont, Hamilton, and Warren counties.

(14) Region fourteen shall consist of the territory contained in Adams, Brown, Clinton, Fayette, and Highland counties.

(15) Region fifteen shall consist of the territory contained in Lawrence, Pike, Ross, and Scioto counties.

(16) Region sixteen shall consist of the territory contained in Athens, Gallia, Hocking, Jackson, Meigs, Monroe, Morgan, Perry, Vinton, and Washington counties.

(B) If an educational service center has territory in more than one region as designated under this section, the service center and each local school district located in the service center's territory shall be considered to be part of the region in which the majority of the service center's territory is located and shall not be considered to be part of any other region. If a city or exempted village school district has territory in more than one region as designated under this section, the district shall be considered to be part of the region in which the majority of the district's territory is located and shall not be considered to be part of any other region.

(C) Not later than July 1, 2007, the state board of education shall adopt rules establishing a process whereby a school district may elect to transfer to a region other than the region to which the district is assigned by this section. The state board shall consult with school districts and regional service providers in developing the process. No school district shall be permitted to transfer to a different region under this division after June 30, 2009.

Sec. 3312.03. (A) Each region of the educational regional service system shall have an advisory council. Except as provided in division (F) of this section, each advisory council shall consist of the following members and the members appointed under division (B) of this section:

(1) The superintendent of each educational service center that has territory in the region;

(2) The director of the special education regional resource center in the region;

(3) The superintendent of the school district in the region with the smallest student population;

(4) The superintendent of the school district in the region with the largest student population;

(5) The director of each data acquisition site located in the region;

(6) One representative of a four-year institution of higher education located in the region, or in an adjacent region if there is no such institution, appointed by the Ohio board of regents;

(7) One representative of a two-year institution of higher education

located in the region, or in an adjacent region if there is no such institution, appointed by the Ohio association of community colleges:

(8) The treasurer of the fiscal agent for the region.

(B) The members of the advisory council listed in division (A) of this section, upon a majority vote, shall appoint the following members to serve on the council:

(1) One member of the board of education of a city school district in the region:

(2) One member of the board of education of an exempted village school district in the region:

(3) One member of the board of education of a local school district in the region:

(4) One member of the governing board of an educational service center in the region:

(5) One superintendent of a city, exempted village, or local school district in the region:

(6) One superintendent of a joint vocational school district in the region:

(7) One representative of business:

(8) One employee of each education technology center that provides services in the region:

(9) One classroom teacher.

(C) Each advisory council annually shall elect a chairperson and vice-chairperson from among its members.

(D) For two years after its initial meeting, each advisory council shall hold regular meetings at least four times each year to conduct council business and may hold other meetings at the call of the chairperson. Subsequently, all meetings shall be called by the chairperson.

(E) Advisory council members shall receive no compensation for their services.

(F) Any advisory council may increase its membership beyond the members required by divisions (A) and (B) of this section by adopting a resolution specifying the number of additional members, their manner of appointment, and any eligibility criteria for appointment.

Sec. 3312.04. The advisory council of each region of the educational regional service system shall do all of the following:

(A) Identify regional needs and priorities for educational services:

(B) Develop policies to coordinate the delivery of services to school districts, community schools, and chartered nonpublic schools in a manner that responds to regional needs and priorities. Such policies shall not supersede any requirement of a performance contract entered into by the

fiscal agent of the region under section 3312.08 of the Revised Code.

(C) Make recommendations to the fiscal agent for the region regarding the expenditure of funds available to the region for implementation of state and regional education initiatives and school improvement efforts;

(D) Monitor implementation of state and regional education initiatives and school improvement efforts by educational service centers, data acquisition sites, and other regional service providers to ensure that the terms of the performance contracts entered into by the fiscal agent for the region under section 3312.08 of the Revised Code are being met;

(E) Establish an accountability system to evaluate the advisory council on its performance of the duties described in divisions (A) to (D) of this section.

