



Ohio Legislative Service Commission

Bill Analysis

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Sub. H.B. 2

131st General Assembly
(As Passed by the Senate)

Reps. Dovilla and Roegner, Brenner, Anielski, Blessing, Buchy, Burkley, Cupp, Dever, DeVitis, Duffey, Grossman, Hackett, Hagan, Hayes, Henne, Koehler, Kraus, Kunze, Manning, McClain, Pelanda, Perales, Romanchuk, Scherer, Slaby, R. Smith, Terhar, Thompson, Young, Rosenberger

Sens. Coley, Hite, Balderson, Burke, Eklund, Gardner, Jones, LaRose, Lehner, Manning, Obhof, Peterson, Sawyer, Thomas, Widener, Williams, Yuko

BILL SUMMARY

Limitations on switching sponsors

- Beginning December 31, 2015, prohibits certain low-performing community schools from entering into a contract with a new sponsor, unless a request to do so is approved by the Department of Education and the proposed sponsor is rated "effective" or higher.

Sponsor and governing authority contract

- Clarifies that each contract between a community school sponsor and governing authority must contain performance standards, including all applicable report card measures.
- Requires that each contract between a sponsor and a governing authority contain stipulations regarding facilities costs and financing, attendance policies and records, and loans from the school's operator.
- Requires a community school to file its policies and procedures for internal financial controls with the school's sponsor.

* This version corrects the description of plaintiffs who might owe attorney fees and costs to a community school sponsor for civil liability suits against the sponsor from which the sponsor is immune.

Governing authority members

- Prohibits an employee of a school district or educational service center (ESC) from serving on the governing authority of any community school sponsored by that district or service center.
- Prohibits a community school governing authority member from being a member of a school district board of education, and prohibits a district board member from being a governing authority member.
- Prohibits any person who would otherwise be subject to continuing law with respect to refusal, limitation, or revocation of a license to teach, if the person were a licensed educator, from serving as a member of a community school governing authority.
- Prohibits any person who has pleaded guilty to or been convicted of theft in office from serving as a member of a community school governing authority.
- Prohibits any person who has not submitted to a criminal records check from serving on the governing authority or engaging in the financial day-to-day management of the community school under contract with the governing authority.
- Requires each member of a community school governing authority to annually file a disclosure statement setting forth potential conflicts of interest.
- Limits the compensation for a governing authority member to \$125 per meeting and permits compensation for attendance at approved training programs.
- Requires each governing authority to adopt an annual budget by October 31 of each year, specifies the information that must be contained within that document, and prohibits the governing authority from delegating this duty.
- Requires each community school to post on its website the name of each member of the school's governing authority.
- Requires each community school to provide, upon request, the name and address of each governing authority member to the school's sponsor and the Department.
- Requires each community school sponsor to annually verify that a finding for recovery has not been issued against any governing authority member of that school, any individuals that propose to create a community school, the operator, or any employee of a community school.



Designated fiscal officer

- Requires that the designated fiscal officer of a community school be employed by or engaged under a contract with the governing authority of that community school.
- Authorizes a community school governing authority to waive the requirement described above, for one year at a time, so long as the school's sponsor approves the waiver.
- Specifies that, if a community school closes, the school's fiscal officer must deliver all financial and enrollment records to the school's sponsor within 30 days of the school's closure.
- Grants a community school sponsor the right of action against the school's fiscal officer to: (1) compel delivery of all financial and enrollment records of the school if the fiscal officer fails to provide the records in a timely manner and (2) seek recovery of funds owed through a finding of recovery against the fiscal officer.
- Requires the Auditor of State to require the fiscal officer to execute a bond conditioned on the faithful performance of all official duties.

Employment of independent attorney

- Requires the governing authority of a community school to employ an attorney, who must be independent from the school's sponsor or operator, for any services related to the negotiation of the school's contract with the sponsor or operator.
- Requires that each contract between a sponsor and governing authority contain a provision requiring that, if the governing authority contracts with an attorney, accountant, or entity specializing in audits, the attorney, accountant, or entity shall be independent from the operator with which the school has contracted.

Training on Public Records and Open Meetings Laws

- Requires the members of the governing authority of a community school, the school's designated fiscal officer, the chief administrative officer and other administrative employees of the school, and all individuals performing supervisory or administrative services for the school under a contract with the school's operator to complete annual training on the Public Records and Open Meetings Laws.



Sponsor oversight, monitoring, and technical assistance

- Specifies that a sponsor must provide monitoring, oversight, and technical assistance to each school that it sponsors and defines "monitoring, oversight, and technical assistance."
- Requires that payments made to a sponsor must only be used for duties of a sponsor under the Community School Law.
- Requires the Auditor of State to provide written notice to the sponsor regarding audits and requires that sponsor to maintain a presence at any and all meetings with the Auditor regardless of whether the sponsor has entered into an agreement with an operator to perform all or part of the sponsor's oversight duties.
- Requires that copies of financial and enrollment records be furnished on a monthly basis to the sponsor, members of the governing authority, and the designated fiscal officer.

Internet- or computer-based community schools (e-schools)

- Permits each e-school to provide its students with a location within a 50-mile radius of the student's residence at which the student may receive counseling, instructional coaching, and testing assistance.
- Requires each e-school to keep an accurate record of each individual student's participation in learning opportunities in each day and requires it to offer a student orientation course.
- Requires that if a student who attends an e-school is failing only one course, the school must notify the student's parent or guardian of record.
- Requires that if a student who attends an e-school is failing two or more courses the student's parents or guardians, the student's teachers, and the principal or lead teacher of the school must confer to evaluate the student's performance and specifies that the conference may take place via telephone or other electronic means.

Blended learning

- Requires that each contract between the sponsor and the governing authority of a community school that operates using the blended learning method to contain certain prescribed information surrounding the school's methods, attendance requirements, and measures of student progress.

Selling of goods and services by a sponsor

- Prohibits a sponsor from entering into any new or renewed contracts selling any goods or services to any community school it sponsors unless the sponsor sells those goods and services at no profit.

Termination and nonrenewal of sponsor contract

- Moves the deadline, from February 1, to December 1 prior to the year action will be taken, by which a sponsor that intends to terminate or to not renew the contract of a community school must notify the school in writing.
- Makes final the decision to terminate a contract due to poor academic performance, poor fiscal management, violation of law or contract, or other good cause by eliminating the current provision permitting that decision to be appealed.
- Prohibits a community school whose contract is terminated or not renewed for failure to meet student performance requirements or for failure to meet generally accepted standards of fiscal management from entering into a contract with any other sponsor.
- Specifies that nothing in the automatic closure provisions or other provisions of the Revised Code prohibits the sponsor of a community school from exercising its option not to renew a contract for any reason or from terminating a contract prior to its expiration for any reason permitted under continuing law.

