

HOUSE BILL 33 – BIENNIAL BUDGET

EDUCATION SUMMARY

AGENCY GOVERNANCE

- Renames the Department of Education (ODE) as the Department of Education and Workforce (DEW).
- Creates the position of the Director of Education and Workforce, who is appointed by the Governor, with the advice and consent of the Senate, and is the head of DEW. Expressly permits the Director to exercise general supervision of DEW employees and appoint, fix the salary, and terminate the employment of such employees.
- Establishes within DEW the Division of Primary and Secondary Education and the Division of Career-Technical Education, each of which is headed by a Deputy Director appointed by the Director with the advice and consent of the Senate.
- Transfers most of the powers and duties of the State Board of Education (SBE) and the Superintendent of Public Instruction to DEW.
- Retains the SBE's and state Superintendent's powers and duties regarding educator licensure, licensee disciplinary actions, school district territory transfers, and certain other areas.
- Permits DEW and SBE to exchange information and documentation upon request so that they may perform their functions under state and federal law, including sharing proprietary or confidential information. Prohibits both from disclosing proprietary or confidential information they receive from each other. Requires both to adopt safeguards to prevent that disclosure.

FUNDING

Snapshot of funding changes

- High-quality funding \$3,000 (was \$1,416) per economically disadvantaged student and \$2,250 (was \$809) per non-disadvantaged student annually.
- All brick-and-mortar charters will receive \$1,000 (was \$500) per pupil for facilities.
- Equity supplement: all brick-and-mortar charters will receive an additional \$650 per pupil.
- All meals are fully funded 100% for FRL students.
- Base cost data updated from 2018 to 2022.
- Drop Out Prevention and Recovery Industry Credential funding for all students are paid at category 1 funding.
- Funding now available for first year of CTE programs operated by DORP schools.
- Career Awareness Funds:
 - \$7.50 PP FY24 (increased \$2.50)
 - \$10.00 PP FY25 (increased \$2.50)

Community and STEM school funding formula

- Extends the operation of the school financing system for Community and STEM schools established by H.B. 110 of the 134th General Assembly to FY 2024 and FY 2025 but makes the following changes:
 - Updates the data used to calculate the base cost in the formula from FY 2018 data to FY 2022 data.

- Requires the use of the FY 2024 statewide average base cost per pupil in FY 2024 and FY 2025.
- Requires the use of the FY 2024 statewide average career-technical base cost per pupil in FY 2024 and FY 2025.
- Makes e-schools eligible for English learner funds.
- Increases the general phase-in percentage and disadvantaged pupil impact aid (DPIA) phase-in percentage from 33.33% in FY 2023 to 50% in FY 2024 and 66.67% in FY 2025.
- Provides a temporary equity supplement of \$650 per pupil for each site-based community school. Excludes this supplement from the formula's phase-in provisions but includes it in the calculation of a school's transitional aid.
- Maintains the formula from FY 2023 used to calculate the formula transition supplement for Community and STEM schools in FY 2024 and FY 2025, which guarantees that a school's per-pupil funding does not fall below base FY 2021 levels, including FY 2021 student wellness and success funds.
- Requires, generally, that the calculations for FY 2026 and each fiscal year thereafter be determined by the General Assembly.

Career-technical funding for certain dropout recovery and prevention programs

- Clarifies that dropout prevention and recovery (DOPR) programs operated by school districts and other public schools, in addition to career-technical education (CTE) programs as under continuing law, must receive approval (either by the lead district of the applicable career-technical planning district or DEW) to qualify for state CTE funds.
- Requires DEW to pay state CTE funds for any first-year DOPR program that submits an application for approval during the additional application period provided for under continuing law in the fiscal year in which the application is submitted.

Codification of DOPR e-school funding program

- Makes permanent the pilot program that provides alternative funding to dropout prevention and recovery (DOPR) e-schools.
- Expands eligibility to participate in the program from only DOPR e-schools that participated in FY 2021 to any DOPR e-school and requires a DOPR e-school that chooses to participate to notify ODE of their participation in the program no later than February 1 of the school year in which the school will participate in a form and manner determined by the Department.
- Modifies the payment calculation to use the statewide average base cost per pupil instead of the formula amount, but also eliminates obsolete language regarding the opportunity grant under prior law and instead uses the statewide average base cost per pupil.
- Makes permissive the requirement that ODE complete a review of the enrollment of each eligible DOPR e-school.
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- Eliminates current law permitting DEW to require participating schools to have a debt reduction plan.
- Earmarks \$4,500,000 in each fiscal year (from GRF ALI 200550, Foundation Funding - All Students), to support this codified payment provisions.