Sec. 3312.05. (A) The advisory council of each region of the educational regional service system shall establish the following specialized subcommittees of the council:

(1) A school improvement subcommittee, which shall include one classroom teacher appointed jointly by the Ohio education association and the Ohio federation of teachers and representatives of community schools and education personnel with expertise in the area of school improvement;

(2) An education technology subcommittee, which shall include classroom teachers or curriculum coordinators, parents, elementary and secondary school principals, representatives of chartered nonpublic schools, representatives of data acquisition sites, representatives of business, and representatives of two-year and four-year institutions of higher education;

(3) A professional development subcommittee, which shall include classroom teachers, principals, school district superintendents, curriculum coordinators, representatives of chartered nonpublic schools, and representatives of two-year and four-year institutions of higher education;

(4) A special education subcommittee, which shall consist of one classroom teacher appointed jointly by the Ohio education association and the Ohio federation of teachers and the members of the governing board of the special education regional resource center in the region;

(5) A data acquisition site subcommittee, which shall consist of one classroom teacher appointed jointly by the Ohio education association and the Ohio federation of teachers and the members of the governing authority of each data acquisition site located in the region.

(B) The advisory council shall appoint persons who reside or practice their occupations in the region to serve on the subcommittees established under divisions (A)(1) to (3) of this section. If the advisory council is unable to appoint such a person to a subcommittee, the council shall appoint a

similarly situated person from an adjacent region.

(C) An advisory council may establish additional subcommittees as needed to address topics of interest to the council. Members of any additional subcommittee shall be appointed by the advisory council and shall include a diverse range of classroom teachers and other education personnel with expertise in the topic addressed by the subcommittee and representatives of individuals or groups with an interest in the topic.

(D) Any member of an advisory council may participate in the deliberations of any subcommittee established by the council.

Sec. 3312.06. Each advisory council subcommittee established under section 3312.05 of the Revised Code shall make recommendations to the advisory council regarding the implementation of state and regional education initiatives and school improvement efforts in the subcommittee's area of specialization. The recommendations may include strategies to tailor state education initiatives to regional needs and priorities or to maximize funds available to the region for the provision of services in the subcommittee's area of specialization.

Sec. 3312.07. (A) Not later than January 31, 2007, the department of education shall select a school district or educational service center in each region of the educational regional service system to be the fiscal agent for the region. For this purpose, the department shall issue a request for proposals from districts and service centers interested in being a fiscal agent. The department shall select each fiscal agent based upon the following criteria:

(1) Capability to serve as a fiscal agent as demonstrated by a satisfactory audit record and prior experience serving as a fiscal agent;

(2) Adequate capacity in terms of facilities, personnel, and other relevant resources;

(3) Evidence that the school district's or educational service center's role as a fiscal agent would result in minimal disruption to its responsibilities as a district or service center;

(4) Demonstrated intent to limit the aggregate fees for administering a performance contract entered into under section 3312.08 of the Revised Code to not more than seven per cent of the value of the contract.

(B) If no school district or educational service center in a region responds to the request for proposals issued by the department, the department shall select a district or service center in the region that meets the criteria in division (A) of this section to be the fiscal agent for the region.

Sec. 3312.08. Each fiscal agent selected by the department of education

pursuant to section 3312.07 of the Revised Code shall do all of the following:

(A) Enter into performance contracts with the department in accordance with section 3312.09 of the Revised Code for the implementation of state and regional education initiatives and school improvement efforts;

(B) Receive federal and state funds, including federal funds for the provision of special education and related services, as specified in the performance contracts, and disburse those funds as specified in the performance contracts to educational service centers, data acquisition sites, and other regional service providers. However, any funds owed to an educational service center under section 3317.11 of the Revised Code shall be paid directly to the service center by the department in accordance with that section and any operating funds appropriated for a data acquisition site shall be paid directly to the data acquisition site by the department pursuant to section 3301.075 of the Revised Code.

(C) Implement any expenditure of funds recommended by the advisory council for the region pursuant to section 3312.04 of the Revised Code or required by the terms of any performance contract, unless there are insufficient funds available to the region to pay for the expenditure or the expenditure violates a provision of the Revised Code, a rule of the state board of education regarding such expenditure, or the terms of a performance contract;

(D) Exercise fiscal oversight of the implementation of state and regional education initiatives and school improvement efforts.

Sec. 3312.09. (A) Each performance contract entered into by the department of education and the fiscal agent of a region for implementation of a state or regional education initiative or school improvement effort shall include the following:

(1) A definition of the services to be provided to school districts, community schools, and chartered nonpublic schools in the region;

(2) Expected outcomes from the provision of the services defined in the contract;

(3) The method the department will use to evaluate whether the expected outcomes have been achieved;

(4) A requirement that the fiscal agent develop and implement a corrective action plan if the results of the evaluation are unsatisfactory;

(5) Data reporting requirements;

(6) The aggregate fees to be charged by the fiscal agent and any entity with which it subcontracts to cover personnel and program costs associated with administering the contract, which fees shall be subject to controlling

board approval if in excess of four per cent of the value of the contract:

(7) A requirement that a member of the advisory council in the region be a member of the state regional alliance advisory board established under section 3312.11 of the Revised Code.