Sponsor evaluation system

- Requires the Department to annually rate all sponsors based on compliance with all applicable laws and administrative rules and academic performance of students enrolled in community schools sponsored by the same entity.
- Requires the Department to rate every third year a sponsor's adherence to quality practices.
- Removes the requirement that compliance with applicable laws and rules, academic performance of students, and sponsor's adherence to quality practices be weighted equally and, instead, requires that both an annual overall rating and separate rating be given for each component.
- Specifies that if the Department determines the data submitted by a sponsor is insufficient to assess the annual academic performance component, the sponsor may not receive a rating of "exemplary" for that rating year.

"Exemplary" sponsors

- Provides for specified incentives for community sponsors based on their annual performance ratings.

"Ineffective" and "poor" sponsors

- Subjects a sponsor with an overall rating of "ineffective" to a one-year quality improvement plan.
- Establishes a new sponsor rating of "poor."
- Requires revocation of sponsorship authority of "poor" sponsors and requires the Office of School Sponsorship to assume sponsorship of those schools for a specified period of time.

Community school operators

- Requires all new and renewed contracts between a governing authority and an operator to include criteria for early termination, notification procedures, and a stipulation of facilities and property ownership.
- Requires the Department to maintain and publish an accurate record of the names and identifying information of all operators and requires each community school to post a copy of any relevant operator contract on its website.
- Requires the Department to annually develop and publish a report on operator performance for all operators of community schools in the state and requires the report to be made available on the Department's website.
- Eliminates a prescribed appeal procedure when the governing authority of a community school has notified the operator of its intent to terminate or not renew the operator's contract.
- Requires a management company (or operator) that receives more than 20% of the gross annual revenues of a community school to provide a detailed accounting including the nature and costs of the goods and services it provides to the school.

Community school mergers and consolidations

- Exempts a community school that merges or consolidates into a single public benefit corporation from the requirement to distribute assets as if it were a permanently closed community school provided that certain prescribed conditions are satisfied.



Closure of community schools that primarily serve students with disabilities

- Requires the State Board, by December 31, 2015, to make recommendations to the General Assembly and the Governor regarding performance standards for community schools in which a majority of the enrolled students are children with disabilities and the feasibility of removal of the exemption from permanent closure for such schools.

Children's residential centers

- Requires each community school to annually submit to the Department and Auditor of State a report of each instance under which a student who is enrolled in school resides in a children's residential center.

Conversion community school report card data

- Prohibits the Department of Education from combining data from any district sponsored dropout conversion community school and requires the Department to include as an addendum to the district's report card the ratings and performance measures of that community school.

Direct authorization of community schools

- Permits the Department of Education to establish a format and deadlines for application for direct authorization of community schools.
- Requires the State Board to adopt rules to establish the criteria, procedures, and deadlines for processing applications for direct authorization of community schools that are located in, or proposed to be located in, an alliance municipal school district.
- Eliminates the current provision requiring the Department to approve each application to establish a community school that satisfies the initial requirements of sponsorship and instead gives the Department discretion to approve a certain number of applications per year.
- Prohibits the Department of Education from approving a direct authorization application for a community school in, or proposed to be in, an alliance municipal district (Cleveland) from an applicant that does not comply with rules adopted by the State Board.

Department approval of sponsors

- Requires all new and renewed agreements between the Department and a sponsor to address the parameters under which the Department can intervene or revoke sponsorship authority and permits unilateral modification in instances of poor fiscal management and lack of academic progress.
- Modifies the time frames, extension periods, and renewal process for a sponsor's agreement with the Department of Education.
- Requires an entity that was already sponsoring community schools as part of the original community school project area (Lucas County and the University of Toledo Board of Trustees) to enter into a written agreement with the Department if that entity receives a sponsor rating below "effective" for two or more consecutive years.
- Requires an educational service center sponsoring a conversion school to be approved as a sponsor.

Civil immunity for sponsors, officials, and employees

- Expands the types of civil liability from which a sponsor or its officers, directors, or employees are exempt.
- Permits a sponsor who prevails in an action for a failure to meet contractual obligations (as described above) to recover reasonable attorney's fees and other expenses of litigation.

Department reporting requirements

- Requires the Department of Education to compile and publish a comprehensive list of documents that, among other things, identifies each community school that has closed during each year and the reason for the closure.

Requirements related to attendance

- Specifies that in the event a student withdraws from a school district after a complaint is filed to determine whether the student is a habitual or chronic truant, the school district must proceed with the complaint until the court has reached its determination and specifies that a determination that a student is a habitual or chronic truant must follow the child if the child later enrolls in a community school.



Committee on quality for dropout recovery schools

- Creates a committee to make recommendations to the General Assembly regarding the definition of "quality" for community schools that run a dropout recovery program and the efficacy of a completion or competency-based funding structure for those schools.

"Similar students" regression analysis measure

- Requires the Department to conduct a study to evaluate the validity and usefulness of using the "similar students measure," created by the California Charter Schools Association, to calculate student academic progress for each public school using a regression model to account for demographic differences.
- Beginning with the 2016-2017 school year, requires the Department to use that measure as the Department determines is appropriate.
- Requires the Department to make its determination in consultation with the State Board and House and Senate Education committees, determines appropriate.

Transportation payments

- Removes the requirement that a community school that enters into an agreement to transport students or accepts responsibility to do so must provide or arrange free transportation for its students who would otherwise be transported by their districts.
- Clarifies that payments for transporting students must be calculated on a "per rider basis."

Student enrollment status

- For purposes of the student counts used for school funding, permits (rather than requires as under current law) a student in any of grades 9-12 to be considered a full-time equivalent student if the student is enrolled in at least five units of instruction per year.

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CONTENT AND OPERATION

Background on community schools in general

Community schools (often called "charter schools") are public schools that operate independently from any school district under a contract with a sponsoring entity. A conversion community school, created by converting an existing school, may be located in and sponsored by any school district or educational service center in the state. On the other hand, a new "start-up" community school may be located only in a "challenged school district." A challenged school district is any of the following: (1) a "Big-Eight" school district (Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo, or Youngstown), (2) a poorly performing school district as determined by the school's performance index score, value-added progress dimension, or overall ratings on the state report card, or (3) a school district in the original community school pilot project area (Lucas County).¹

The sponsor of a start-up community school may be any of the following:

- (1) The school district in which the school is located;
- (2) A school district located in the same county as the district in which the school is located has a major portion of its territory;
- (3) A joint vocational school district serving the same county as the district in which the school is located has a major portion of its territory;
- (4) An educational service center;
- (5) The board of trustees of a state university (or the board's designee) under certain specified conditions;
- (6) A federally tax-exempt entity under certain specified conditions; or
- (7) The mayor of Columbus for new community schools in the Columbus City School District under specified conditions. However, it does not appear that those conditions have been triggered.²

¹ R.C. 3314.02(A)(3).

