



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Final Analysis

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131st General Assembly  
(As Passed by the General Assembly)

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

**Reps.** Brenner, Buchy, Green, Hambley, McColley, Reineke, Schaffer, Schuring

**Effective date:** March 16, 2017

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## **ACT SUMMARY**

### **ACADEMIC ASSESSMENTS**

#### **Limits on state assessments**

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

#### **Diagnostic assessments**

- Eliminates the requirement that school districts and schools administer diagnostic assessments to students in grades one through three in writing and mathematics beginning with the 2017-2018 school year.

## **Kindergarten readiness assessment for chartered nonpublic schools**

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

## **Substitute end-of-course exams**

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

## **Exemption from college and career readiness assessment**

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

## **Alternative measures of career-technical skill attainment**

- Requires the Department of Education to consider an industry-recognized credential or a state agency- or board-issued license for practice in a vocation that requires an exam for issuance of that license as an acceptable measure of technical skill attainment, except as otherwise required by federal law.
- Requires the Department to develop procedures (1) for identifying industry-recognized credentials and licenses aligned to a student's career-technical education program that can be used as an acceptable measure of technical skill, and (2) for identifying students in the process of earning such credentials or licenses.

# **TEACHER LICENSURE**

## **Ohio Teacher Residency program**

- Specifies a different set of components that an individual who is teaching career-technical education courses under an alternative resident educator license must fulfill under the Ohio Teacher Residency (OTR) program and exempts such individuals from taking the performance-based assessment for resident educators.



- Requires the Department, by December 31, 2017, to establish a method to assess whether career-technical teachers teaching under an alternative resident educator license are qualified for a professional educator license.
- Beginning with the 2017-2018 school year, permits districts and schools to not conduct evaluations for teachers participating in the OTR program during the year those teachers take at least half of the performance-based assessment for resident educators.

### **Alternative resident educator license**

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

### **EXEMPTIONS FOR CERTAIN SCHOOL DISTRICTS**

- Exempts qualified school districts, for three school years, from several requirements of law regarding the third-grade reading guarantee, teacher licensing, mentoring under the Ohio Teacher Residency program, and class size restrictions.
- Qualifies a school district for the exemptions if, on its most recent report card, the district received (1) at least 85% for the performance index score, (2) an "A" for performance indicators met, and (3) at least 93% and 95% for the four-year and five-year adjusted cohort graduation rate, respectively.

### **OTHER EDUCATION PROVISIONS**

#### **Alternative facilities funding proposal**

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

#### **Competitive bidding threshold**

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

#### **Mathematics credit for career-technical education students**

- Requires the Department of Education to approve the mathematics course that may be used as an alternative to Algebra II for career-technical students.



## **Eligibility for Ed Choice scholarships**

- Specifies that if a district or building is designated at the time of the act's effective date as eligible for the Educational Choice Scholarship Program, it continues to be Ed Choice-designated through the 2018-2019 school year, regardless of meeting conditions that would remove the designation.

## **Correction of tax certifications for foundation funding**

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

## **Community schools**

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

## **Grades offered by STEM schools and equivalents**

- Expands the grade levels that STEM schools and STEM school equivalents may offer to any of grades K-12.

## **Performance audits and operational study of ESCs**

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



## **Diplomas for home-schooled students**

- Removes the alternative requirement that a diploma issued to a home-schooled student include certification from the resident district's superintendent stating compliance with state law.

## **State Seal of Biliteracy**

- Requires the State Board to establish the State Seal of Biliteracy, which demonstrates a high level of proficiency in one or more languages in addition to English and may be attached to the transcripts of public and nonpublic high school students and to the diplomas of homeschooled students.

## **Joint vocational school district board membership**

- Requires that a JVSD board member be either (1) a board member of a school district that is part of the JVSD or (2) an individual with experience or knowledge of the labor needs of the region.
- Removes term limits for JVSD board members.
- Permits all JVSD boards, instead of just those with more than 30 members (as under former law) to submit an application to the Superintendent of Public Instruction for approval to stagger its members' terms of office.

## **Interscholastic athletics**

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

## **Other**

- Expands the grade levels for which each public and chartered nonpublic school must provide information to students about the school's advanced standing programs.
- Codifies a law, which was formerly uncodified, regarding the Bright New Leaders for Ohio Schools Program and adds two members to the board of directors of the corporation responsible for implementing the program.



- Removes a requirement that the State Board adopt a measure, to be reported separately from the district's or school's report card, for the amount of extracurricular services offered to students.
- Eliminates the Department of Education's responsibilities for approval of online lessons and blizzard bags to make up school hours in the case of a calamity day.
- Permits the sheriff to enter into contracts with (1) a chartered nonpublic school to provide community preventive education programs and (2) a private institution of higher education to provide police services.
- Revises the Workforce Grant Program to require institutions of higher education, rather than the Chancellor of Higher Education, to award grants to eligible students.