(B) Upon completion of each evaluation described in a performance contract, the department shall post the results of that evaluation on its web site.

Sec. 3312.10. The board of education of a city, exempted village, or local school district or the governing authority of a community school may enter into an agreement, through the adoption of identical resolutions, with the governing authority of a data acquisition site, under which the data acquisition site will provide services to the school district or community school. Services provided under the agreement and the amount to be paid for such services shall be mutually agreed to by the parties to the agreement, and shall be specified in the agreement. Payment for services specified in the agreement shall be the sole responsibility of the board of education or community school governing authority and shall be made directly to the data acquisition site providing the services.

Sec. 3312.11. (A) The state regional alliance advisory board is hereby created. The board shall consist of the following members:

(1) One member of the advisory council of each region of the educational regional service system, appointed by the council;

(2) One member of the state board of education, appointed by the state board;

(3) One representative of four-year institutions of higher education, appointed by the Ohio board of regents;

(4) One representative of two-year institutions of higher education, appointed by the Ohio association of community colleges;

(5) One representative of the department of education, appointed by the superintendent of public instruction;

(6) One representative of the governor, appointed by the governor;

(7) One classroom teacher, appointed jointly by the Ohio education association and the Ohio federation of teachers;

(8) One parent, appointed by the Ohio parent teacher association;

(9) One representative of business, appointed by the Ohio chamber of commerce;

(10) One representative of the buckeye association of school administrators, appointed by the association;

(11) One representative of the Ohio educational service center association, appointed by the association;

(12) One representative of the Ohio school boards association, appointed by the association;

(13) One school administrator, appointed jointly by the Ohio association of elementary school administrators and the Ohio association of secondary school administrators;

(14) One representative of the Ohio association of school business officials, appointed by the association.

The superintendent of public instruction and the chairpersons and ranking minority members of the education committees of the senate and house of representatives, or their designees, shall be ex officio, nonvoting members of the board.

(B) All appointed members of the board shall serve at the pleasure of their appointing authorities.

(C) Members shall receive no compensation for their services.

(D) The superintendent of public instruction, or the superintendent's designee, shall be the chairperson of the board. For two years after its initial meeting, the board shall hold regular meetings at least monthly to conduct board business and may hold other meetings at the call of the chairperson. Subsequently, meetings shall be held at the call of the chairperson or at the request of at least one-third of the board's members.

Sec. 3312.12. The state regional alliance advisory board shall do all of the following:

(A) Identify issues concerning the operation of the educational regional service system that may require action by the state board of education or the department of education;

(B) Promote communication and coordination among the state board, the department, fiscal agents, advisory councils, and users of the educational regional service system regarding issues affecting the operation of the system and statewide education initiatives;

(C) Make recommendations regarding quality standards for the delivery of services to school districts and schools through the educational regional service system. Copies of the recommendations shall be provided to the department and the advisory councils.

(D) Establish an accountability system to evaluate the board on its performance of the duties described in divisions (A) to (C) of this section.

Sec. 3312.13. The department of education shall consider the unique needs and circumstances of each region of the educational regional service system when allocating funds for the implementation of statewide education initiatives by regional service providers.

Sec. 3313.843. (A) Notwithstanding division (D) of section 3311.52 of

the Revised Code, this section does not apply to either of the following:

(1) Any cooperative education school district;

(2) Any city or exempted village school district with a total student count of thirteen thousand or more determined pursuant to section 3317.03 of the Revised Code that has not entered into one or more agreements pursuant to this section prior to July 1, 1993, unless the district's total student count did not exceed thirteen thousand at the time it entered into an initial agreement under this section.

(B) The board of education of a city or exempted village school district and the governing board of an educational service center ~~with territory in a county in which the city or exempted village school district also has territory~~ may enter into an agreement, through adoption of identical resolutions, under which the educational service center governing board will provide services to the city or exempted village school district.