Makes the following earmarks

- An amount calculated by ODE in each fiscal year from formula aid to traditional school districts, JVSDs, and community and STEM schools for a payment to support exceptionally high costs associated with individual special education students.
- Up to \$5,357,606 in each fiscal year for gifted education at ESCs, distributed through the unit-based funding methodology in place prior to FY 2010.
- Up to \$45,650,000 in FY 2024 and \$47,600,000 in FY 2025 for state reimbursement of ESCs.
- Up to \$3,500,000 in each fiscal year for distribution to ESCs for school improvement initiatives and provision of technical assistance to schools and districts. Allows ODE to distribute these funds through competitive grants.
- Up to \$7,000,000 in each fiscal year for power plant valuation adjustment payments (see EDUCD42). Allows the Superintendent to reallocate excess funds for other purposes in ALI 200550 if this earmark is insufficient.
- Up to \$4,000,000 in each fiscal year to administer state scholarship programs.
- Up to \$1,000,000 in each fiscal year for the Cleveland Municipal School District to provide tutorial assistance. Requires CMSD to report the use of these funds in the district's three-year continuous improvement plan.
- Up to \$3,000,000 in each fiscal year for payment of the College Credit Plus Program for students instructed at home.
- An amount in each fiscal year for payment of formula aid to JVSDs (see EDUCD39).
- Up to \$700,000 in each fiscal year for ODE to pay for educational services for youth assigned by a juvenile court or other authorized agency to any facility in the Private Treatment Facility Project.
- A portion to pay college preparatory boarding schools a per-pupil boarding amount.
- Up to \$1,760,000 in each fiscal year for academic distress commissions, including for technical assistance to districts subject to academic distress commissions.
- Up to \$1,500,000 in each fiscal year for the Ohio STEM Learning Network to support the expansion of free STEM programming, to create regional STEM supports targeting underserved student populations, and to support the Ohio STEM Committee's STEM school designation process.
- Up to \$2,500,000 in each fiscal year for supplemental payments under the uncodified E-School Funding Pilot Program (see EDUCD43). Allows ODE to prorate payments if the earmark is insufficient. (14) Same as the Executive, but (a) increases the earmark to \$4,500,000 in each fiscal year, (b) requires it to support the payments calculated under a codified alternative funding program for dropout prevention and recovery (DOPR) e-schools, instead of the uncodified pilot program (see EDUCD43 and EDUCD102), and (c) refers to DEW (see EDUCD137).
- Establishes that the primary purpose of GRF ALIs 200502, Pupil Transportation, and 200550 Foundation Funding - All Students, other than specific set-asides, is to pay state formula aid obligations to public schools and state scholarship programs. Requires the Superintendent of Public Instruction to seek approval from the OBM Director to transfer GRF appropriations within ODE's budget, including ALI 200903, Property Tax Reimbursement - Education, if necessary to meet state formula aid obligations.

Literacy Improvement

- Up to \$43,000,000 in each fiscal year for ODE to reimburse school districts, community schools and STEM schools for stipends paid to teachers to complete a professional development course in reading.
 - Requires that ODE provide the course and collaborate with ODHE and higher education institutions in aligning the course with the science of reading and evidence-based strategies for effective literacy instruction.
 - Requires that all teachers and administrators complete the course by July 30, 2025, unless they have already completed a similar course.