## **TAX PROVISIONS**

### **Arena property tax exemption**

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

### **Ballot error correction**

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

## **INSURANCE POOLS**

### **State university or college joint self-insurance pools**

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



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

### **Political subdivision joint self-insurance pools**

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

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## CONTENT AND OPERATION

### ASSESSMENTS

#### Achievement assessments

##### Limits

Beginning with the 2017-2018 school year, the act requires public schools to limit the cumulative amount of time spent on the administration of state and district- or school-wide assessments to 2% of the school year. The act also limits the cumulative amount of time used for taking diagnostic or practice assessments used to prepare for the assessments described above to 1% of the school year.<sup>1</sup>

These time limitations do not apply to administration of assessments to students with disabilities, any related diagnostic assessment for students who fail to attain a passing score on the third-grade English language arts assessment, or additional assessments administered to identify a student as gifted. Nor do the limitations apply to the administration of substitute examinations for end-of-course examinations in American history, American government, and science. These examinations include Advanced Placement examinations and International Baccalaureate examinations.<sup>2</sup>

The act authorizes a school district or school to exceed its prescribed assessment time limitations through the adoption of a resolution. However, before doing so, the district board or school governing authority must conduct at least one public hearing on the proposed resolution.<sup>3</sup>

#### Diagnostic assessments

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

- (1) To students in the first grade, writing and math;
- (2) To students in the second grade, writing and math;
- (3) To students in the third grade, writing.<sup>4</sup>

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<sup>1</sup> R.C. 3301.0729(A)(2), not in the act.

<sup>2</sup> See R.C. 3301.0712(B)(4).

<sup>3</sup> R.C. 3301.0729(C).

<sup>4</sup> R.C. 3301.079(D)(3)(a) and (b).



However, schools must continue to administer reading, writing, and math diagnostic assessments to kindergarten students, and reading assessments to students in grades one through three.<sup>5</sup>

### **Kindergarten readiness assessment for chartered nonpublic schools**

The act authorizes chartered nonpublic schools to administer the kindergarten readiness assessment to their students, beginning with the 2018-2019 school year. If a chartered nonpublic school elects to administer the assessment, the school's chief administrator must notify the Superintendent of Public Instruction by March 31 prior to the school year in which the assessment will be administered.<sup>6</sup> Additionally, a school that elects to administer the assessment must do the following:

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

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

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

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

### **Substitute end-of-course exams**

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

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

(2) A score of a 2 or 3 on an International Baccalaureate (IB) examination.<sup>7</sup>

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<sup>5</sup> R.C. 3301.079(D)(1).

<sup>6</sup> R.C. 3301.0715(F).

<sup>7</sup> R.C. 3301.0712(B)(4) and (5).

## Exemption from college and career readiness assessment

The act exempts specified students in public and chartered nonpublic high schools from the requirement to take the nationally standardized assessment that measures college and career readiness. The following students are exempt from the requirement to take the assessment:

(1) A student who has significant cognitive disabilities and is administered an alternate assessment in accordance with the student's individual education plan (IEP);<sup>8</sup>

(2) A student who has a disability that includes an intellectual disability, as outlined in guidance issued by the Department of Education;<sup>9</sup>

(3) A student who is a limited English proficient student who has been enrolled in U.S. schools for less than two years and for whom no appropriate accommodations are available based on guidance issued by the Department;<sup>10</sup> and

(4) A student who has attained a "remediation-free" score on the required nationally standardized assessment and has presented evidence of that fact to the student's district, school, or chartered nonpublic school.<sup>11</sup>

Finally, the act specifically prohibits a district board or chartered nonpublic school governing authority from prohibiting such a student from taking the nationally standardized assessment that measures college and career readiness.<sup>12</sup>

## Alternative measures of career-technical skill attainment

The act requires the Department of Education to consider an industry-recognized credential or a license issued by a state agency or board for practice in a vocation that requires an exam for issuance of that license as an acceptable measure of technical skill attainment, except as otherwise required by federal law.<sup>13</sup> Under continuing law, possession of such a credential or license is considered completion of one-half of the "workforce readiness" pathway that qualifies a student for high school graduation.

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<sup>8</sup> R.C. 3301.0711(C)(1)(a) and (C)(1)(c)(ii).

<sup>9</sup> R.C. 3301.0711(C)(1)(a) and (C)(1)(c)(ii).

<sup>10</sup> R.C. 3301.0711(C)(2)(a) and (C)(4)(b).

<sup>11</sup> R.C. 3301.0711(B)(11)(b), (L)(1), and (L)(3)(b).

<sup>12</sup> R.C. 3301.0711(B)(11)(b), (C)(1)(a), (C)(1)(c)(iii), (C)(3)(b), second paragraph, (C)(4)(c), (L)(1), and (L)(3)(b).

<sup>13</sup> R.C. 3313.903, first paragraph.



The act also prohibits the Department from (1) requiring a student with such a credential or license to take additional technical assessments, and (2) requiring a student, who has participated in or will be participating in a credentialing assessment aligned to the student's career-technical education program or has participated in or will be participating in taking an examination for issuance of such a license aligned to the student's career-technical education program to take additional technical assessments.<sup>14</sup> However, if a student does not participate in the credentialing assessment or the license examination, the student must take the applicable technical assessments required by the Department.

The Department must develop procedures (1) for identifying industry-recognized credentials and licenses aligned to a student's career-technical education program that can be used as an acceptable measure of technical skill, and (2) for identifying students in the process of earning such credentials or licenses. Those procedures must be developed in consultation with the Ohio Association for Career and Technical Education, the Ohio Association of Career-Technical Superintendents, the Ohio Association of City Career-Technical Schools, and "other stakeholders."<sup>15</sup>

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

## **TEACHER LICENSURE**

### **Ohio Teacher Residency program**

Under continuing law, most newly licensed educators are issued either a resident educator license or an alternative resident educator license, under which they also must complete a four-year teacher residency program – the Ohio Teacher Residency (OTR) program – and fulfill specified components. The act makes changes to that program.