² R.C. 3314.02(C)(1)(a) through (g).



Governance

The term "governing authority" generally refers to a group of individuals selected by the proposing person or group to carry out and ensure the performance of school functions and the contract entered into with the sponsor of the community school. Under continuing law, each governing authority must consist of a board of not less than five individuals who each serve on no more than five community school boards at the same time.³

Operators

The term "operator" is defined by statutory law as either of the following:

- An individual or organization that manages the daily operations of a community school pursuant to a contract between the operator and the school's governing authority; or
- A nonprofit organization that provides programmatic oversight and support to a community school under a contract with the governing authority and that retains the right to terminate its affiliation with the school if the school fails to meet the organization's quality standards.⁴

Many community school governing authorities contract with an operator to run the day-to-day operations of the school. The school's contract with the operator is separate from the school's contract with the sponsor.

Limitations on switching sponsors

Under the bill, beginning December 31, 2015, any community school to which either of the following conditions applies may not enter into a contract with a new sponsor:

(1) The community school has received a grade of "D" or "F" for the performance index score and an overall grade of "D" or "F" for the value-added progress dimension or another measure of student academic progress if adopted by the State Board on the most recent state report card issued for the school.

(2) The community school primarily operates a dropout prevention and recovery program, and it has received a rating of "does not meet standards" for the annual

³ R.C. 3314.02(E).

⁴ R.C. 3314.02(A)(8).



student growth measure and combined graduation rates on the most recent state report card issued for the school.⁵

The bill permits a community school that would otherwise be prohibited from entering into a new sponsorship contract to submit a request to the Department of Education to enter into a contract with a sponsor rated "effective" or higher on its most recent evaluation, provided the school has not been granted a prior request to switch sponsors. If a request is made, the Department must conduct a public hearing on the matter and the school and proposed new sponsor must submit reasons why the request should be granted.⁶

Sponsor and governing authority contract

Each contract entered into between a sponsor and the governing authority must contain statutorily prescribed statements, descriptions, or assurances. The bill makes the following changes regarding what must be included in a contract:

(1) Clarifies that the performance standards the sponsor will use to evaluate the school must include all applicable state report card measures;⁷

(2) Requires an addendum to the contract that contains a detailed description of each facility used for instructional purposes, the annual costs associated with leasing each facility that are paid by or on behalf of the school, the annual mortgage principal and interest payments that are paid by the school, and the name of the lender or landlord identified as such, and the lender's or landlord's relationship to the operator, if any;⁸

(3) Removes the current requirement that the "location" of the facilities to be for the school used be included in the contract;⁹

(4) Requires that the school's attendance and participation policies and records will be available for public inspection;¹⁰

⁵ R.C. 3314.034(A).

⁶ R.C. 3314.034(B).

⁷ R.C. 3314.03(A)(4).

⁸ R.C. 3314.03(A)(9).

⁹ R.C. 3314.03(A)(9).

¹⁰ R.C. 3314.03(A)(27).

(5) Requires that all moneys the school's operator loans to the school, including facilities loans or cash flow assistance, must be accounted for, documented, and bear interest at a fair market rate;¹¹ and

(6) Requires inclusion of certain information about blended learning programs (see below).¹²

Internal financial controls

The bill requires that when a community school submits to the sponsor its comprehensive plan, as required by continuing law, the school also must submit copies of all policies and procedures regarding internal financial controls adopted by the governing authority.¹³

Governing authority members

In addition to the limitations on governing authority membership under the continuing law, the bill provides that no employee of a school district or educational service center (ESC) may serve on the governing authority of any community school sponsored by that district or ESC.¹⁴ The bill further prohibits a governing authority member from being a member of a school district board of education and, conversely, prohibits a district board member from being a governing authority member.¹⁵

The bill also prohibits the following from serving as a member of a community school governing authority: (1) a person who would otherwise be subject to refusal, limitation, or revocation of a license to teach, if the person were a licensed educator,¹⁶ (2) a person who has pleaded guilty to or been convicted of theft in office (or who has pleaded guilty or been convicted of a substantially similar offense in another state),¹⁷ and (3) a person who has not submitted to a criminal records check.¹⁸ The bill also prohibits any person who has not submitted to a criminal records check from engaging

¹¹ R.C. 3314.03(A)(29).

¹² R.C. 3314.03(A)(28).

¹³ R.C. 3314.03(B).

¹⁴ R.C. 3314.02(E)(6).

¹⁵ R.C. 3313.131 and 3314.02(E)(8).

¹⁶ R.C. 3314.02(E)(2)(a)(ii).

¹⁷ R.C. 3314.02(E)(2)(a)(iii).

¹⁸ R.C. 3314.02.(E)(2)(b).

in the financial day-to-day management of the community school under contract with the governing authority.

The bill also requires each governing authority member to file an annual disclosure of the names of immediate relatives or business associates employed by any of the following within the previous three years:

- (1) The sponsor or operator of the school;
- (2) A school district or ESC that has contracted with the school; or
- (3) A vendor that is or has engaged in business with the school.¹⁹

Compensation and approved training

The bill prohibits any member of the governing authority of a start-up community school from receiving more than \$125 per meeting of that governing authority, not to exceed \$5,000 total per year for all governing authorities upon which the member serves. Under current law, a member is limited to \$425 in compensation per meeting, with a \$5,000 cap. The bill extends to each member of the governing authority compensation for attendance at an approved training program, provided that compensation does not exceed \$60 per day for a program not more than three hours or \$125 a day for a program longer than three hours.²⁰ Continuing law contains a similar provision for school district board of education members and ESC board members, provided that a resolution of the board is passed.²¹

Annual budget requirement

Under the bill, the governing authority must adopt an annual budget for the community school by October 1 of each year. The following information must be included in each budget:²²

- Administrative costs for the community school as a whole;
- Instructional services costs for each category of service provided directly to students, compiled and reported in terms of average expenditure per pupil receiving the service;

¹⁹ R.C. 3314.02(E)(7).

²⁰ R.C. 3314.02(E)(5).

²¹ R.C. 3313.12, not in the bill.

²² R.C. 3314.032(C).



- The cost of instructional support services, such as services provided by a speech-language pathologist, classroom aide, multimedia aide, or librarian, provided directly to students;
- The cost of administrative support services, such as the cost of personnel that develop the curriculum and the cost of personnel supervising or coordinating the delivery of the instructional services;
- The cost of support or extracurricular services costs for services directly provided to students;
- The cost of services provided directly to students by a nonlicensed employee related to support or extracurricular services, such as janitorial services, cafeteria services, or services of a sports trainer; and
- The cost of administrative services related to support or extracurricular services, such as the cost of any licensed or unlicensed employees that develop, supervise, coordinate, or otherwise are involved in administering or aiding the delivery of services.