- Requires schools to pay a stipend and teachers and administrators to take the courses as follows: (1) \$1,200 to teachers of grades K-5, English language arts teachers of grades 6-12, intervention specialists, English learner teachers, reading specialists, and instructional coaches and requires these to be the first to take the course; (2) \$400 to teachers of subjects other than English language arts in grades 6-12, and requires these to be the second to take the course, and (3) requires that administrators be the third to take the course.
 - Permits schools to apply to ODE for reimbursement of the cost of the stipends. Prohibits ODE from reimbursing a stipend paid to an administrator.
 - Requires ODE to work with ODHE, higher education institutions, and local professional development committees to help persons who complete the course earn college credit and apply the course to their licensure renewal requirements. Same as the Executive, but refers to DEW (see EDUCD137) and requires a local professional development committee to (1) count the course toward professional development requirements for teacher licensure renewal and (2) permit a teacher to roll over any hours earned from the course that are over the minimum amount of hours required for professional development for licensure renewal to the next renewal period for the teacher's license.
- Up to \$64,000,000 in FY 2024 for ODE to subsidize the cost for school districts, community schools, and STEM schools to purchase high-quality core curriculum and instructional materials in English language arts and evidence-based reading intervention programs (see EDUCD24).
 - requires ODE to collect information on the elementary school core curriculum and instructional materials in English language arts and the reading intervention programs used by public schools. Requires schools to provide the information.
- Up to \$6,000,000 in FY 2024 and \$12,000,000 in FY 2025 for coaches to provide literacy supports to public schools with the lowest rates of proficiency in literacy based on their performance on the English language arts assessments. Requires the coaches be trained and implement Ohio's Coaching Model.
- Requires the remainder of the ALI be distributed to ESCs to establish and support regional literacy professional development teams to support early literacy activities to align state, local, and federal efforts in order to bolster all students' reading success. Permits a portion of this amount be used for ODE's administration of the program.
- Earmarks up to \$6,900,000 in each fiscal year from GRF ALI 200572, Adult Education Programs, to make payments under the 22+ Adult High School Program to participating school districts, community schools, community and technical colleges and university branches for students ages 22 and above who enroll to earn a high school diploma.
- Earmarks up to \$2,500,000 in FY 2024 from GRF ALI 200572, Adult Education Programs, to support the Competency-Based Diploma Pilot Program (see EDUCD156). Reappropriates the available balance of the earmark at the end of FY 2024 for the same purpose in FY 2025.
- Requires that a portion of the ALI be used to make payments to institutions participating in the Adult Diploma Pilot Program and to reimburse career-technical planning districts (CTPDs) for the vouchers provided to students who take an approved high school equivalency exam for the first time. If funds for the Adult Diploma Program are insufficient, permits the OBM Director, upon the request of the Superintendent and the approval of the Controlling Board, to transfer available appropriation from GRF ALI 200550, Foundation Funding - All Students, to this ALI.
- Requires CTPDs to reimburse individuals taking a nationally recognized high school equivalency examination approved by ODE for the first time for application or examination fees in excess of \$40, up to a maximum reimbursement of \$80. Requires each CTPD to designate a site or sites where individuals may register and take an approved examination and to offer career counseling services for each individual that registers for the examination. Permits any remaining funds in each fiscal year to be reimbursed to the Department of Youth Services and the Department of Rehabilitation and Correction for individuals in these facilities who have taken the approved examination for the first time.

- Permits ODE to encumber any unexpended funds in each fiscal year, which remain available for payment within two years of the fiscal year in which the funds were originally appropriated.
- Permits a portion of the ALI to be used for program administration, technical assistance, support, research, and evaluation of adult education programs including high school equivalency examinations approved by ODE.