#### **Career-technical teachers with alternative educator licenses**

The act sets forth a different set of components that an individual who is teaching career-technical education courses under an alternative resident educator license must fulfill under the OTR program. Those components include:

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<sup>14</sup> R.C. 3313.903, second paragraph.

<sup>15</sup> R.C. 3313.903, third paragraph.



(1) The conditions required for noncareer-technical participants in the third and fourth years of the program, except such participants are exempt from taking the performance-based assessment for resident educators (the Resident Educator Summative Assessment (RESA));

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

(3) Successful completion of a career-technical workforce development teacher preparation program from a state university that consists of at least 24 semester hours and a performance-based assessment verified by the university.<sup>16</sup>

Continuing law already exempts career-technical participants from the conditions required in the first and second years of the program.

The act further requires the Department of Education, by December 31, 2017, to establish a method to assess career-technical educators teaching under an alternative resident educator license, which will serve as an alternative to completing the OTR program. The method must assess (1) whether such educators are qualified for a professional educator license and (2) teacher preparedness and qualifications for a professional educator license as part of the college coursework in which the educators participate. When establishing the method, the Department must collaborate with the Ohio Association for Career and Technical Education, the Ohio Association of Career-Technical Superintendents, and the Ohio Association of City Career-Technical Schools.<sup>17</sup>

### **Teacher evaluations**

Beginning with the 2017-2018 school year, the act permits districts and schools to forgo evaluations for teachers participating in the OTR program for the year during which those teachers take, for the first time, at least half of the assessment required under the program (see above). Formerly, districts and schools were required to conduct an annual evaluation for each teacher participating in the program.<sup>18</sup>

### **Alternative resident educator license**

The act qualifies for an alternative resident educator license an individual who has not completed coursework in the subject area for which the individual is applying to teach. This is in addition to continuing law specifying that participants must not be

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<sup>16</sup> R.C. 3319.223(B).

<sup>17</sup> Section 13.

<sup>18</sup> R.C. 3319.111(C)(2)(e).

required to have completed a *major* in the subject area in order to qualify for such a license.<sup>19</sup>

## **EXEMPTIONS FOR QUALIFIED SCHOOL DISTRICTS**

The act exempts qualifying school districts for three school years from several provisions of law related to the third-grade reading guarantee, teacher licensing, mentoring under the Ohio Teacher Residency program, and class size restrictions (see below for a more detailed explanation of each). It also specifies that noncompliance with any of the exempted requirements does not disqualify the school districts from receiving state operating funds. Exemptions begin in the school year in which the qualifying report card is issued.<sup>20</sup>

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

- (1) At least 85% of the total possible points for the performance index score;
- (2) A grade of an "A" for performance indicators met;
- (3) A four-year adjusted cohort graduation rate of at least 93%; and
- (4) A five-year adjusted cohort graduation rate of at least 95%.<sup>21</sup>

### **Teacher qualifications under the third-grade reading guarantee**

The act exempts a qualified school district from the requirement to provide, to each student who is retained under the third-grade reading guarantee, a teacher who has at least one year of teaching experience and who meets one of the following qualifications:

(1) Holds a reading endorsement and passed the corresponding reading endorsement assessment.

(2) Completed a master's degree program with a major in reading.

(3) Was rated "most effective" for reading instruction consecutively for the two most recent years, based on vendor assessments that measure student growth and are approved by the State Board of Education.

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<sup>19</sup> R.C. 3319.26(C).

<sup>20</sup> R.C. 3302.151 (A), (C), and (E).

<sup>21</sup> R.C. 3302.151(D). See also R.C. 3302.03(C)(1), not in the act.



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

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

(6) Holds an educator license, issued on or after July 1, 2017, for teaching grades pre-K through three, or four through nine.<sup>22</sup>

However, the teacher still must hold a valid educator license issued by the State Board.

### **Teacher licensing requirements**

The act exempts a qualified school district, unless otherwise required by federal law, from any provision in statutory law or in the State Board's rules or standards that requires teachers to be licensed in the grade levels in which they are teaching. However, under this exemption, the teacher still must hold a valid educator license in (1) a grade level determined to be appropriate by the district board and (2) the subject area in which the teacher is teaching. The act also expressly states that the exemption does not apply to special education teachers.<sup>23</sup>

Additionally, the act permits the superintendent of a qualified school district to employ an individual who does not hold an educator license issued by the State Board, but who is otherwise qualified based on experience, to teach classes in the district.<sup>24</sup> As a condition of employment:

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

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

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<sup>22</sup> R.C. 3302.151(A)(1). See also R.C. 3313.608(B)(3)(c) and (H), not in the act.

<sup>23</sup> R.C. 3302.151(A)(4).

<sup>24</sup> R.C. 3302.151(B)(1).