The bill permits the governing authority to consult with, but prohibits delegation to, any operator or other entity with which the governing authority contracts regarding the drafting and establishment of the annual budget.²³

Names and addresses of governing authority members

The bill requires each community school to post on its website the name of each member of the school's governing authority. It also requires each school to provide, upon request, the name and address of each governing authority member to the school's sponsor and the Department.²⁴

Verification of no finding for recovery

The bill requires each community school sponsor to annually verify that a finding for recovery has not been issued by the Auditor of State against any member of the governing authority of that community school any individual or individuals that propose to create a community school, the operator, or any employee of a community school.²⁵

²³ R.C. 3314.032(D).

²⁴ R.C. 3314.035.

²⁵ R.C. 3314.02(E)(2)(c).

Designated fiscal officer

Under continuing law, each community school must have a designated fiscal officer. The bill requires that fiscal officer to be employed by, or engaged under a contract with, the governing authority of the community school.²⁶

However, the bill also permits a governing authority to waive, for one year at a time, the bill's requirement that it is the party responsible to employ or contract with the fiscal officer. In order to waive that requirement, the governing authority must adopt a resolution for each year it wishes to waive the requirement, and the resolution must be approved by the school's sponsor. If the governing authority adopts such a resolution, the school's fiscal officer must annually meet with the governing authority to review the school's financial status. A copy of each resolution must be submitted by the governing authority to the Department. The bill explicitly states that such resolution *does not* waive the requirement for a community school to have a designated fiscal officer.²⁷

Delivery of financial and enrollment records

The bill specifies that, if a community school closes, the school's fiscal officer must deliver all financial and enrollment records to the school's sponsor within 30 days of the school's closure. If the fiscal officer fails to provide the records in a timely manner, or fails to faithfully perform any other duties, the bill grants the sponsor right of action against the fiscal officer to compel delivery of all financial and enrollment records of the school. The bill also permits the sponsor to seek recovery of any funds owed as a result of any finding of recovery by the Auditor of State against the fiscal officer.²⁸

Fiscal officer bond conditioned on faithful performance

The bill requires the Auditor of State to require that the fiscal officer of any community school, before performing duties as fiscal officer, execute a bond in an amount and with surety to be approved by the governing authority of the school, payable to the state, conditioned for the faithful performance of all official duties required of the fiscal officer.²⁹ Under current law, this provision is permissive.

²⁶ R.C. 3314.011(A).

²⁷ R.C. 3314.011(C).

²⁸ R.C. 3314.023.

²⁹ R.C. 3314.011(B).



Employment of independent attorney

The bill requires the governing authority of a community school to employ an attorney, who must be independent from the school's sponsor or operator, for any services related to the negotiation of the school's contract with the sponsor or the school's contract with the operator.³⁰

The bill further requires that each contract between the sponsor and a governing authority must contain a provision requiring that, if the governing authority contracts with an attorney, accountant, or entity specializing in audits, the attorney, accountant, or entity must be independent from the operator with which the school has contracted.³¹

Training on Public Records and Open Meetings Laws

The bill requires the following individuals to complete training on an annual basis on the Public Records and Open Meetings Laws, so that they may comply with those laws as required under continuing law:

- (1) The members of the governing authority of a community school;
- (2) The designated fiscal officer of the school;
- (3) The chief administrative officer and other administrative employees of the school;
- (4) All individuals performing supervisory or administrative services for the school under a contract with the operator of the school.³²

Sponsor oversight, monitoring, and technical assistance

Under the bill, a sponsor must provide monitoring, oversight, and technical assistance to each school that it sponsors. For purposes of this provision, "monitoring, oversight, and technical assistance" include the following:

- (1) Monitoring the community school's compliance with all laws applicable to the school and with the terms of the contract;
- (2) Monitoring and evaluating the academic and fiscal performance and the organization and operation of the community school on at least an annual basis;

³⁰ R.C. 3314.036.

³¹ R.C. 3314.03(A)(30).

³² R.C. 3314.037.

(3) Reporting on an annual basis the results of the sponsor evaluation to the Department and to the parents of students enrolled in the community school;

(4) Providing technical assistance to the community school in complying with laws applicable to the school and terms of the contract;

(5) Taking steps to intervene in the school's operation to correct problems in the school's overall performance, declaring the school to be on probationary status, suspending the operation of the school, or terminating the contract of the school as determined necessary by the sponsor;

(6) Having in place a plan of action to be undertaken in the event the community school experiences financial difficulties or closes prior to the end of a school year; and

(7) Other activities specifically designed to benefit the community school the entity sponsors.³³

The bill further requires that all payments made to a sponsor must only be used for duties of a sponsor under the Community School Law. Under continuing law, the total amount of such payments may not exceed 3% of the total amount of payments for operating expenses that the school receives from the state.³⁴

Communication with the Auditor of State

The bill requires the sponsor of a community school to communicate with the Auditor of State regarding an audit of the school or the condition of financial and enrollment records of the school. Additionally, the sponsor must maintain a presence at any and all meetings with the Auditor of State regardless of whether the sponsor has entered into an agreement with another entity to perform all or part of the sponsor's oversight duties.³⁵ The Auditor of State must provide written notice to the sponsor of a community school regarding any action taken against or upcoming audits of a community school, to assist the sponsor in complying with the new requirements.³⁶

Financial and enrollment records

Under continuing law, the sponsor of each community school must meet with the governing authority or treasurer of the school and review the financial and

³³ R.C. 3314.023(A) to (G).

³⁴ R.C. 3314.03(C).

³⁵ R.C. 3314.019.

³⁶ R.C. 117.105.

enrollment records at least once every month. The bill requires that copies of those records be furnished on a monthly basis to the sponsor, operator, each member of the governing authority, and the fiscal officer of the community school.³⁷

Internet- or computer-based community schools (e-schools)

Under continuing law, an "Internet- or computer-based community school" (e-school) is a school in which the enrolled students work primarily from their residences on assignments in nonclassroom-based learning opportunities provided via an Internet- or other computer-based instructional method that does not rely on regular classroom instruction or via comprehensive instructional methods that include Internet-based, other computer-based, and noncomputer-based learning opportunities unless a student receives career-technical education.³⁸ Also under continuing law, five new e-schools may open each year, subject to approval by the Superintendent of Public Instruction. The state Superintendent must approve applications from only applicants demonstrating experience and quality. The State Board of Education must prescribe measures to determine experience and quality, which must include: (1) the sponsor's experience with online schools, (2) the operator's experience with online schools, (3) the sponsor's and operator's previous record for student performance, (4) a preference for operators with previous experience in Ohio.³⁹

Under the bill, and notwithstanding any provision of law to the contrary, each e-school may provide its students with a location within a 50-mile radius of the student's residence at which the student may receive counseling, instructional coaching, and testing assistance.⁴⁰

The bill also requires each e-school to keep an accurate record of each individual student's participation in learning opportunities each day. That record must be kept in such a manner that the information contained within it can be easily submitted to the Department, upon request by the Department or the Auditor of State. Under continuing law, no e-school student may participate in more than ten hours of learning opportunities in any 24-hour period. If a student participates beyond this limit, the additional time does not count toward the annual minimum numbers of hours required to be provided to a student.⁴¹

³⁷ R.C. 3314.023.