Services provided under the agreement shall be specified in the agreement, and may include any one or a combination of the following: supervisory teachers; in-service and continuing education programs for city or exempted village school district personnel; curriculum services as provided to the local school districts under the supervision of the service center governing board; research and development programs; academic instruction for which the governing board employs teachers pursuant to section 3319.02 of the Revised Code; and assistance in the provision of special accommodations and classes for handicapped students. Services included in the agreement shall be provided to the city or exempted village district in the same manner they are provided to local school districts under the governing board's supervision, unless otherwise specified in the agreement. The city or exempted village board of education shall reimburse the educational service center governing board pursuant to section 3317.11 of the Revised Code.

~~(C)~~ If an educational service center received funding under division (B) of former section 3317.11 or division (F) of section 3317.11 of the Revised Code for an agreement under this section involving a city school district whose total student count was less than thirteen thousand, the service center may continue to receive funding under that division for such an agreement in any subsequent year if the city district's total student count exceeds thirteen thousand. However, only the first thirteen thousand pupils in the formula ADM of such district shall be included in determining the amount of the per pupil subsidy the service center shall receive under division (F) of section 3317.11 of the Revised Code.

~~(2) If, prior to July 1, 1998, an educational service center received~~

~~funding under division (B) of former section 3317.11 of the Revised Code for a period of at least three years, for a good faith agreement under this section involving a city school district with no territory in the county in which the educational service center has territory, that educational service center and that city school district may enter into an agreement under this section, and the service center shall receive funding under division (F) of section 3317.11 of the Revised Code for any such agreement, notwithstanding the territorial boundaries of the service center and the city school district.~~

(D) Any agreement entered into pursuant to this section shall be valid only if a copy is filed with the department of education by the first day of the school year for which the agreement is in effect.

Sec. 3313.845. The board of education of a city, exempted village, or local school district and the governing board of an educational service center may enter into an agreement, through adoption of identical resolutions, under which the educational service center will provide services to the school district. Services provided under the agreement and the amount to be paid for such services shall be mutually agreed to by the district board of education and the service center governing board, and shall be specified in the agreement. Payment for services specified in the agreement shall be made pursuant to division (D) of section 3317.11 of the Revised Code and shall not include any deduction under division (B), (C), or (F) of that section. Any agreement entered into pursuant to this section shall be valid only if a copy is filed with the department of education by the first day of the school year for which the agreement is in effect.

The authority granted under this section to the boards of education of city and exempted village school districts is in addition to the authority granted to such boards under section 3313.843 of the Revised Code. No city or exempted village district that is eligible to receive services from an educational service center under section 3313.843 of the Revised Code may receive any of the services described in division (B) of that section pursuant to an agreement entered into with an educational service center under this section.

If a local school district enters into an agreement with an educational service center under this section and the district is not located within the territory of the service center, the agreement shall not require the district to receive any supervisory services described in division (B) of section 3317.11 of the Revised Code from the service center. The supervisory services described in that section shall be provided to the district by the educational service center of the territory in which the district is located.

Sec. 3314.014. As used in this section, "operator" means an organization that manages the daily operations of a community school pursuant to a contract between the operator and the school's governing authority.

(A)(1) Notwithstanding the limit prescribed by division (A)(4) of section 3314.013 of the Revised Code, a start-up school sponsored by an entity described in divisions (C)(1)(b) to (f) of section 3314.02 of the Revised Code may be established after the date that limit is reached, provided the school's governing authority enters into a contract with an operator permitted to manage the school under division (B) of this section.

(2) Notwithstanding the limit prescribed by division (A)(5) of section 3314.013 of the Revised Code, a conversion school that is an internet- or computer-based community school or a start-up school sponsored by the school district in which the school is or is proposed to be located may be established after the date that limit is reached, provided the school's governing authority enters into a contract with an operator permitted to manage the school under division (B) of this section. However, a conversion school that is an internet- or computer-based community school may be established after that date only if the prohibition prescribed by division (A)(6) of section 3314.013 of the Revised Code is no longer in effect.

(B) An operator may enter into contracts with the governing authorities of community schools established after the date the limit prescribed by division (A)(4) or (5) of section 3314.013 of the Revised Code, as applicable, is reached, provided the total number of schools for which the operator enters into such contracts, excluding conversion schools that are not internet- or computer-based community schools, does not exceed the number of community schools managed by the operator on the applicable date that are rated excellent, effective, or in need of continuous improvement pursuant to section 3302.03 of the Revised Code.