(3) The Department must enroll the individual in the Retained Applicant Fingerprint Database (Rapback).<sup>25</sup>

(4) The individual is subject to the State Teachers Retirement System.<sup>26</sup>

If the Department is notified through Rapback of the arrest or conviction of an unlicensed individual employed under this provision, the Department must promptly notify the employing district and may take any statutorily authorized action that it considers appropriate. Further, the act prohibits any district from employing such an individual if the district learns that the individual has plead guilty to, has been found guilty of, or has been convicted of any offense for which the State Board must revoke an educator's license.<sup>27</sup>

### **Mentoring under the Ohio Teacher Residency program**

The act exempts a qualified school district from the mentoring component of the Ohio Teacher Residency program, so long as the district utilizes a local approach to train and support new teachers.<sup>28</sup>

### **Minimum and maximum class size**

The act exempts a qualified school district from any provision in statutory law, or in the State Board's rules or standards, that prescribes a minimum or maximum class size.<sup>29</sup>

## **OTHER K-12 EDUCATION PROVISIONS**

### **Proposal for alternative facility funding for school districts**

The act requires the School Facilities Commission (SFC), by December 15, 2017, to develop and submit to the General Assembly a proposal with regard to funding under the Classroom Facilities Assistance Program (CFAP). Specifically, the proposal must contain legislative provisions under which school districts that have not received assistance under CFAP may, upon becoming eligible for CFAP assistance, apply for and

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<sup>25</sup> R.C. 3302.151(B)(2). See also R.C. 109.5721 and 3319.391, neither in the act.

<sup>26</sup> R.C. 3302.151(B)(3). See also Chapter 3307., not in the act.

<sup>27</sup> See R.C. 3319.31(C), not in the act. For a list of these offenses by name, see pp. 8-11 of the LSC Final Analysis for H.B. 428 of the 127th General Assembly. (For access, go to <http://www.lsc.ohio.gov/analyses127/08-hb428-127.pdf>.)

<sup>28</sup> R.C. 3302.151(A)(2).

<sup>29</sup> R.C. 3302.151(A)(3).





receive a portion of the state funds for which they are eligible, to be used for technology, building expansion, and physical alterations to improve school safety or security.<sup>30</sup>

### **Competitive bidding threshold for school building contracts**

The act increases the competitive bidding threshold from \$25,000 to \$50,000 for school districts contracting to build, alter, or demolish any school building. Under continuing law, district boards must fulfill various competitive bidding requirements if the cost of the project exceeds this threshold, except in cases of urgent necessity or security.<sup>31</sup>

### **Mathematics credit for career-technical education students**

In order to graduate from high school, continuing law permits students who enter ninth grade for the first time on or after July 1, 2015, and who are pursuing a "career-technical instructional track," to take a career-based pathway mathematics course as an alternative to completing one unit of Algebra II.<sup>32</sup> The act adds that the Department of Education must approve that alternative mathematics course.

### **Eligibility for Ed Choice scholarships**

The act specifies that a school district or building that is designated at the time of the act's effective date as eligible for the Educational Choice Scholarship Program (Ed Choice) continues to be Ed Choice-designated through the 2018-2019 school year, regardless of whether the district or building meets the conditions that would remove the designation.<sup>33</sup>

Under continuing law, except as temporarily provided by the act, an Ed Choice-designated a district or building is no longer Ed Choice-designated if, on the most recent state report, the school meets the conditions described in the table below.<sup>34</sup>

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<sup>30</sup> Section 14.

<sup>31</sup> R.C. 3313.46.

<sup>32</sup> R.C. 3313.603(C)(3).

<sup>33</sup> Section 12.

<sup>34</sup> R.C. 3310.03(I), not in the act.

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

### Correction of tax certifications for foundation funding

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

Within 30 days after receiving these corrected valuations, the Tax Commissioner must certify those valuations, aggregated by school district, to the Department of Education. The Department must then (1) beginning with FY 2016, use those valuations for purposes of calculating foundation funding and (2) make any adjustments to each school district's foundation funding payments necessary to reflect the corrected valuations.<sup>35</sup>

### Community schools

#### Membership of governing authorities

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

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<sup>35</sup> Section 10.

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

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

(3) Limits the definition of "immediate relatives" to include in-laws only if they are residing in the same household as the person serving on the governing authority, rather than all in-laws as under former law.

As under prior law, the limitations on membership do not apply if at least one year has elapsed since the person was a member of the governing authority.<sup>36</sup>

### **Admission preference to children of employees**

The act permits a community school to offer admission preference to the children of full-time staff members employed by the school, provided the total number of students receiving the preference is less than 5% of the school's total enrollment.<sup>37</sup>

### **Contracts for sheriff services**

The act permits a county sheriff to enter into contracts with a community school to perform any police function, exercise of any police power, or render any police service on behalf of the community school that the community school may perform, exercise, or render. Under continuing law, the sheriff may enter into these types of agreements with specified entities, including school districts.<sup>38</sup> (See also "**Sheriff services at private schools and higher education institutions**," below.)

### **Credit based on subject area competency**

The act delays the school year by which a community school must comply with the plan for awarding high school credit based on demonstration of subject area competency to the 2017-2018 school year, rather than the 2016-2017 school year as under

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<sup>36</sup> R.C. 3314.02(E).

<sup>37</sup> R.C. 3314.06(H).

<sup>38</sup> R.C. 311.29(A) and (B).

former law.<sup>39</sup> This revision conforms the Community School Law with the requirement for school districts.