³⁸ R.C. 3314.02(A)(7).

³⁹ R.C. 3314.013, not in the bill.

⁴⁰ R.C. 3314.251.

⁴¹ R.C. 3314.27.



Student orientation

The bill requires each e-school to offer a student orientation course, and to notify each student of that offering. The Department of Education must provide guidance to e-schools for developing and delivering the orientation course.⁴²

Failure of course; notification of parent or guardian

Under the bill, if a student who attends an e-school is failing only one course, the school must notify the student's parent or guardian of record. In the event an e-school student is failing two or more courses, the student's parents or guardians, the student's teachers, and the principal or lead teacher of the school must confer to evaluate the student's performance. That conference may take place via telephone or other electronic means.⁴³

Blended learning

The bill requires that each contract between a sponsor and a governing authority of a community school that operates using the blended learning method contain the following information:

- (1) An indication of what blended learning model or models will be used;
- (2) A description of how student instructional needs will be determined and documented;
- (3) The method to be used for determining competency, granting credit, and promoting students to a higher grade level;
- (4) The school's attendance requirements, including how the school will document participation in learning opportunities;
- (5) A statement describing how student progress will be monitored;
- (6) A statement describing how private student data will be protected; and
- (7) A description of the professional development activities that will be offered to teachers.

Separate continuing law defines "blended learning" as the delivery of instruction in a combination of time in a supervised physical location away from home and online

⁴² R.C. 3314.271.

⁴³ R.C. 3314.271(C).



delivery whereby the student has some element of control over time, place, path, or pace of learning.⁴⁴ Community schools, as well as school districts and other types of public and private schools, are specifically authorized by a separate continuing law to operate all or part of a school using a blended learning model. That statute also states that an Internet- or computer-based community school is not a "blended learning school."⁴⁵

Selling of goods or services by a sponsor

The bill prohibits the sponsor of a community school from selling any goods or services to that school unless the sponsor is the school district in which the community school is located and sells the goods or services at no profit to the sponsor. The sponsor is not required to comply with this requirement with respect to any contract involving the sale of goods or services entered into prior to the bill's effective date until the expiration of the contract.⁴⁶

Termination and nonrenewal of sponsor contract

The bill moves the deadline by which a sponsor who intends to terminate or take actions to not renew the contract of a community school must notify the school of the proposed action in writing from February 1 to December 1 prior to the year in which the sponsor intends to terminate or not renew.⁴⁷

The bill also makes final the decision to terminate a contract for failure to meet student performance, failure to meet generally accepted standards of fiscal management, violation of law or the contract, or other good cause by eliminating a provision permitting that decision to be appealed. Under current law, the notice must include detailed reasons for the proposed action, the effective date of the termination or nonrenewal, and a statement that the school may, within 14 days of receiving the notice, request an informal hearing before the sponsor. Not later than 14 days after an informal hearing, the sponsor is required to issue a written decision affirming or rescinding the decision to terminate or not renew. That decision may be appealed for final determination to the State Board.⁴⁸

⁴⁴ R.C. 3301.079(K)(1), not in the bill.

⁴⁵ R.C. 3302.41, not in the bill.

⁴⁶ R.C. 3314.46.

⁴⁷ R.C. 3314.07(B)(3).

⁴⁸ R.C. 3314.07(B)(4).

Furthermore, the bill prohibits any community school whose contract is terminated or not renewed for failure to meet student performance requirements or failure to meet generally accepted standards of fiscal management from entering into a new contract but removes the same prohibition for schools whose contracts are terminated for other reasons.⁴⁹ Under current law, any community school whose contract is terminated for failure to meet student performance, failure to meet generally accepted standards of fiscal management, violation of law or the contract, or other good cause may not enter into a contract with a new sponsor.

Automatic closure

The bill specifies that nothing in the automatic closure provisions or other provisions of the Revised Code prohibits the sponsor of a community school from exercising its option not to renew for any reason or from terminating a contract prior to its expiration for failure to meet student performance, failure to meet generally accepted standards of fiscal management, violation of law or the contract, or other good cause. In other words, a community school may not use as a defense to termination or nonrenewal of a contract the fact that the school has not met the criteria for automatic closure.⁵⁰

Continuing law provides for the permanent closure of a community school for persistent poor performance. The statutory closure requirements vary depending on the grades offered by the school and are based on a combination of the overall performance grade and other specific measures reported for a school on the annual state report card for two out of three consecutive years.

Sponsor evaluation system

Continuing law requires the Department of Education to develop and implement an evaluation system that rates each sponsor. Currently, under this system, each sponsor receives an annual "rating" based on a combination of three components. They are: (1) the academic performance of students enrolled in community schools that are sponsored by the entity, (2) the sponsor's adherence to quality practices, which must be specified by the Department, and (3) the sponsor's compliance with applicable laws and administrative rules as measured by standards adopted by rule of the State Board.⁵¹ Based on all three of those components, a sponsor is rated as "exemplary," "effective," or "ineffective." If a sponsor is rated "ineffective" it may not enter into contracts to sponsor

⁴⁹ R.C. 3314.07(B)(5).

⁵⁰ R.C. 3314.35(D) and 3314.351(E).

⁵¹ R.C. 3313.016(B)(1)(a) to (c).

additional schools until its rating improves.⁵² Each component must be weighted equally, except that entities sponsoring community schools for the first time may be assigned the rating of "emerging" for the first two consecutive years.

The bill makes the following modifications to the sponsor evaluation system:

- Requires the Department to annually rate all sponsors based on compliance with applicable laws and administrative rules and academic performance of students enrolled in community schools sponsored by the same entity.
- Requires the Department to rate every third year a sponsor's adherence to quality practices.
- Removes the requirement that each component be rated equally and instead requires the Department to give a separate rating for each component according to the established timeframe and also designate an overall rating of sponsors.
- Specifies that if the Department determines the data submitted by a sponsor is insufficient to assess the annual academic performance component, the sponsor may not receive a rating of "exemplary" for that rating year.
- Removes the provision that permits a sponsor to be rated "emerging" for the first two years the entity exists.
- Eliminates a historical reference that prohibited the Department from including adherence to quality practices in the sponsor evaluation system until the Department prescribed quality practices and developed an instrument to measure adherence to those practices.⁵³

"Exemplary" sponsors

The bill allows community school sponsors with "exemplary" ratings for two or more consecutive years to take advantage of specific incentives. Those incentives consist of the following:⁵⁴

⁵² R.C. 3314.016.