(C) Notwithstanding the limit prescribed by division (A)(4) of section 3314.013 of the Revised Code, after the date the limit prescribed in that division is reached, the governing authority of a start-up school sponsored by an entity described in divisions (C)(1)(b) to (f) of section 3314.02 of the Revised Code may establish one additional school serving the same grade levels and providing the same educational program as the current start-up school and may open that additional school in the 2006-2007 school year, if both of the following conditions are met:

(1) The governing authority entered into another contract with the same sponsor or a different sponsor described in divisions (C)(1)(b) to (f) of section 3314.02 of the Revised Code and filed a copy of that contract with the superintendent of public instruction prior to March 15, 2006.

(2) The governing authority's current school satisfies all of the following conditions:

(a) The school currently is rated as excellent or effective pursuant to section 3302.03 of the Revised Code.

(b) The school made adequate yearly progress, as defined in section 3302.01 of the Revised Code, for the previous school year.

(c) The school has been in operation for at least four school years.

(d) The school is not managed by an operator.

Sec. 3319.01. Except in an island school district, where the superintendent of an educational service center otherwise may serve as superintendent of the district and except as otherwise provided for any cooperative education school district pursuant to division (B)(2) of section 3311.52 or division (B)(3) of section 3311.521 of the Revised Code, the board of education in each school district and the governing board of each service center shall, at a regular or special meeting held not later than the first day of May of the calendar year in which the term of the superintendent expires, appoint a person possessed of the qualifications provided in this section to act as superintendent, for a term not longer than five years beginning the first day of August and ending on the thirty-first day of July. Such superintendent is, at the expiration of a current term of employment, deemed reemployed for a term of one year at the same salary plus any increments that may be authorized by the board, unless such board, on or before the first day of March of the year in which the contract of employment expires, either reemploys the superintendent for a succeeding term as provided in this section or gives to the superintendent written notice of its intention not to reemploy the superintendent. A superintendent may not be transferred to any other position during the term of the superintendent's employment or reemployment except by mutual agreement by the superintendent and the board. If a vacancy occurs in the office of superintendent, the board shall appoint a superintendent for a term not to exceed five years from the next preceding first day of August.

A board may at any regular or special meeting held during the period beginning on the first day of January of the calendar year immediately preceding the year the contract of employment of a superintendent expires and ending on the first day of March of the year it expires, reemploy such superintendent for a succeeding term for not longer than five years, beginning on the first day of August immediately following the expiration of the superintendent's current term of employment and ending on the thirty-first day of July of the year in which such succeeding term expires. No person shall be appointed to the office of superintendent of a city, or

exempted village school district or a service center who does not hold a license designated for being a superintendent issued under section 3319.22 of the Revised Code, unless such person had been employed as a county, city, or exempted village superintendent prior to August 1, 1939. No person shall be appointed to the office of local superintendent who does not hold a license designated for being a superintendent issued under section 3319.22 of the Revised Code, unless such person held or was qualified to hold the position of executive head of a local school district on September 16, 1957. At the time of making such appointment or designation of term, such board shall fix the compensation of the superintendent, which may be increased or decreased during such term, provided such decrease is a part of a uniform plan affecting salaries of all employees of the district, and shall execute a written contract of employment with such superintendent.

Each board shall adopt procedures for the evaluation of its superintendent and shall evaluate its superintendent in accordance with those procedures. An evaluation based upon such procedures shall be considered by the board in deciding whether to renew the superintendent's contract. The establishment of an evaluation procedure shall not create an expectancy of continued employment. Nothing in this section shall prevent a board from making the final determination regarding the renewal or failure to renew of a superintendent's contract.

Termination of a superintendent's contract shall be pursuant to section 3319.16 of the Revised Code.

A board may establish vacation leave for its superintendent. Upon the superintendent's separation from employment a board that has such leave may provide compensation at the superintendent's current rate of pay for all lawfully accrued and unused vacation leave to the superintendent's credit at the time of separation, not to exceed the amount accrued within three years before the date of separation. In case of the death of a superintendent, such unused vacation leave as the board would have paid to this superintendent upon separation shall be paid in accordance with section 2113.04 of the Revised Code, or to the superintendent's estate.

Notwithstanding section 9.481 of the Revised Code, the board of a city, local, exempted village, or joint vocational school district may require its superintendent, as a condition of employment, to reside within the boundaries of the district.