### **Grades offered by STEM schools and STEM school equivalents**

The act expands the grade levels that STEM schools and STEM school equivalents may offer to any of grades K-12, rather than grades 6-12 as under former law.<sup>40</sup>

### **Performance audits of educational service centers**

The act provides express general authority to the Auditor of State to conduct performance audits of educational service centers (ESCs), on the Auditor's initiative.<sup>41</sup>

### **Operational study of all ESCs**

In an uncodified provision the act requires the Auditor of State to conduct a "comprehensive operational study" of all ESCs in the state, not later than three years after the act's effective date. The cost of the study must be paid by the ESCs in a manner agreed upon by the Auditor of State and the state association representing ESCs. The act caps the combined amount to be paid by all ESCs at \$375,000. The Auditor of State must pay for any costs that exceed that amount.<sup>42</sup>

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

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

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<sup>39</sup> R.C. 3314.03(A)(11)(f).

<sup>40</sup> R.C. 3326.03 and 3326.032.

<sup>41</sup> R.C. 3311.051.

<sup>42</sup> Section 11.

(7) The President and Minority Leader of the Senate.<sup>43</sup>

### **Use of report for funding determinations**

The act expressly permits the State Board to use the Auditor of State's comprehensive operational study report to formulate performance standards for ESCs and to determine what a "high-performing" ESC is for funding purposes.<sup>44</sup> Under the operating budget act for the 2015-2017 biennium, the Department of Education must pay \$2 more per student to high-performing ESCs for FY 2017. A "high-performing" ESC is one "that reduces client school district expenditures in 2016 through efficiencies attained by coordinating and consolidating services."<sup>45</sup>

### **Diplomas for home-schooled students**

Law continuing in part under the act requires a high school diploma issued by the parent of a home-schooled student to be accompanied by the official letter of excuse for the final year of home instruction issued by the superintendent of the student's resident district. Formerly, the diploma had to be accompanied either by the official letter (continuing under the act) or a certification signed by the district superintendent that the student and the student's parents have complied with state law regarding home instruction (removed by the act).<sup>46</sup>

### **State Seal of Biliteracy**

The act requires the State Board of Education to establish the "State Seal of Biliteracy," which may be attached or affixed to the transcripts of students who "demonstrate the attainment of a high level of proficiency . . . in one or more languages in addition to English, sufficient for meaningful use in college and a career" and who meet the criteria established by the State Board for earning the Seal. The Seal may be attached or affixed by a participating public or chartered nonpublic school.<sup>47</sup> It also may be assigned to a diploma issued to a home-schooled student by the student's parent.<sup>48</sup>

The act prohibits a district or school from being required to participate in assigning the State Seal of Biliteracy. However, if the school has a policy of participating

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<sup>43</sup> Section 11, second paragraph.

<sup>44</sup> Section 11, third paragraph.

<sup>45</sup> Section 263.390 of H.B. 64 of the 131st General Assembly, not affected by the act.

<sup>46</sup> R.C. 3313.6110(B).

<sup>47</sup> R.C. 3313.6111(A) and (B). Conforming change in R.C. 3313.618(B).

<sup>48</sup> R.C. 3313.6110(F).



in assigning the Seal, the school must make the designation on the transcript of a student who completes the requirements.

For purposes of assigning the Seal, the act defines "foreign language" as any language other than English, including modern languages, Latin, American Sign Language, Native American languages, and native languages.<sup>49</sup>

### **Maintenance of records**

Each district and school must identify students who have completed the requirements to earn a State Seal of Biliteracy. It appears that this requirement applies to all districts and schools regardless of whether they have a policy of participating in assigning the Seal.<sup>50</sup>

### **Fees**

The act prohibits a district or school from charging a fee for assigning a State Seal of Biliteracy on a student's transcript. However, it adds that a student may be required to pay a fee to demonstrate proficiency in a language, including the cost of a standardized test to determine proficiency.<sup>51</sup>

### **Duties of the State Board**

The act requires the State Board to do the following:

- (1) Establish the requirements and criteria for earning a State Seal of Biliteracy, including assessments of foreign language and English proficiency;
- (2) Direct the Department of Education to prepare and deliver to participating districts and schools an appropriate mechanism for assigning the Seal;
- (3) Direct the Department to provide any other information the State Board considers necessary for districts and schools to participate in assigning the Seal; and
- (4) Adopt rules to implement the act's provisions.<sup>52</sup>

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<sup>49</sup> R.C. 3313.6111(E).

<sup>50</sup> R.C. 3313.6111(B)(2).

<sup>51</sup> R.C. 3313.6111(D).

<sup>52</sup> R.C. 3313.6111(C).

## **Joint vocational school district board membership**

### **Qualification of JVSD board members**

The act changes the qualifications of joint vocational school district (JVSD) board members by:

(1) Requiring that a JVSD board member be either (a) a current elected board member of a school district that is part of the JVSD or (b) an individual who has experience or knowledge regarding the labor needs of the state and region.

(2) Removing requirements that JVSD board members must (a) have specified professional qualifications and (b) be selected based upon the diversity of employers in the JVSD's geographical region.

(3) Removing a requirement that at least  $\frac{3}{5}$  of the total number of a JVSD's board members reside in, or be employed within, the JVSD territory.<sup>53</sup>

### **Terms of office**

The act also changes the terms for JVSD board members by:

(1) Removing the term limit of two consecutive terms. However, the length of term (three years) remains unchanged.<sup>54</sup>

(2) Permitting all JVSDs (rather than only JVSDs with more than 30 board members, as under former law) to submit an application to the Superintendent of Public Instruction to stagger its members' term of office. Under continuing law, applications may be submitted only once.<sup>55</sup>

## **Nonpublic student participation in district interscholastic activities**

The act permits a student who is enrolled in a nonpublic school to participate in interscholastic athletics or interscholastic contests or competition in music, drama, or forensics, at the school district in which the student's nonpublic school is located, so long as:

(1) The student's nonpublic school does not offer the activity in which the student wishes to participate.