Quality Community and Independent STEM Schools Support

- Requires Fund 7017 ALI 200631, Quality Community Schools Support, to be used by ODE to pay each designated Community School of Quality up to \$3,000 per fiscal year per pupil identified as economically disadvantaged and up to \$2,250 per fiscal year per pupil not identified as economically disadvantaged. Renames the ALI line item to "Quality Community and Independent STEM Schools Support" and adds qualifying independent STEM schools to the designated schools eligible for funding (see below).
- Requires the payment to be calculated using a qualifying community school's final adjusted full-time equivalent (FTE) enrollment for the prior fiscal year, except for schools in the first year of operation. Requires payments to schools in the first year of operation to be calculated using the adjusted FTE enrollment for the current fiscal year as of the date the payment is made. Requires ODE to make the payment to each qualifying school no later than January 31 of each fiscal year. Same as the Executive, but (1) adds qualifying independent STEM schools to those eligible for funding and (2) calculates payments to all qualifying schools based on the adjusted FTE enrollment for the current fiscal year, as of the date the payment is made, rather than the prior fiscal year (currently, the payments are based on current year enrollment for qualifying firstyear schools only).
- Designates a community school as a Community School of Quality if it satisfies at least one of the following conditions:
 - The school's sponsor is rated "exemplary" or "effective" on its most recent evaluation, the school's two most recent performance index scores are higher than the district in which the school is located, the school's most recent value-added progress dimension rating is four stars or higher or is a dropout prevention and recovery school or special education school and did not receive a value added progress rating, and at least 50% of enrolled students are economically disadvantaged.
 - The school's sponsor is rated "exemplary" or "effective" on its most recent evaluation; the school is either in its first year of operation or opened as a kindergarten school, has added one grade per year, and has been in operation for less than four school years; the school is replicating an operational and instructional model used by a school designated under condition (1); and if the school has an operator, requires an operator to have received a "C" or better on its most recent performance report.
 - The school's sponsor is rated "exemplary" or "effective" on its most recent evaluation, the school contracts with an operator that operates schools in other states and either received funding through the Federal Charter School Program or the Charter School Growth Fund or one of the operator's out of state schools performed better than the district in which the in-state school is located as determined by ODE, at least 50% of the operator's total student enrollment is economically disadvantaged, the operator is in good standing in all states where it operates schools, ODE has determined the operator does not have financial viability issues preventing it from effectively operating in Ohio, and the school in its first year of operation. Also, allows a community school to meet the eligibility criteria in lieu of contracting with an operator that operates in other states by replicating an operational and instructional model through an agreement with a college or university used by a community school in another state that performed better than the school district in which the school is located, provided the school satisfies the other

prescribed eligibility criteria for this category or, if the school is not in its first year of operation, requires that the school opened on July 1, 2022, and has not previously been designated as a Community School of Quality, and requires that the first payment for a school that is not in its first year of operation be made on or after January 31, 2024 and calculated based on the adjusted FTE number of students enrolled in the school for FY 2024.

- Designates a STEM school as an Independent STEM School of Quality if it satisfies all of the following conditions: (1) operates autonomously, (2) does not have a STEM school equivalent designation, (3) is not governed by a school district, (4) is not a community school, (5) cannot levy taxes or issue tax-secured bonds, (6) satisfies the requirements for designation as a STEM school under statute, and (7) satisfies the requirements described in ODE's Quality Model for STEM and STEAM Schools.
- Requires a Community School of Quality to maintain that designation for the two fiscal years following the fiscal year in which the school was initially designated and extends this provision to a designated Independent STEM School of Quality.
- Permits a Community School of Quality designated based on the report cards for the 2017-2018 and 2018-2019 school years to renew its designation each year it satisfies the criteria in (1) above, and requires the school to maintain that designation for two fiscal years following each fiscal year in which the school satisfies the criteria and extends this provision to an Independent STEM School of Quality to renew its designation in each year it satisfies all criteria for that designation.
- Requires a Community School of Quality first designated for the 2022-2023 school year under the criteria in (3) above to maintain that designation through the 2027-2028 school year.
- Qualifies for the program the surviving community school of a merger if it meets the Community School of Quality designation criteria and requires its payments to be calculated using the adjusted FTE enrollment of the surviving school for the current fiscal year as of the date the payment is made. Retains eligibility for funds received under the program prior to the bill's effective date for a designated school that dissolved due to a merger.
- The bill appropriates \$136.5 million in each fiscal year from Fund 7017 ALI 200631, Quality Community Schools Support, to make the payments.

Community School Facilities

- Requires Fund 7017 ALI 200684, Community School Facilities, to be used to pay e-schools \$25 per fiscal year per FTE pupil and to pay all other community and STEM schools \$1,000 per fiscal year per FTE pupil for facilities costs. If the appropriation is insufficient, requires ODE to prorate payments so the aggregate appropriation is not exceeded.
- The bill appropriates \$87.1 million in FY 2024 and \$88.6 million in FY 2025 for this purpose.