⁵³ R.C. 3314.016(B).

⁵⁴ R.C. 3314.016(B)(7)(a)(ii) to (vi).



(1) The ability to extend the term of the contract between the sponsor and the governing authority beyond the term described in the written agreement the sponsor has with the Department.

(2) An exemption from the preliminary agreement and contract adoption and execution deadline requirements. (A community school governing authority and school sponsor must adopt their contract by March 15 and must sign it by May 15 prior to the school year in which the school will open for operation.)

(3) An exemption from the automatic contract expiration requirement, should a new community school fail to open by September 30 of the calendar year in which the community school contract is executed.

(4) No limit on the number of community schools the entity may sponsor.

(5) No territorial restrictions on sponsorship.

The bill permits an entity to continue to sponsor any community schools with which it entered into agreements pursuant to the incentives described in (4) and (5) above, notwithstanding the fact that the entity later receives a lower overall rating.⁵⁵

Also, under the bill, "exemplary" sponsors who continue to meet the sponsor requirements under continuing law may renew the written agreement with the Department. However, the renewal may not exceed 12 years.⁵⁶

"Ineffective" sponsors

The bill prohibits a sponsor with an overall rating of "ineffective" from sponsoring any new or additional community schools. These sponsors are also subject to a one-year quality improvement plan based on correcting the deficiencies that led to the "ineffective" rating, with timelines and benchmarks that have been established by the Department.⁵⁷

"Poor" sponsors

The bill adds a rating of "poor" to the list of ratings the Department of Education must use to rate all sponsors.⁵⁸ Under the bill, any sponsor that receives an overall

⁵⁵ R.C. 3314.016(B)(7)(a).

⁵⁶ R.C. 3314.015(B)(1) and 3314.016(B)(7)(a)(i).

⁵⁷ R.C. 3314.016(B)(7)(b).

⁵⁸ R.C. 3314.016(B)(6).

rating of "poor" must have all sponsorship authority revoked subject to a hearing by an officer appointed by the Superintendent of Public Instruction.⁵⁹

The bill also provides that, in the event a sponsor's authority is revoked due to the sponsor receiving an overall rating of "poor," the Department must assume sponsorship of any of the sponsor's schools for the remainder of that school year. The Department may continue sponsorship until the earlier of the expiration of two school years from revocation or until a new sponsor is selected by the school's governing authority.⁶⁰ The bill also prescribes that the schools sponsored by the Department in this manner do not apply to the limit on the number of directly authorized community schools.

Community school operators

Operator contracts

The bill requires that, on or after the bill's effective date, any new or renewed contract between the governing authority of a community school and an operator to include at least the following:

- (1) Criteria to be used for early termination of the operator contract;
- (2) Required notification procedures and a timeline for early termination or nonrenewal of the operator contract;
- (3) A stipulation of which entity owns all community school facilities and property including, but not limited to, equipment, furniture, fixtures, instructional materials and supplies, computers, printers, and other digital devices purchased by the governing authority or operator.⁶¹

Current law does not provide any stipulations for operator contracts.

Record of names and identities of operators

Beginning December 31, 2015, the bill requires the Department to maintain and annually publish an accurate record of the names and identifying information of all entities that have entered into an operator contract with the governing authority of a community school. The bill also requires the Department to receive from the governing

⁵⁹ R.C. 3314.016(B)(7)(c).

⁶⁰ R.C. 3314.016(D).

⁶¹ R.C. 3314.032(A).

authority of each community school a copy of the operator contract and post a copy on its website.⁶²

Operator performance ratings

Under the bill, the Department of Education must develop and publish by July 1, 2016, a report on operator performance for all operators of community schools in the state, which must be made available on the Department's website. The Department must include this report in its annual report⁶³ on the effectiveness of academic programs, operations, and legal compliance and of the financial condition of all community schools and on the performance of community school sponsors.⁶⁴

Elimination of appeal procedures for termination of operator contract

The bill repeals a statute that prescribes an appeal procedure in cases in which the governing authority has notified the operator of its intent to terminate or not renew the operator's contract.⁶⁵

Under that procedure, the operator may appeal the decision to the school's sponsor, except that if the sponsor has sponsored the school for less than 12 months, the appeal must be made to the State Board. The sponsor or the State Board must determine whether the operator should continue to manage the school, taking into consideration whether the operator has managed the school in compliance with the law and the terms of the contract between the sponsor and the school and whether the school's progress in meeting the academic goals stated in that contract has been satisfactory. If the sponsor or State Board decides that the operator should continue to manage the school, the sponsor must remove the existing governing authority, and the operator must appoint a new one for the school.

Account of operator costs and services

The bill requires any management company (or operator) that receives more than 20% of the annual gross revenues of a community school to provide a detailed accounting including the nature and costs of goods and services it provides to the

⁶² R.C. 3314.031(A).

⁶³ See R.C. 3314.015(A)(4).

⁶⁴ R.C. 3314.031(B) and (C).

⁶⁵ Repealed R.C. 3314.026.



community school. The detailed accounting, under the bill, must be reported using the following categories of expenses:⁶⁶

- (1) Aggregate salaries and wages;
- (2) Aggregate employee benefits;
- (3) Professional and technical services;
- (4) Property services;
- (5) Utilities;
- (6) Contracted craft or trade services;
- (7) Tuition paid to other districts;
- (8) Transportation;
- (9) Other purchased services;
- (10) Supplies;
- (11) Land;
- (12) Buildings;
- (13) Improvements other than buildings;
- (14) Equipment;
- (15) All other capital outlay;
- (16) Principal;
- (17) Interest;
- (18) Judgments;
- (19) Other direct costs; and
- (20) Other miscellaneous expenses.

⁶⁶ R.C. 3314.024.



The expenses enumerated above must be disaggregated according to the following designations:⁶⁷

- (1) Regular instruction;
- (2) Special instruction;
- (3) Vocational instruction;
- (4) Other instruction;
- (5) Support services; and
- (6) Noninstructional activities.

Background on audits of sponsors and operators

Most entities eligible to sponsor community schools, such as school districts and educational service centers, are public offices and, therefore, are subject to the Public Audit Law (R.C. Chapter 117.). That law generally requires the Auditor of State to audit each public office at least once every two fiscal years. However, in some cases, the federal Single Audit Act mandates more frequent audits.⁶⁸

Currently, a *private* sponsor of a community school is not subject to the Public Audit Law. Private sponsors of community schools include federally tax-exempt entities and any designee of a state university board of trustees that is a private entity.