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<sup>53</sup> R.C. 3311.19(B) and (C).

<sup>54</sup> R.C. 3311.19(B).

<sup>55</sup> R.C. 3311.191(B).



(2) The superintendent of the student's resident district and the superintendent of the nonresident district mutually agree, in writing, to allow the student to participate in that activity.

(3) The student chooses to participate at either the resident district or the district in which the nonpublic school is located. The student cannot participate at both districts in the same school year.

(4) The superintendent of the resident district certifies that the student has not participated at that district during the school year. If the student has participated at the resident district, the student is ineligible to participate at the nonresident district for that school year.<sup>56</sup>

Under continuing law, students must be of the appropriate age and grade level and fulfill the same academic, nonacademic, and financial requirements as any other participant. Law unaffected by the act already entitles a nonpublic school student to participate in any activity, including interscholastic athletics and contests, at the student's resident district, if the nonpublic school does not offer the activity.<sup>57</sup>

### **Participation in interscholastic athletics by CCP students**

The act prohibits a student who is enrolled in a public or nonpublic school from being denied the opportunity to participate in interscholastic athletics offered by that school solely because the student is participating or has participated in the College Credit Plus (CCP) program. Additionally, it prohibits a CCP student from being denied the opportunity to participate in interscholastic athletics offered by the district school to which the student would have been assigned (if the student is enrolled in a community school, STEM school, or nonpublic school or is home-instructed), provided the student fulfills the same stipulations and requirements as any other participant that are not related to the CCP program.<sup>58</sup>

### **Information on advanced standing programs**

The act expands the grade levels (from grades 8 through 11, as under former law, to grades 6 through 11) for which each public and chartered nonpublic school must provide information to students about the advanced standing programs offered by that school. Advanced standing programs include the College Credit Plus (CCP) program,

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<sup>56</sup> R.C. 3313.5311(C).

<sup>57</sup> R.C. 3313.5311(B) and (D).

<sup>58</sup> R.C. 3313.5314. Also see R.C. Chapter 3365., not in the act.



Advanced Placement (AP) courses, International Baccalaureate (IB) diploma courses, and Early College High School (ECHS) programs.<sup>59</sup>

### **Bright New Leaders for Ohio Schools Program**

The act codifies a provision of law, which was originally enacted in 2013 as uncodified law, with regard to the Bright New Leaders for Ohio Schools Program. That program provides an alternative path for individuals to receive training, earn degrees, and obtain licenses in public school administration. It also changes the name of the nonprofit corporation responsible for implementing the program to "Bright New Leaders for Ohio Schools," rather than "New Leaders for Ohio Schools," as under former law. Additionally, it adds two members to the corporation's Board of Directors, both of whom must represent major business interests in Ohio.<sup>60</sup>

### **Report on extracurricular activities**

Under continuing law, the State Board of Education is required to adopt several measures to be reported for each district and each building in a district (as well as each community school, STEM school, and college-preparatory boarding school), which are reported separately from those included on the district's or school's report card. The act removes, as one of these measures, the amount of extracurricular services offered to students at the district or school.<sup>61</sup>

### **Online lessons and blizzard bags**

The act authorizes school districts and schools to independently adopt a policy to make up calamity hours with either online lessons or paper "blizzard bags." Previously, districts and schools were required to submit the calamity plan to the Department of Education and receive approval for the plan.

Under continuing law, a district or school may make up no more than the equivalent of three school days in this manner.<sup>62</sup>

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<sup>59</sup> R.C. 3313.6013(A) and (C).

<sup>60</sup> Section 733.40 of H.B. 59 of the 130th General Assembly, as amended by H.B. 64 of the 131st General Assembly, which is codified as R.C. 3319.271 in Sections 3 and 4 of the act. Also, as a conforming change, former R.C. 3319.271 is renumbered as R.C. 3319.272 in Section 1 of the act.

<sup>61</sup> R.C. 3302.034(A)(8).

<sup>62</sup> R.C. 3313.482.



## Sheriff services at private schools and higher education institutions

The act permits a county sheriff to enter into contracts with both:

- (1) Chartered nonpublic schools located in the sheriff's territorial jurisdiction, for the purpose of providing "community preventive education programs,"<sup>63</sup> such as DARE and other educational programs about the dangers of drugs of abuse; and
- (2) Private institutions of higher education located in the sheriff's territorial jurisdiction, for the purpose of providing police services.

A sheriff, under these contracts, may perform any police function, exercise of any police power, or render any police service upon the grounds of the chartered nonpublic school or private institution of higher education that the sheriff is authorized by law to perform, exercise, or render in any other part of the county within the sheriff's territorial jurisdiction.<sup>64</sup>

## Workforce Grant Program

The act revises the Workforce Grant Program to require public and private institutions to award grants to eligible students, rather than requiring the Chancellor to award those grants directly to eligible students as under prior law.<sup>65</sup> For purposes of the Program, "public and private institutions" are (1) state institutions of higher education, (2) private nonprofit colleges and universities, and (3) Ohio Technical Centers that provide adult technical education services as recognized by the Chancellor.<sup>66</sup>

H.B. 384 of the 131st General Assembly also made changes regarding the awarding of grants under the Program. These changes are similar but not identical to the changes made by this act.