Early Childhood Education

- Earmarks up to \$13,000,000 in each fiscal year of Fund 5KT0 ALI 830606, Early Childhood Education, in coordination with ODJFS, to achieve Step Up to Quality (SUTQ) goals.
- Requires DCY, in coordination with ODE, to distribute GRF ALI 830407, Early Childhood Education, to school districts, JVSDs, ESCs, community schools sponsored by an exemplary sponsor, chartered nonpublic schools, and licensed childcare providers that meet at least the third highest tier of the SUTQ Program for children who are at least three years old but not yet eligible for kindergarten, and whose families earn not more than 200% of the federal poverty guidelines
- Earmarks up to 2% of GRF ALI 830407, Early Childhood Education, to be used by DCY for program support and technical assistance. Requires DCY to distribute the remainder to pay the costs of early childhood programs that serve eligible children, first to existing providers that received early childhood education funds in the previous fiscal year and the balance to new eligible providers or

to existing providers to serve more eligible children or for purposes of program expansion, improvement, or special projects to promote quality and innovation, including piloting all-day programming.

- Requires DCY to distribute new or remaining funds to serve more eligible children where there is a need, as determined by DCY, and specifies that such funds be distributed based on community economic disadvantage, limited access to high quality preschool or childcare services, and demonstration of high-quality preschool services.
- Requires awards to providers be distributed on a per-pupil basis and that per-pupil funding be sufficient to provide eligible children with services for a standard early childhood schedule, defined as a minimum of 12.5 hours per week, for the minimum school year.
- Requires DCY to conduct an annual survey of each provider to determine whether the provider charges families tuition or fees, the amount the families are charged relative to family income levels, and the number of families and students charged.
- Specifies the following for participating programs:
 - requires funds awarded to be used to support expenses directly related to the operation of an early childhood education program.
 - Prohibits development and administration costs from exceeding 15% of the cost of each program.
 - Requires maintenance of fiscal records.
 - Requires implementation of a corrective action plan, when needed.
 - Requires participation in the SUTQ program.
 - Requires providers who are not highly rated under the SUTQ program to meet certain program requirements, including (a) certain qualifications for teachers, (b) alignment of curriculum to the early learning content standards, (c) documentation and reporting of child progress, (d) adherence to early learning program standards, and (e) administration of certain child or program assessments.
 - Requires providers who are highly rated to comply with the requirements under the SUTQ system.
 - Requires charging a fee, based on a sliding scale, to families who earn more than 200% of the federal poverty guidelines.

DROPOUT RECOVERY AND PREVENTION

DOPR community school industry credential-only programs

- Requires DEW to do both of the following with respect to the funding for dropout prevention and recovery (DOPR) community schools offering an industry credential-only (ICO) program:
 - Adjust career-technical education (CTE) ADM so that each student enrolled in the program is included only in the school's category one CTE ADM (category 1 is the highest CTE funding tier).
 - Count for funding purposes all students enrolled in ICO programs as full-time students.
- Permits a DOPR community school offering an ICO program to (1) provide support services to students who graduate from the school to assist them in securing post-secondary placement, including careers with labor organizations, and (2) use a portion of its CTE funds to provide recent graduates, in the year following their graduation, with short-term, emergency financial assistance for certain expenses.
- Defines an ICO program as an industry-approved credentialing program, or a series of such programs, offered by a DOPR community school in which high school juniors or seniors may earn an industry-recognized credential. Requires an ICO program to be aligned with an approved CTE program and use classroom teachers employed by the school.

End-of-course exams for dropout prevention and recovery schools

- Requires a dropout prevention and recovery (DOPR) community school to administer end of-course exams in an online and paper format based on the student's needs, in addition to current law's testing windows.
- Requires the DEW Director to establish extended testing windows of 10 weeks in duration in the fall and spring so DOPR schools may administer assessments in closer proximity to when students complete related coursework.
- Requires the DEW Director to establish a summer testing window for students participating in summer instruction.
- Requires DEW to establish benchmarks and performance level indicators for the DOPR community school report card by analyzing data from prior school years, rather than as determined necessary, and, as under continuing law, through consultation with stakeholder groups.

Dropout Prevention and Recovery Advisory Council

- Establishes the Dropout Prevention and Recovery Advisory Council to provide a forum for communication and collaboration between DEW and parties involved in the establishment and operation of DOPR community schools.
- Requires the Council to review, in collaboration with the DEW Director, all existing rules and guidance previously developed or adopted by DEW that establishes general and uniform operations regarding DOPR community schools.
- Requires DEW to only adopt rules imposing requirements on DOPR community schools through the Administrative Procedure Act and prohibits DEW from developing guidelines that impose requirements on the general and uniform operation of a DOPR community school. Requires the Dropout Prevention and Recovery Advisory Council to review proposed rules prior to adoption.

