The FY12-13 Budget for the Department of Education – As Passed by the Senate June 13, 2011

State support to schools

- School districts/community schools
 - Adds an additional \$115 million over the biennium to support foundation funding, which includes the new bridge formula and the two supplemental payments described below.
 - Changes the supplemental payment to foundation funding in the House version to ensure that each school district receives as much state foundation aid (minus federal stimulus) as they will have received in FY 11.
 - Adds another supplemental payment to provide \$17 per pupil for school districts and community schools rated excellent or excellent with distinction.
- Tangible Personal Property (TPP) and Electric Deregulation Property Tax Reimbursement (Not GRF/Lottery) No additional changes.

Community Schools

- Funding formula No additional changes.
- Changes with regard to sponsors:
 - Requires that a sponsor's notice of termination or nonrenewal of a community school's contract be submitted to the school by March 1 of the year in which the sponsor intends to terminate or take actions not to renew the contract.
 - Prohibits a community school sponsor from selling any goods or services to a school sponsored by the sponsor.
 - Allows community school sponsors to sponsor new schools if 80% of schools they sponsor perform in the top 95% of all public schools in the performance index ranking for three consecutive years.
 - Permits an ESC to sponsor a start-up community school in any challenged school district in the state (rather than only in a challenged school district located in a county within the ESC's territory or in a contiguous county).
 - Creates the ability for a new community school sponsor to be formed through a collaboration of entities
 currently eligible to sponsor community schools. Allows current sponsors to transfer sponsorship of their
 existing schools to the new sponsoring entity with approval of the governing authority of the school.
 - Removes the requirement for ODE to be a *de facto* sponsor.
- Changes made with regard to governing authorities and/or operators:
 - Retains the provision that would prohibit a governing board member, or immediate relative, from being an owner, employee, or consultant of a community school sponsor for one year after the conclusion of the member's term.
 - Removes the many provisions that granted community school operators new authorities.
- Other community school changes:
 - Requires the State Board to adopt rules establishing operating standards for e-schools based on standards developed by the International Association for K-12 Online Learning. Existing e-schools are given three years after the adoption of standards to comply.
 - Prohibits a new e-school from opening unless, for the three prior years, it operated in another state and performed at a level higher than academic watch.
 - Authorizes ODE to select up to five traditional public or community schools to operate as hybrid schools that provide both remote, technology-based and classroom-based instruction. Requires ODE to conduct a study of the selected schools.

- Permits the establishment of a start-up community school in a school district that is not a "challenged school district" if the community school is established as a public benefit corporation, at least 75% of its enrollment is children with disabilities, and ODE certifies there is need to serve disabled students in that region. Also expands authorization of new start-up community schools outside of challenged districts to include community schools in which at least 75% of the enrollment will be children identified as gifted and the school district in which the school will be located or ODE certifies that there is a need in that region for a school serving gifted children.
- Adds to the definition of "challenged school districts," where start-up community schools may be located, any district that is in the lowest 5% of districts as ranked according to performance index score.
- Repeals the requirement that a community school sponsor have a representative located within 50 miles of each school it sponsors and requires a representative of a community school to meet monthly with school officials to review financial and enrollment records. Requires the State Board to adopt rules defining what constitutes "financial records" not later than 180 days after the effective date of the provision.
- Continues to exempt all community schools from participating in Body Mass Index screenings but removes the provision that would exempt e-schools from collecting immunization records.
- Continues to permit a community school to be located in multiple facilities under the same contract and to
 assign students in the same grade level to multiple facilities (under certain circumstances). Also, continues
 to permit two or more separate community schools to be located in the same facility.
- Retains the following changes made by the House to the mandatory closure provisions for poorly performing schools:
 - A school would be designated to close if it does not offer a grade level higher than 3 and has been in Academic Emergency for 2 out of the last 3 years (current law is 3 out of the last 4 years).
 - A school would be designated to close if the school offers any of grade levels 10-12 and has been in Academic Emergency for 2 out of the last 3 years (current law is 3 out of the last 4 years).
 - No changes are made to criteria for schools that offer grades 4-8.
- Requires school districts with property not in use for two years, to offer a right of first refusal to community schools located within the district to lease the property at fair market value, and to community schools rated in the top 50% by performance index score for \$1.
- Removes provision creating a dropout recovery program for individuals 22 to 29.