### Background

The Workforce Grant Program awards grants to students enrolled in public or private institutions who pursue a degree, certification, or license that is required to become employed in an in-demand job.<sup>67</sup> Grants are awarded to an eligible student for

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<sup>63</sup> R.C. 2981.13, not in the act.

<sup>64</sup> R.C. 311.29(F).

<sup>65</sup> R.C. 3333.93(B) and Section 7; Section 369.473 of H.B. 64 of the 131st General Assembly, as amended in Sections 5 and 6 of the act.

<sup>66</sup> R.C. 3333.93(A)(3).

<sup>67</sup> R.C. 3333.93(A)(1) and (4).



the period of time the student takes to complete the qualifying degree, certification, or license. The annual maximum award available to each student is \$5,000, but the grant also cannot exceed 75% of the cost of tuition during an academic year.<sup>68</sup> The Program ends on December 31, 2019.<sup>69</sup>

## **TAX PROVISIONS**

### **Arena property tax exemption**

The act authorizes a property tax exemption for an arena that is owned by the Convention Facilities Authority of a county with a population of more than one million people and that is leased to a private enterprise. Continuing law exempts property owned by any Convention Facilities Authority from taxation unless the property is leased to, or used exclusively by, a private enterprise.<sup>70</sup> There are several exceptions to this rule for certain arenas and convention centers. The act creates an additional exception for an arena owned by the qualifying Authority – under the act the arena may be leased to, or operated and managed by, a private enterprise and still qualify for exemption which, in effect, would exempt Nationwide Arena in Franklin County.<sup>71</sup>

The exemption applies to tax year 2016 and every tax year thereafter. Applications for exemption are generally due by December 31 of the year for which the exemption is sought. The act extends this deadline for the Convention Facilities Authority seeking the new exemption to the 31st day following the act's effective date.<sup>72</sup>

### **Property tax ballot error correction**

The act validates a property tax levy that was approved by the electors of a political subdivision for a number of years in excess of that permitted by law. The duration of the levy must be reduced to the maximum number of years authorized at the time of the election under the applicable Revised Code section (R.C. 5705.19 through 5705.215). The act specifies that the levy may be renewed or replaced in the same manner as would have been permissible had the levy been originally approved for an appropriate number of years.<sup>73</sup>

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<sup>68</sup> R.C. 3333.93(C).

<sup>69</sup> Section 125.10 of H.B. 340 of the 131st General Assembly, not in the act.

<sup>70</sup> R.C. 351.12, not in the act.

<sup>71</sup> R.C. 5709.084.

<sup>72</sup> Section 8. See R.C. 5715.27, not in the act.

<sup>73</sup> Section 9.



## INSURANCE POOLS

### State university or college joint self-insurance pools

#### Overview

The act allows the board of trustees of a state university or college to participate in a joint self-insurance pool with other state universities or colleges as a means of providing insurance coverage for the institution, its employees, and other authorized personnel. Continuing law permits the board of trustees to provide insurance coverage through any of the following:

- Liability insurance purchased from a licensed insurer;
- Participation in a self-insurance program;
- Participation in a licensed captive insurance company (an insurance company that insures only the risks of its parent or affiliated companies).<sup>74</sup>

#### Participation in a joint self-insurance pool

The act permits a board of trustees to participate in a joint self-insurance pool regardless of whether the university or college secures insurance through one of the other permitted sources.<sup>75</sup> The joint self-insurance pool must be pursuant to a written agreement and to the extent that the board considers the pool to be necessary. The joint self-insurance pool must both:

- Provide for claims expenses that arise from an act or omission of the state university or college, its employees, or any other persons authorized by the board while (1) acting in the scope of their official duties or (2) engaging in activities undertaken at the request of the state university or college; and
- Indemnify or hold harmless the employees against the loss or damage.<sup>76</sup>

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<sup>74</sup> R.C. 3345.202 and R.C. 3964.01, not in the act.

<sup>75</sup> R.C. 3345.202(B)(4) and 3345.203(B).

<sup>76</sup> R.C. 3345.203(B).



### **Joint self-insurance pool not an insurance company**

The act specifies that a joint self-insurance pool is not an insurance company and it is not subject to Ohio's Insurance Law. Furthermore, the act does not affect the ability of a state university or college to self-insure under any other authority of law.<sup>77</sup>

### **Joint self-insurance pools not subject to public records requirements**

Additionally, the act exempts joint self-insurance pools from certain public records requirements. Continuing law requires nonprofit organizations entering into contracts with the federal or state government, or a unit of state government, to keep accurate and complete financial records of any moneys spent in relation to the contract. Those records are public records for purposes of Ohio's Public Records Law. The act exempts from this requirement the records of joint self-insurance pools.<sup>78</sup>

### **Property or casualty insurance**

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

- Public general liability, professional liability, or employee liability;
- Individual or fleet motor vehicle or automobile liability and protection against other loss associated with motor vehicles;
- Aircraft liability and protection against other loss associated with the use of aircraft;
- Loss or damage to property by force majeure;
- Marine, inland transportation and navigation, boiler, containers, pipes, engines, flywheels, elevators, and machinery;
- Environmental impairment;
- Loss or damage by any other risk to which state universities or colleges are subject.<sup>79</sup>

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<sup>77</sup> R.C. 3345.203(G)(2) and (I).