TRANSPORTATION

Student transportation – noncompliance

- Removes the current law standard of "a consistent or prolonged period of noncompliance" for determining whether penalties apply for noncompliance with student transportation requirements and, instead, defines "out of compliance" as a period of time of five consecutive school days or more than 10 school days within a school year in which any of the following occur for each of those days: (a) students arrive more than 30 minutes late to school, (b) students are picked up more than 30 minutes after the end of the school day, (c) students do not receive any transportation at all due to the failure of the bus to arrive, and (d) noncompliance with any other student transportation requirements under continuing law. Exempts days in which inclement weather caused any of the above to occur from counting towards the period of noncompliance. Specifically prohibits bus operators from delivering students to school late.
- Replaces the Senate provisions with provisions that require DEW to:
 - Notify a district if it is found to be out of compliance with its student transportation responsibilities and requires the district to create a creative action plan to be submitted to DEW within one week of its first notification of noncompliance.
 - Withhold 25% of a district's daily state transportation payment amount for each day a district is determined to be out of compliance for the next three subsequent determinations of noncompliance in the same school year.

- On the fifth determination of noncompliance in the same school year, withhold 100% of a district's daily state transportation payment amount for each day a district is determined to be out of compliance.
 - Resets the noncompliance count to zero at the beginning of the school year.
- Requires DEW to resolve any disputes over determinations regarding transportation noncompliance received after December 1, 2023, within 30 days of receiving notice of the dispute, or within 45 days if DEW notifies all affected parties in advance that the determination will be delayed.
- Requires DEW, by December 1, 2023, to process and resolve any disputes that are pending on the bill's effective date regarding school district noncompliance with transportation obligations.

School vehicle authorization

- Authorizes a school district to use a vehicle designed to carry nine passengers or less (not counting the driver) instead of a school bus to transport students to a chartered nonpublic or community school if all of the following apply: (1) the number of students in the vehicle does not exceed nine; (2) the district regularly transports students to that chartered nonpublic school; and (3) the driver has a valid driver's license, is accustomed to driving the vehicle, and meets all other statutory and administrative requirements for a bus or motor van driver (with the exception of having a commercial driver's license).
- Authorizes a community school to use a vehicle designed to carry nine passengers or less (not counting the driver) to transport its students when either the school district has declared transportation of the student impractical or the student lives more than 30 minutes away from the community school (the same authorization applies to chartered nonpublic schools under continuing law).
- Authorizes a chartered nonpublic school and a community school to transport its students using a vehicle designed to carry nine passengers or less when the school has offered to provide transportation for its students in lieu of the students being transported by their resident school district.
- Requires the following safety measures, in addition to the general requirements for school drivers under current law, whenever a school district, community school, or chartered nonpublic school uses a vehicle designed to carry nine passengers or less for pupil transportation: (1) a qualified mechanic inspects the vehicle at least twice a year to determine that it is safe for pupil transportation, (2) the driver of the vehicle does not stop on the roadway to load or unload passengers, and (3) the driver and all passengers in the vehicle comply with the seat belt and child restraint system laws.

Pupil transportation pilot program

- Establishes a pilot program under which selected ESCs provide transportation to students enrolled in community schools and chartered nonpublic schools in the 2024-2025 school year, in lieu of the students receiving transportation from their resident school district.
- Requires ODE to do all of the following:
 - Select up to five ESCs and a school district served by each selected ESC to participate in the pilot program by August 1, 2023 and limits the pilot program to two ESCs - one in a county located in central Ohio with a population of 1,323,807 (practically, Franklin County) and one in a county located in southwest Ohio with a population of 537,309 (practically, Montgomery County), according to the United States Census - and delays the date by which the ESCs must be selected to October 15, 2023.

- Requires DEW and each participating ESC to identify a school district served by the ESC and community and chartered nonpublic schools that enroll students from the district for whom the ESC will provide transportation under the pilot program.
- Require (a) each participating ESC to arrange for buses and bus drivers, collaborate with participating schools on daily start and end times, and notify the school district that the participating schools will not require transportation, and (b) DEW to deduct from the school district's transportation payment and pay to the participating ESC the amount the district would receive for each student transported.
- Evaluate the pilot program and issue a report of its findings and recommendations by September 15, 2025.
- Exempts the participating school districts and ESCs during the 2023-2024 school year with regard to students enrolled in participating schools from penalties for consistent or prolonged noncompliance with the law requiring student transportation.