The superintendent shall be the executive officer for the board. The superintendent shall direct and assign teachers and other employees of the district or service center, except as provided in section 3319.04 of the Revised Code; assign the pupils to the proper schools and grades, provided

that the assignment of a pupil to a school outside of the pupil's district of residence is approved by the board of the district of residence of such pupil; and perform such other duties as the board determines.

The board of education of any school district may contract with the governing board of the educational service center from which it otherwise receives services to conduct searches and recruitment of candidates for the superintendent position authorized under this section.

Sec. 3319.17. (A) As used in this section, "interdistrict contract" means any contract or agreement entered into by an educational service center governing board and another board or other public entity pursuant to section 3313.17, 3313.841, 3313.842, 3313.843, 3313.844, 3313.845, 3313.91, or 3323.08 of the Revised Code, including any such contract or agreement for the provision of services funded under division (I) of section 3317.024 of the Revised Code or provided in any unit approved under section 3317.05 of the Revised Code.

(B) When, for any of the following reasons that apply to any city, exempted village, local, or joint vocational school district or any educational service center, the board decides that it will be necessary to reduce the number of teachers it employs, it may make a reasonable reduction:

(1) In the case of any district or service center, return to duty of regular teachers after leaves of absence including leaves provided pursuant to division (B) of section 3314.10 of the Revised Code, suspension of schools, territorial changes affecting the district or center, or financial reasons;

(2) In the case of any city, exempted village, local, or joint vocational school district, decreased enrollment of pupils in the district;

(3) In the case of any governing board of a service center providing any particular service directly to pupils pursuant to one or more interdistrict contracts requiring such service, reduction in the total number of pupils the governing board is required to provide with the service under all interdistrict contracts as a result of the termination or nonrenewal of one or more of these interdistrict contracts;

(4) In the case of any governing board providing any particular service that it does not provide directly to pupils pursuant to one or more interdistrict contracts requiring such service, reduction in the total level of the service the governing board is required to provide under all interdistrict contracts as a result of the termination or nonrenewal of one or more of these interdistrict contracts.

(C) In making any such reduction, any city, exempted village, local, or joint vocational school board shall proceed to suspend contracts in accordance with the recommendation of the superintendent of schools who

shall, within each teaching field affected, give preference first to teachers on continuing contracts and then to teachers who have greater seniority. In making any such reduction, any governing board of a service center shall proceed to suspend contracts in accordance with the recommendation of the superintendent who shall, within each teaching field or service area affected, give preference first to teachers on continuing contracts and then to teachers who have greater seniority.

On a case-by-case basis, in lieu of suspending a contract in whole, a board may suspend a contract in part, so that an individual is required to work a percentage of the time the employee otherwise is required to work under the contract and receives a commensurate percentage of the full compensation the employee otherwise would receive under the contract.

The teachers whose continuing contracts are suspended by any board pursuant to this section shall have the right of restoration to continuing service status by that board in the order of seniority of service in the district or service center if and when teaching positions become vacant or are created for which any of such teachers are or become qualified. No teacher whose continuing contract has been suspended pursuant to this section shall lose that right of restoration to continuing service status by reason of having declined recall to a position that is less than full-time or, if the teacher was not employed full-time just prior to suspension of the teacher's continuing contract, to a position requiring a lesser percentage of full-time employment than the position the teacher last held while employed in the district or service center.

(D) Notwithstanding any provision to the contrary in Chapter 4117. of the Revised Code, the requirements of this section prevail over any conflicting provisions of agreements between employee organizations and public employers entered into after September 29, 2005.

SECTION 2. That existing sections 3301.075, 3310.08, 3313.843, 3314.014, 3319.01, and 3319.17 of the Revised Code are hereby repealed.

SECTION 3. Subject to appropriations of the General Assembly, funding for the operation of the Educational Regional Service System established by this act shall begin July 1, 2007.

SECTION 4. (A) The Ohio Board of Regents and the Ohio Association of Community Colleges shall make appointments to the advisory councils

established under section 3312.03 of the Revised Code within thirty days after the effective date of this section. Each advisory council shall make the appointments required by division (B) of that section within forty-five days after the effective date of this section.

(B) Each advisory council and the Ohio Education Association and the Ohio Federation of Teachers shall make the appointments to the advisory council subcommittees required by division (B) of section 3312.05 of the Revised Code within sixty days after the effective date of this section.

(C) Appointments to the State Regional Alliance Advisory Board established by section 3312.11 of the Revised Code shall be made within sixty days after the effective date of this section.