<sup>78</sup> R.C. 149.431 and 3345.203(C)(1).

<sup>79</sup> R.C. 3345.203(G)(1).



## **Joint risk-management program**

Two or more state universities or colleges may establish a joint risk-management program to reduce the risks covered by insurance, self-insurance, or joint self-insurance programs. The joint risk-management program cannot include fidelity, surety, or guaranty coverage, however.<sup>80</sup>

## **Pool may issue obligations and notes**

The act permits a state university or college to issue obligation bonds and notes to pay for both of the following:

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

The continuing requirements pertaining to state university obligations private sector bond financing apply to such bonds or notes.<sup>81</sup>

## **Allocation of pool costs among members**

A joint self-insurance pool may allocate the costs of funding the pool among its members on the basis of the member's relative exposure and loss experience. It can also require any deductible under the program to be paid from funds or accounts in the treasury of the state university or college from which a loss was directly attributable.<sup>82</sup>

## **Pool administrator**

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

The act prohibits the board from entering into a contract with a pool administrator without prior public disclosure of all contract terms and conditions. The disclosure must include a statement listing all representations made in connection with

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<sup>80</sup> R.C. 3345.203(D).

<sup>81</sup> R.C. 3345.203(F) and R.C. 9.98 to 9.983 and 3345.12, not in the act.

<sup>82</sup> R.C. 3345.203(C)(4).



any possible savings and losses resulting from the contract, and potential liability of any state university or college or employee. In addition, the proposed contract and disclosure statement must be presented at a meeting of the board of trustees prior to the meeting when the board authorizes the contract.<sup>83</sup>

### **Report on reserved and disbursed funds**

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

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

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

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

The report is in lieu of the records requirements under Ohio's Public Records Law.<sup>84</sup>

Additionally, in order to comply with these reporting requirements, a self-insurance pool must contract with a member of the American Academy of Actuaries to prepare the written evaluation of the pool's reserve funds.<sup>85</sup>

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<sup>83</sup> R.C. 3345.203(C)(2).

<sup>84</sup> R.C. 3345.203(C)(1).

<sup>85</sup> R.C. 3345.203(C)(3).



## **Liability of a university under a joint self-insurance pool**

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

A joint self-insurance pool is a separate legal entity for the public purpose of enabling pool members to obtain insurance or to provide for a formalized, jointly administered self-insurance fund. An entity created pursuant to the act is exempt from all state and local taxes.<sup>86</sup>

## **Civil action against a state officer or employee**

The Court of Claims Law generally waives the state's sovereign immunity and permits the state to be sued, subject to certain limitations, in the Court of Claims.<sup>87</sup> The act establishes civil immunities and defenses with respect to individuals involved in administering a joint self-insurance pool. While in the course of administering a joint self-insurance pool, for purposes of the Court of Claims Law, the pool administrator and any of its employees are:

- An instrumentality of the state;
- Performing a public duty; and
- Able to use the available defenses to, and immunities from, civil liability.<sup>88</sup>

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

- Any claims or litigation relating to the administration of a joint self-insurance pool, including any immunities or defenses;
- Any claims relating to the scope of or denial of coverage under that pool or its administration.<sup>89</sup>

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<sup>86</sup> R.C. 3345.203(E).

<sup>87</sup> R.C. 2743.02, not in the act.

<sup>88</sup> R.C. 3345.203(K)(2).

<sup>89</sup> R.C. 3345.203(K)(1).





Participation in a joint self-insurance pool does not constitute a waiver of any immunity or defense available to the member state university or college or to any covered entity.<sup>90</sup>

### **Public Employee Ethics Laws**

Likewise, the act exempts employees of state universities or colleges who are involved in administering a joint self-insurance pool from the application of certain Ohio Ethics Law provisions. Under the act, a public official or employee of a state university or college who is or becomes a member of the governing body of a self-insurance pool does not violate any of the following Ohio Ethics Law provisions because of the institution participating in the pool:

- The prohibition against a public official or employee soliciting, or using his or her authority or influence to secure, anything of value that would constitute a substantial and improper influence;
- The prohibition against an elected or appointed official accepting outside compensation for any service the official rendered personally in any matter before the employing agency;
- The prohibition against a public official knowingly having an unlawful interest in a public contract.<sup>91</sup>

### **Political subdivision joint self-insurance pools**

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

These joint self-insurance programs must comply with certain reporting and records requirements. The pool administrator for the program must prepare a report on the aggregate amounts reserved and disbursed from program funds, within 90 days after the close of the program's fiscal year.

The act modifies these reporting requirements in the following ways:

- With respect to joint self-insurance health programs, removing the requirement that the accompanying financial statement be certified by an auditor;

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<sup>90</sup> R.C. 3345.203(J).

<sup>91</sup> R.C. 3345.203(H) and R.C. 102.03(D) and (E), 102.04(C), and 2921.42, not in the act.



- With respect to joint self-insurance liability programs, requiring the report to also be submitted to the State Auditor.<sup>92</sup>

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## HISTORY

ACTION	DATE
Introduced	02-02-15
Reported, S. Education	03-25-15
Passed Senate (24-9)	03-25-15
Reported, H. Education	12-07-16
Passed House (61-29)	12-08-16
Senate concurred in House amendments (22-8)	12-08-16

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<sup>92</sup> R.C. 9.833(C)(1) and 2744.081(A)(1).