Pupil Transportation

- Requires a school district, if the person in charge of a pupil accepts the offer of payment in lieu of providing transportation, to pay that person not less than 50% and not more than \$2,500.

MISCELLANEOUS CHANGES

Community school FTE reporting based on credits earned

- Extends through the 2024-2025 school year a current law provision for the 2022-2023 school year providing the option of a qualifying community school to elect to report its number of enrolled students on a full-time equivalent (FTE) basis using the lesser of (1) the maximum FTE for the portion of the school year for which a student is enrolled in the school; or (2) the sum of 1/6 of the FTE based on attendance for the portion of the school year for which a student is enrolled and 1/6 of the FTE for each credit of instruction earned during the enrollment period, up to five credits.
- The provision applies to three schools: Buckeye Community School, Buckeye Community School - London, and Buckeye Community School - Marion. Fiscal effects will depend on whether either of the qualifying schools choose to report their enrollment using one of the two methods, which method they use, their enrollment, and student credits earned.

Sponsor changes for community schools that primarily serve students with disabilities

- Requires DEW to at least consider the performance of a community school that primarily serves students with disabilities against the average performance of all other such schools when deciding whether to approve a request to change sponsors.
- Permits a community school that primarily serves students with disabilities to enter into a contract with a new qualified sponsor if (1) the school received a performance rating of at least three stars for progress on its most recent report card and (2) the school's performance index score for students with disabilities for the most recent school year is higher than that of the school district in which the school is located.

Community school employment of individuals with revoked licenses

- Prohibits a community school from employing a person if the State Board of Education permanently revoked or denied the person's educator license or if the person entered into a consent agreement in which the person agreed not to apply for an educator license in the future.

National standards for e-schools

- Requires e-schools to comply with the National Standards for Quality Online Learning rather than the standards developed by the International Association for K-12 Online Learning.

Community school operation from residential facilities

- Permits a community school that was open for operation as of May 1, 2005, to operate from certain institutions, foster homes, group homes, or other residential facilities.

Online high school graduation rates

- Requires the state report card for an online high school operated by a school district or an internet- or computer-based community school to include a modified graduation rate calculated in the same manner as the four-year adjusted cohort rate, except that it must only include students who are in the 12th grade and have earned at least 15 high school credits when enrolling in the school.
- Excludes from the modified graduation rate students who are automatically withdrawn from the online school due to an unexcused failure to participate in learning opportunities for 72 consecutive hours and who do not re-enroll in a school.
- Requires DEW, except as necessary to comply with federal law, to report a school's modified graduation rate without an assigned performance rating beginning with the report card for the 2023-2024 school year.

Competency-based diploma pilot program

- Requires DEW to operate a competency-based diploma pilot program in FY 2024 and 2025 for students who are at least 18 years old, but under 22 years old that is aligned to the rules and standards for the 22+ Adult High Diploma Program. Requires DEW to issue a report on the pilot program by July 30, 2025, and post the report on its web site.
- The bill earmarks \$2.5 million in FY 2024 from GRF ALI 200572, Adult Education Programs, for the pilot program and reappropriates the available balance of the earmark at the end of FY 2024 for the same purpose in FY 2025.

Electronic notification, meeting, and data storage law changes

- Permits meeting via electronic means, instead of in-person meetings, on specified matters provided that the meetings still allow for interactive public attendance for the following entities: Ohio Advisory Council for the Aging, Internet- or computer-based community schools, school districts or other public schools, ODPS-Register of Motor Vehicles, counties, townships, and municipalities.

Community school closing audit bond

- Removes all of the following related to community school closing audit bonds: (1) the option for a community school to deposit a \$50,000 cash guarantee with the Auditor of State in lieu of a

bond; (2) a community school governing authority's ability to provide a written guarantee of payment in lieu of posting a bond, (but retains it for a school sponsor or operator); (3) the requirement that upon filing a bond, the Auditor deliver the bond to the Treasurer; and (4) the Treasurer's responsibility to hold in trust all surety bonds filed.

- Requires the Attorney General, instead of the Treasurer, to assess a bond for the costs of the audit to reimburse the Auditor or public accountant for audits of the closed community schools that cannot pay.