Scholarship Programs

- EdChoice Scholarships Reduces the window for the second EdChoice application period required in 2011 from 60 days to 45 days.
- Cleveland Scholarships Retains the changes made by the House but eliminates the current law requirement that, based on a student's family income, either 10% or 25% of a scholarship be paid for by a political subdivision, private entity, or individual.
- Autism Scholarship Still no changes to the payment methodology.
- Creates the Special Education Scholarship Program to provide scholarships for children with disabilities in grades
 K-12 to attend alternative public or private special education programs. Names the scholarship program the
 "Jon Peterson Special Needs Scholarship."

Early Childhood Education

Still no changes from what was proposed by the House for Early Childhood Education.

Still no mention of a new Early Childhood Center being created at ODE.

Special education

- Retains the provision added by the House that requires an IEP to specify the manner in which the student will participate in the state assessments.
- Continues to flat-fund special education supplements.

Career-technical education

- Continues to flat-fund career-technical education funding on an aggregate basis.
- Requires grant-based funding of secondary career-technical education at institutions rather than unit-based funding.
- Permits a JVSD to commit, within the same resolution, the use of existing or new tax levies to finance the annual
 debt service on securities issued for both its state assisted classroom facilities project and its locally-funded
 initiatives related to that project.
- Requires the State Board's rules pertaining to professional career-technical teaching licenses to include requirements relating to life experience, professional certification, and practical ability and prohibits the State Board from requiring completion of a degree as a condition for the license.

Gifted Education

- Retains the provision added by the House that requires districts to spend at levels they received in FY09 from the state for gifted unit and identification funding.
- Continues to flat-fund gifted funding to ESCs.
- Adds performance of students identified as gifted to those measures required to be used by ODE in the bill's
 annual rank ordering of school districts, community schools, and STEM schools regarding their performance and
 expenditures.
- Removes the provision added by the House that would allow qualified principals and other school employees to serve as a district's gifted education coordinator.

Regional Services

- Educational Service Centers
 - Retains the same funding levels proposed by the House for supplemental funding to ESCs and school improvement funding to ESCs.
 - Retains the provision that every district with 16,000 students or less would have to enter into a service agreement with an ESC and those with more than 16,000 students would be permitted to enter into such agreements.
 - Continues to repeal permanent law outlining the process that a district must follow to leave the territory of its current ESC and annex to an adjacent ESC.
 - Retains the authorization of ESCs to enter into service contracts with other political subdivisions besides school districts
 - Retains the process added by the House for dissolving an ESC if all the local school districts that make up the territory of an ESC severs from the ESC.
 - Permits an ESC governing board to appoint additional members who are representative to the other city and exempted village school districts who have service agreements with the ESC.

- Permits an ESC governing board to appoint an executive committee, rather than the board, to organize its territory into subdistricts when two or more ESCs merge into one larger ESC.
- Regional Shared Service Model Study
 - Allows for the creation of shared services pilot project involving at least two ESCs to focus on the design, implementation and evaluation of a shared service delivery model. The bill provides \$250,000 in each year for this project.
 - Requires the Governor's Director of 21st Century Education to develop a plan to encourage communities and school districts to create regional P-16 councils.
 - Clarifies that ESCs are one of the support organizations to be considered for integration under the Educational Shared Service Model contained in the bill.
- Continues to repurpose funding currently used for state software support to the College of Education and Human Ecology at the Ohio State University in its work reviewing course content for the distance learning clearinghouse.

Nonpublic Schools

- Adds another \$6.6 million in FY12 and another \$6.9 million in FY13 to what was proposed by the House for Auxiliary Services.
- Retains the update for the allowable uses of Auxiliary Services funding made by the House to include such items as electronic textbooks and other hardware, software and electronic devices, but Senate Finance adds the purchase or maintenance of life-saving medical or other emergency equipment as another allowable use.
- Adds another \$3.6 million in each year to what was proposed by the House for Nonpublic Administrative Cost Reimbursement.
- Continues to propose the certification of teachers without a bachelor's degree for chartered nonpublic schools in the subject areas of foreign language, music, religion, computer technology, and fine arts if the person 1) shows specialized knowledge, skills, or expertise, 2) has three or more years of teaching experience, or 3) has completed a teacher training program.
- Exempts chartered nonpublic schools from a permanent law provision that requires high schools to comply with a State Board of Education credit flexibility plan.