(D) Appointments to the Education Management Information System Advisory Board established by section 3301.0713 of the Revised Code shall be made within thirty days after the effective date of this section.

SECTION 5. It is the intent of the General Assembly that the Department of Education not fill staff positions in the regional offices of the Department's Office of Early Childhood Education as those positions become open through attrition.

SECTION 6. All appropriation items in this section are appropriated out of money in the state treasury to the credit of the designated fund. For all appropriations made in this section, the amounts in the first column are for fiscal year 2006 and the amounts in the second column are for fiscal year 2007.

**EDU DEPARTMENT OF EDUCATION**

**General Revenue Fund**

GRF 200-536 Ohio Core Support	\$	0	\$	13,200,000
TOTAL GRF General Revenue Fund	\$	0	\$	13,200,000
TOTAL ALL BUDGET FUND GROUPS	\$	0	\$	13,200,000

**OHIO CORE SUPPORT**

The foregoing appropriation item 200-536, Ohio Core Support, shall be used to support implementation of the Ohio Core Program, which requires establishment of a rigorous high school curriculum for Ohio's high school students. The Department of Education and the Board of Regents shall jointly plan and work collaboratively to guide implementation of the Ohio Core Program and to administer funding to eligible school districts, individuals, and programs as determined by this section. The Department of

Education and the Board of Regents shall jointly agree to the awarding and expenditure of funds appropriated in this section.

(A) Of the foregoing appropriation item 200-536, Ohio Core Support, up to \$2,600,000 in fiscal year 2007 shall be used to support the participation of teachers licensed in Ohio and mid-career professionals not currently employed by a school district or licensed to teach at the primary or secondary education levels in a twelve-month intensive training program that leads to teacher licensure in a laboratory-based science, advanced mathematics, or foreign language field at the secondary education level and employment with an Ohio school district.

(B) Of the foregoing appropriation item 200-536, Ohio Core Support, up to \$1,500,000 in fiscal year 2007 shall be used to support alternative teacher licensure programs developed by educational service centers, in partnership with institutions of higher education. Participants shall be teachers licensed in Ohio and mid-career professionals not currently employed by a school district or licensed to teach at the primary or secondary education levels. Programs shall be consistent with the State Board of Education's alternative licensure requirements.

(C) Of the foregoing appropriation item 200-536, Ohio Core Support, up to \$3,600,000 in fiscal year 2007 shall be distributed to school districts to be used to obtain contracted instruction with institutions of higher education in mathematics, science, or foreign language for high school students that results in dual high school and college credit. Costs shall be based upon reasonable expenses that institutions of higher education could incur for faculty, supplies, and other associated costs.

(D) Of the foregoing appropriation item 200-536, Ohio Core Support, up to \$2,000,000 in fiscal year 2007 shall be disbursed to the eTech Ohio Commission within sixty days after the effective date of this section. Funding shall be used to implement and support the Ohio Students Choosing On-line Resources for Educational Success Initiative that increases the educational options available for students in mathematics, advanced laboratory-based science, and foreign language. The eTech Ohio Commission shall work collaboratively with the Department of Education and the Board of Regents on this initiative.

(E) Of the foregoing appropriation item 200-536, Ohio Core Support, up to \$3,500,000 in fiscal year 2007 shall be disbursed to the Board of Regents within sixty days after the effective date of this section. The Board of Regents shall use the funds to support up to ten regional summer academies that focus on foreign language, science, mathematics, engineering, and technology and prepare eleventh and twelfth grade students to pursue

college-level foreign language, mathematics, science, technology, and engineering, with a focus on secondary teaching in these disciplines. Successful completion of these academics shall result in dual high school and college credits. Costs shall be based upon reasonable expenses, as determined by the Board of Regents, that institutions of higher education could incur for faculty, supplies, and other associated costs.

SECTION 7. The appropriations made in Section 6 of this act are subject to all provisions of Am. Sub. H.B. 66 of the 126th General Assembly that are generally applicable to such appropriations. Expenditures from appropriations contained in Section 6 of this act shall be accounted for as though made in Am. Sub. H.B. 66 of the 126th General Assembly.

SECTION 8. Sections 6, 7, and 8 of this act are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the sections go into immediate effect when this act becomes law.

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*Speaker \_\_\_\_\_ of the House of Representatives.*

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*President \_\_\_\_\_ of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

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

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*Director, Legislative Service Commission.*

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

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_