Similarly, with one limited exception, operators hired by community schools are not subject to public audit. Under the exception (under current law and amended by the bill), if an operator provides services to a community school totaling more than 20% of the school's annual gross revenues, the operator must provide the school with a detailed accounting of its services, including their nature and costs. That information must be included in the footnotes of the financial statements of the school and is subject to audit during the course of the school's regular financial audit by the Auditor of State.⁶⁹

Community school mergers and consolidation

Under the bill, a community school that merges or consolidates into a single public benefit corporation is exempt from the requirement to distribute assets as if it

⁶⁷ R.C. 3314.024(C).

⁶⁸ See 31 United States Code 7501-7507 and 29 Code of Federal Regulations 99.200.

⁶⁹ R.C. 3314.024.

were a permanently closed community school, provided that the governing authority of the community school created by the merger or consolidation enters into a sponsor contract with an entity rated as "effective" or higher.⁷⁰

Current law requires that when a school closes, its assets must be distributed first to the retirement funds of employees of the school, to employees of the school, and then to private creditors who are owed compensation. Any remaining funds must be paid to the Department for redistribution to the resident school districts of the students. Also, if a school received hardware or software from the former Ohio SchoolNet or the former eTech Ohio Commission, the hardware or software must be delivered to the Department, which must redistribute the hardware and software to school districts. Finally, if the school's assets are insufficient to pay the individuals or entities to which compensation is owed, the prioritization of the distribution of assets within each class of payees may be determined by court order in accordance with the Nonprofit Corporation Law.⁷¹

Closure of poor performing community schools that primarily serve students with disabilities

The bill requires the State Board to make recommendations by December 31, 2015, to the General Assembly and the Governor regarding (1) performance standards for community schools in which a majority of the enrolled students are children with disabilities receiving special education and related services and (2) the feasibility of eliminating the exemption from permanent closure for such schools.⁷²

Currently, most community schools are subject to permanent closure for persistent poor performance based on prescribed state report card criteria.⁷³ But community schools that primarily serve students with disabilities are exempt from those closure provisions.⁷⁴

Report of community school students in children's residential centers

The bill requires each community school to annually submit to the Department of Education and Auditor of State a report of each instance under which a student who is enrolled in that community school resides in a children's residential center. A

⁷⁰ R.C. 3314.074(D).

⁷¹ See R.C. Chapter 1702., not in the bill.

⁷² Section 3.

⁷³ R.C. 3314.35 and 3314.351.

⁷⁴ R.C. 3314.35(A)(4)(b).

children's residential center is a facility that is operated by a private child placing agency, private noncustodial agency, or public children services agency, that has been certified by the Department of Job and Family Services to operate a children's residential center, and in which 11 or more children, including the children of any staff residing at the facility, are given nonsecure care and supervision 24 hours a day.⁷⁵

Conversion school report card data

Current law permits the combining of state report card data for certain kinds of community schools with that of their sponsoring school districts. One such case is that of a conversion community school sponsored by a school district. However, that provision does not apply to conversion community schools that primarily enroll students between 16 and 22 years of age who dropped out of high school or are at risk of dropping out of high school due to poor attendance, disciplinary problems, or suspensions. The bill outright prohibits the Department from combining any data from any conversion community school that a district sponsors, if a majority of the students enrolled in a dropout prevention and recovery program. Instead, it requires the Department to include as an addendum to the school district's report card the ratings and performance measures of these schools.⁷⁶

Direct authorization of community schools

The bill revises the law regarding applications for direct authorization of community schools by the Department of Education. First, the bill permits the Department to establish a format and deadlines for direct authorization applications.⁷⁷ Second, the bill eliminates the current provision requiring the Department to approve each application to establish a community school unless within 30 days after receipt of the application, the Department determines the application does not satisfy the initial requirements of sponsorship. That provision is replaced with a two-step approval or rejection process by first reviewing each application and assigning it a rating and next, permitting the Department to approve up to 20 applications for community schools to be established or to continue operation each school year (only five of the 20 may be establishing new schools) taking into consideration standards of quality authorizing, capacity, financial constraints, or other reasons. Finally, under the bill, the Department

⁷⁵ R.C. 3314.038; see R.C. 5103.05(A)(1), not in the bill.

⁷⁶ R.C. 3302.03(I).

⁷⁷ R.C. 3314.029(A)(1).



must annually publish on its website the criteria it uses to approve or deny an application submitted pursuant to this provision.⁷⁸

Transformation alliance

The bill prohibits the Department from approving a direct authorization application for a community school in an alliance municipal school district from an applicant that does not comply with the rules adopted by the State Board.⁷⁹ (Currently, the only alliance municipal school district is the Cleveland Municipal School District). Under the bill, the State Board must adopt rules to establish the criteria, procedures, and deadlines for processing applications for direct authorization of community schools that are located in, or proposed to be located in, an alliance municipal school district. Those rules must require the Department to do the following:

(1) Determine if the applicant has requested and received a recommendation from the transformation alliance of the district, and

(2) Use established criteria for municipal districts to determine if it will directly authorize the community school.

Background on direct authorization

Under current law, the Department's Office of Ohio School Sponsorship is permitted to directly authorize the operation of a limited number of both new and existing community schools, rather than those schools being subject to the oversight of other public or private sponsors. The Office is also authorized to assume the sponsorship of a community school whose contract has been voided due to its sponsor being prohibited from sponsoring additional schools. Any individual, group, or entity may apply directly to the Department for authorization to establish a new community school. In addition, the governing authority of an existing community school may apply to the Department, upon the expiration or termination of the current contract with its sponsor, for direct authorization to continue operating the school.

Department approval of sponsors

Under the bill, all new and renewed agreements between the Department and a sponsor shall contain specific language addressing the parameters under which the Department can intervene and potentially revoke sponsorship authority in the event that the sponsor is unwilling or unable to fulfill its obligations. Furthermore, each

⁷⁸ R.C. 3314.029(B)(2).

⁷⁹ R.C. 3314.029(A)(5).



agreement must provide for an annual evaluation process and contain a clause permitting the Department to modify the agreement in the case of poor fiscal management and lack of academic progress.⁸⁰

The bill also decreases the initial term of a sponsor's agreement with the Department from seven years to five years and removes a provision permitting a continuous one-year extension for sponsors that are not in the lowest 20% of sponsors statewide or are rated as "exemplary" or "effective."⁸¹ Instead, the bill establishes a new renewal process, for a term of up to 12 years, based upon the academic performance of students enrolled in the sponsor's schools and the sponsor's adherence to quality practices.⁸²

Pilot project sponsors

The bill requires any entity that was already sponsoring community schools as of April 8, 2003, as part of the original community school project area (Lucas County and the University of Toledo Board of Trustees) to enter into a written agreement with the Department prior to entering into any further preliminary agreements or renewing any existing contract to sponsor a community school if that entity receives a sponsor rating below "effective" for two or more consecutive years.⁸³

Educational service centers

The bill requires any educational service center (ESC) that sponsors a conversion community school to be approved by and enter into an agreement with the Department under the same terms and conditions as other sponsors (effective September 29, 2015).⁸⁴ These same amendments were also enacted in H.B. 64 of the 131st General Assembly (effective September 29, 2015). Under prior law, an ESC was permitted to sponsor a conversion community school located within its service territory or in a contiguous county without approval from the Department and without entering into an agreement with the Department regarding the manner in which the ESC would conduct its sponsorship.