Educators

- Removes the teacher incentive payment program.
- Prohibits the State Board from establishing additional licensure qualifications for participants in the Teach for America program beyond those enacted in HB 21.
- Requires individuals seeking an alternative educator license complete a pedagogical training institute or a summer training institute operated by a nonprofit organization and approved by the Chancellor of the Board of Regents.
- Deletes teacher performance pay, teacher and principal evaluations, teacher assignment, teacher contract, reduction in force and community school collective bargaining restriction provisions.
- Requires the Chancellor of the Board of Regents to annually report value-added data for graduates of teacher preparation programs who teach English language arts or math in any of grades 4 to 8.
- Retains the requirement for the State Board to approve a list of states with teacher licensure standards that are inadequate to Ohio's.
- Modifies the requirement for core teachers in school buildings ranked in the lowest 10% according to the
 Performance Index measure to retake all written exams needed for licensure in the teacher's subject area and

grade level by 1) specifying that a teacher who provides proof of passing the exam to the teacher's employer is not required to retake the exam again for three years and 2) specifying the teacher is not responsible for the cost of the exam.

Content standards, assessments and accountability

- Retains changes made by the House that repealed requirements for academic standards to address skills such as creativity and innovation and for assessments to evaluate 21st century skills.
- Continues to remove the senior project from the new graduation assessment.
- Modifies the guidelines the State Superintendent and Chancellor must follow when selecting a nationally standardized test to be part of the new high school graduation assessment system, to more generally require the selection of a national test that measures college and career readiness.
- Removes permanent law that requires the State Board to adopt statewide academic standards in English, math, science and social students at least once every five years, and instead requires adoption of new statewide academic standards periodically.
- Specifies that the achievement assessments administered in grade 3 to 8 in the 2011-2012 school year and later do not have to be released afterwards.
- Directs the State Superintendent and the Chancellor to choose multiple assessments, including nationally recognized subject area assessments, that school districts and chartered nonpublic schools may use as end-ofcourse exams as part of the new assessment system for high school graduation.

School/District Reforms

- Makes no additional changes to the following:
 - The provision that would allow parents to petition for school reforms in Columbus City School District, which would serve as the pilot district.
 - Innovation Schools/Zones
- Specifies that when a district-operated school is subject to restructuring under the bill's provisions and the district chooses to replace the school's principal and teaching staff, the per-pupil funding that the district must maintain for that building is based on the district's state and local revenues (no longer referencing federal funding).
- Removes nonpublic schools from participation in the new Governor's Effective and Efficient School Recognition
 Program.
- Connects the rankings used in the proposed academic reforms and allows for different application of those rankings.

Other

- Retains the creation of the multiple-track curriculum pilot project for Columbiana County contained in the House bill, but allows the project to be postponed if adequate resources are unavailable.
- Adds a funding mechanism for the public college-preparatory boarding schools established by the House and limits the school to only offer grade 6 in its first year of operation.
- Removes a provision that would permit the State Board to appoint one person to serve as the Superintendent of both the State School for the Deaf and the State School for the Blind.
- Continues to allow schools to make up three calamity days through online lessons or "blizzard bags."

- Retains the new provision added by the House that allows the Auditor of State to notify the State Superintendent if the Auditor determines that the financial recovery plan in fiscal emergency districts cannot reasonably be expected to correct the district's fiscal emergency conditions within five years. The State Superintendent would have to develop an operation plan and submit this plan to the State Board for approval. The State Board would then take over the operation of the district until the Auditor determines the district has an acceptable plan.
- Increases from two to four years the amount of time a school utilizing the school solvency assistance program will pay back the advance. Allows, with approval of both the Director of the Office of Budget and Management and State Superintendent, the period be up to ten years.
- Permits a local or exempted village school district (non-Civil Service school districts) to terminate the positions of transportation employees for reasons of economy and efficiency and to contract with an independent agent to provide student transportation services, so long as specified procedures are followed for the consideration of employment of the terminated employees.
- Repeals current law provisions restricting the calorie and fat levels of milk sold a la carte in public and chartered nonpublic schools.
- Permits schools to charge all students fees for tools, equipment, and materials that are necessary for workforce-readiness training and that may be retained by the student after course completion.
- Increases the amount of debt a special needs district may incur for permanent improvements and changes the standard by which the State Superintendent certifies a special needs district to a demonstration that the district's potential average growth in valuation during the next five years will be 1.5%, rather than 3% as under current law.