⁸⁰ R.C. 3314.015(B)(1).

⁸¹ R.C. 3314.015(B)(2).

⁸² R.C. 3314.015(B)(2)(a).

⁸³ R.C. 3314.021 and 3314.027.

⁸⁴ R.C. 3314.02(B)(2).

Civil immunity for sponsors, officials, and employees

The bill expands the types of civil liability from which a sponsor or its officers, directors, or employees are exempt, to include harm allegedly rising from failure of the community school to meet the obligations of any contract or other obligation entered into on behalf of the community school and another party. Continuing law already affords civil immunity for harm allegedly arising from failure of the school to perform any statutory or common law duty or other legal obligation and for an act or omission of the school or its officers, directors, or employees that results in harm.

The bill also permits a sponsor who prevails in an action for a failure to meet contractual obligations (as described above) to recover reasonable attorney's fees and other expenses of litigation to be paid jointly and severally by the governing authority of the community school or from any other plaintiff the court considers necessary and appropriate.⁸⁵

Department reporting requirements

The bill requires the Department of Education to compile and publish, for each year since the 2010-2011 school year, in a simple, easily accessible location on its website, the following:

(1) A single document identifying each community school that has closed during each year and the reason for the closure of each school;

(2) A single document for each entity that submitted an application to sponsor schools that contains the following:

- The entity's application and most recent evaluation;
- A designation of whether the entity's application was approved or denied;
- All documentation used in determining whether to approve or deny the entity's application;
- A short statement describing the rationale used in approving or denying the entity's application.

(3) A single document containing the following information:

- A list of all sponsor ratings for each school year for which ratings are available;

⁸⁵ R.C. 3314.07(E).

- A list of each sponsor that is prohibited, as of December 31 of each school year, from sponsoring new schools; and
- A list of each sponsor that sponsors or has sponsored a school that is or was subject to closure, and the reason for that closure.

The Department is required to update this document annually.⁸⁶

Requirements related to attendance

In the event that a child withdraws from a school district after a complaint has been filed to adjudicate that student as a habitual or chronic truant, the bill requires that the school district proceed with the complaint until the court has reached its determination. Additionally, the bill specifies that a designation by a court that a student is a habitual or chronic truant must follow the child if that child later enrolls in a community school.⁸⁷

Background

"Habitual truant" means any child of compulsory school age who is absent without legitimate excuse for absence from the public school the child is supposed to attend for five or more consecutive school days, seven or more school days in one school month, or 12 or more school days in a school year.⁸⁸ "Chronic truant" means any child of compulsory school age who is absent without legitimate excuse for absence from the public school the child is supposed to attend for seven or more consecutive school days, ten or more school days in one school month, or 15 or more school days in a school year.⁸⁹ Under continuing law, a child who is between 6 and 18 years old, or who is enrolled in kindergarten, is of "compulsory school age." The child's parent or guardian must ensure that the child attends a school that meets the minimum education standards established by the State Board.⁹⁰

Committee on quality for dropout recovery schools

The bill establishes a committee to make recommendations to the General Assembly regarding the definition of "quality" for dropout recovery community

⁸⁶ R.C. 3314.039.

⁸⁷ R.C. 3321.19.

⁸⁸ R.C. 2151.011(B)(19), not in the bill.

⁸⁹ R.C. 2152.02(D), not in the bill.

⁹⁰ R.C. 3321.01, not in the bill.

schools. The committee also must study the efficacy of a completion or competency-based funding structure for these schools. The committee must consist of the following members:

- (1) A business leader appointed by the Governor or the Governor's designee;
- (2) The president of a community college or the president's designee, appointed by the Governor or the Governor's designee;
- (3) The superintendent of a dropout recovery community school that received a rating of "meets standards" or "exceeds standards" on its most recent report card, appointed by the Governor or the Governor's designee;
- (4) The superintendent of a career-technical school appointed by the Speaker of the House of Representatives;
- (5) An individual representing the House of Representatives, appointed by the Speaker of the House;
- (6) An individual representing the Senate, appointed by the President of the Senate;
- (7) The president of a four-year university, or the president's designee, appointed by the President of the Senate;
- (8) A representative of the Board of Regents, appointed by the Chancellor of Higher Education;
- (9) A representative of the Department of Education, appointed by the Superintendent of Public Instruction; and
- (10) The Superintendent of a "Big Eight" school district as selected by the Ohio 8 Coalition.⁹¹

The bill requires that the committee, which serves under guidance of the Department of Education, prepare a report of its recommendations and submit the report to the chairpersons of the House and Senate Education committees, not later than six months after the effective date of the bill.⁹²

⁹¹ Section 4.

⁹² Section 4.

"Similar students" regression analysis measure

The bill requires the Department of Education, in the 2015-2016 school year, to conduct a study to evaluate the validity and usefulness of using the "similar students measure," as created by the California Charter Schools Association, to calculate student academic progress, using a regression model to take into account demographic differences, for each public school. Under the bill, the Department must prepare and submit reports regarding its findings as the State Board or General Assembly requests.

Beginning with the 2016-2017 school year, the Department must use the "similar students measure" to produce a measure of student academic progress as the Department, in consultation with the State Board and House and Senate Education committees determines appropriate.

For purposes of this provision, "public school" means a school operated by a school district, a community school (other than dropout recovery community schools), a STEM school, and a college-preparatory boarding school.⁹³

Transportation payments to community schools

The bill removes a requirement that a community school governing authority that enters into an agreement to transport students or accepts responsibility to transport students must provide or arrange transportation free of charge for each of its enrolled students who would otherwise be transported by the students' school districts under those districts' transportation policies. However, the bill retains this requirement for the enrolled students who are required to be transported under continuing law.

The bill also clarifies that payments made to a community school for transporting students must be calculated "on a per rider basis."

These same amendments were also enacted in H.B. 64 of the 131st General Assembly (effective September 29, 2015).

Student enrollment status

For purposes of the student counts used for school funding, the bill permits (rather than requires as under current law) a student in any of grades 9-12 to be considered a full-time equivalent student if the student is enrolled in at least five units of instruction per year.⁹⁴

⁹³ R.C. 3314.037.

⁹⁴ R.C. 3317.034.



HISTORY

ACTION	DATE
Introduced	01-28-15
Reported, H. Education	03-25-15
Passed House (70-25)	03-26-15
Reported, S. Education	06-25-15
Passed Senate (31-0)	06-25-15

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